

SAN GABRIEL VALLEY WATER COMPANY

December 17, 2018

Advice Letter 534

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel") hereby requests ministerial review of the following changes in tariff sheets applicable to its Los Angeles County and Fontana Water Company divisions:

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
2907-W	General Metered Service	LA-1	2859-W
2908-W	General Metered Service (continued)	LA-1	2884-W
2909-W	General Metered Service - Conservation Rates	LA-1C	2885-W
2910-W	Private Fire Service	LA-4	2821-W
2911-W	Recycled Water Metered Service	LA-6	2861-W
2912-W	Recycled Water Metered Service (continued)	LA-6	2823-W
2913-W	General Metered Service	FO-1	2894-W
2914-W	General Metered Service (continued)	FO-1	2895-W
2915-W	General Metered Service - Conservation Rates	FO-1C	2896-W
2916-W	Private Fire Service	FO-4	2897-W
2917-W	Recycled Water Metered Service	FO-6	2898-W
2918-W	Recycled Water Metered Service (continued)	FO-6	2899-W
2919-W	Preliminary Statement Paragraph H1	N/A	2862-W
2920-W	Preliminary Statement Paragraph H2	N/A	2900-W
2921-W	Table of Contents (continued)	N/A	2888-W
2922-W	Table of Contents	N/A	2901-W

In accordance with Decision No. ("D.")18-12-002 dated December 13, 2018, San Gabriel submits this advice letter to implement rates reflecting the revised cost of capital, resulting in an overall \$800,000 or 1.1% reduction in revenue requirement for the Los Angeles County Division and an overall \$750,000 or 1.1% reduction in revenue requirement for the Fontana Water Company Division. This advice letter is submitted in accordance with General Order No. 96-B. **San Gabriel designates this advice letter as Tier 1** and requests an effective date for the proposed rates of January 1, 2019.

Background

The present rates became effective on October 1, 2018 through Advice Letter 507-A in the Los Angeles County Division and through Advice Letter 532 in the Fontana Water Company Division. On November 29, 2018, the Commission issued D.18-12-002 in Application 18-05-001 et al., in which Ordering Paragraph No. 3 states:

3. *The effective date for the costs of capital approved in this decision shall be January 1, 2019, for all five companies.*

Paragraph 4.4 of the settlement agreement adopted by the decision shows the following adopted cost of capital for San Gabriel:

	<u>Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
Debt	35.54%	6.17%	2.19%
Equity	<u>64.46%</u>	9.20%	<u>5.93%</u>
Total	100.00%		8.12%

Workpapers supporting the proposed revenue requirement and rates have been provided to the Water Division for its review and approval.

For the Los Angeles County Division, these workpapers show an adopted revenue requirement with the previously authorized 8.49% return on rate base for Escalation Year 2018-2019 of \$73,409,600. The 8.12% return on rate base adopted in D.18-12-002 results in a proposed revenue requirement of \$72,609,600, a reduction of \$800,000 or 1.1%. For the Fontana Water Company Division, these workpapers show an adopted revenue requirement with the previously authorized 8.49% return on rate base for Escalation Year 2018-2019 of \$70,361,500. The 8.12% return on rate base adopted in D.18-12-002 results in a revenue requirement of \$69,611,500, a reduction of \$750,000 or 1.1%.

For the Los Angeles County Division, the monthly bill under the proposed rates for a typical non-CARW Residential customer on Schedule No. LA-1C, with a 5/8"x3/4" meter and using 12 Ccf, will be reduced from \$61.50 to \$60.76, a reduction of \$0.74 or 1.2%. For the Fontana Water Company Division, the monthly bill under the proposed rates for a typical non-CARW Residential customer on Schedule No. FO-1C, with a 5/8"x3/4" meter and using 14 Ccf, will be reduced from \$62.17 to \$61.50, a reduction of \$0.67 or 1.1%.

Notice of Rate Change

San Gabriel has previously notified its customers of the proposed rate changes. No other parties have requested notification of tariff filings related to the Los Angeles County or Fontana Water Company divisions.

In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will post this advice letter to its websites www.sgvwater.com and www.fontanawater.com. Finally, distribution of this advice letter is being made to the attached service lists in accordance with Water Industry Rule 4.1 of General Order No. 96-B.

Protest and Responses

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) San Gabriel did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which San Gabriel relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
e-mail: water_division@cpuc.ca.gov

December 17, 2018

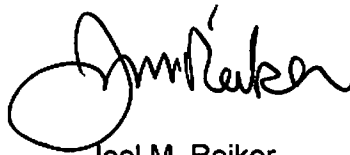
On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to San Gabriel addressed as follows:

San Gabriel Valley Water Company
Vice President of Regulatory Affairs
11142 Garvey Avenue
El Monte, CA 91733
FAX: (626)448-5530 or
e-mail: jmreiker@sqvwater.com

The advice letter process does not provide for any responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period.

Replies: San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Water Division within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact me at (626) 448-6183.



Joel M. Reiker
Vice President of Regulatory Affairs

cc: James Boothe, CPUC – Water Division
Victor Chan, CPUC – Water Branch, Cal PA
Richard Smith, CPUC – Water Branch, Cal PA

SCHEDULE NO. LA-1
Los Angeles County Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service, except for those Residential customers required to be served under Schedule LA-1C.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft..... \$ 3.3648 (R)

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 22.00	
For 3/4-inch meter	33.00	
For 1-inch meter	55.01	
For 1-1/2-inch meter.....	110.02	
For 2-inch meter	176.06	
For 3-inch meter	330.05	
For 4-inch meter	550.15	
For 6-inch meter	1,100.00	
For 8-inch meter	1,760.00	
For 10-inch meter	2,530.00	
For 12-inch meter	3,630.00	
For 14-inch meter	4,850.00	(R)

(continued)

(To be inserted by utility)
Advice Letter No. 534
Decision No. D.18-12-002

Issued by
R. W. Nicholson
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

SCHEDULE NO. LA-1
Los Angeles County Tariff Area
GENERAL METERED SERVICE
(continued)

<u>RATES</u> (continued)	<u>Per Battery</u> <u>Per Month</u>	
For two 2-inch meters.....	\$ 352.00	(R)
For three 2-inch meters.....	528.00	
For four 2-inch meters.....	704.00	
For two 3-inch meters.....	660.00	
For three 3-inch meters.....	991.00	
For two 4-inch meters.....	1,100.00	
For three 4-inch meters.....	1,648.00	
For one 8-inch meter, one 2-inch meter.....	1,932.00	(R)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2128/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.
3. A surcharge of \$0.1473 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net under-collection in the Los Angeles Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

(To be inserted by utility)
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SCHEDULE NO. LA-1C
Los Angeles County Tariff Area
GENERAL METERED SERVICE - CONSERVATION RATES

APPLICABILITY

Applicable to all metered Residential customers, excluding apartments, trailer parks, and any other facility in which Residential customers receive service through a master meter.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATES

Quantity Rates:

For the first 13 Ccf of water used, per 100 cu. ft.	\$ 3.2296	(R)
For all Ccf greater than 13 Ccf, per 100 Cu. Ft.	\$ 3.6802	

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 22.00	
For 3/4-inch meter	33.00	
For 1-inch meter.....	55.01	
For 1-1/2-inch meter	110.02	
For 2-inch meter.....	176.06	
For 3-inch meter.....	330.05	(R)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2128/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program.
3. A surcharge of \$0.1473 per Ccf is to be applied to the quantity rates for twenty-four months beginning October 1, 2018 to amortize the net under-collection in the Los Angeles Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

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NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. LA-4
Los Angeles County Division
PRIVATE FIRE SERVICE

APPLICABILITY

Applicable to water service furnished to private fire systems and to private fire hydrants.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATE

Per Service
Per Month

For each inch of diameter of service connection \$ 14.54 (R)

SPECIAL CONDITIONS

1. The customer will pay, without refund, the entire cost of the private fire service facilities.
2. The private fire service facilities shall be installed by the utility or under the utility's direction and shall be the sole property and subject to the control of the utility, with the right to alter, repair, replace and the right to remove upon discontinuance of service.
3. The minimum diameter for the private fire service connection will be 4 inches. The maximum diameter shall not be larger than the diameter of the water main to which the private fire service facilities are attached unless said main is circulating, in which case with the approval of the utility the maximum diameter may be larger by not more than 2 inches than the diameter of said circulating main.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the utility at the cost of the customer. Such cost shall not be subject to refund.
5. The private fire service facilities will include a detector check valve or other similar device acceptable to the utility which will indicate the use of water. The facilities may be located within the customer's premises or within public right of way adjacent thereto. Where located within the premises, the utility and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities. In the event the installation is solely a private fire hydrant facility, the requirement for a detector check valve or other similar device may be waived.

(continued)

(To be inserted by utility)

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Decision No. D.18-12-002

NAME

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TITLE

Resolution No. _____

SCHEDULE NO. LA-6
Los Angeles County Tariff Area
RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

TERRITORY

Portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

RATES

Quantity Rates:

For all water delivered per 100 cu. ft..... \$ 2.8601 (R)

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 22.00	
For 3/4-inch meter	33.00	
For 1-inch meter	55.01	
For 1-1/2-inch meter.....	110.02	
For 2-inch meter	176.06	
For 3-inch meter	330.05	
For 4-inch meter	550.15	
For 6-inch meter	1,100.00	
For 8-inch meter	1,760.00	
For 10-inch meter	2,530.00	
For 12-inch meter	3,630.00	
For 14-inch meter	4,850.00	(R)

(continued)

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Resolution No. _____

SCHEDULE NO. LA-6
 Los Angeles County Tariff Area
RECYCLED WATER METERED SERVICE
 (continued)

RATES – (continued)

	Per Battery Per Month	
For two 2-inch meters.....	\$ 352.00	(R)
For three 2-inch meters.....	528.00	
For four 2-inch meters.....	704.00	
For two 3-inch meters.....	660.00	
For three 3-inch meters.....	991.00	
For two 4-inch meters.....	1,100.00	
For three 4-inch meters.....	1,648.00	
For one 8-inch meter, one 2-inch meter.....	1,932.00	(R)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for reclaimed water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The Quantity Rate is set at 85% of the Quantity Rate of Schedule No. LA-1.
2. The customer is responsible for compliance with all local, state, and federal rules and regulations that apply to the use of reclaimed water on the customer's premises.
3. The utility will supply only such reclaimed water at such pressure as may be available from time to time from the reclaimed water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
6. A surcharge of \$0.2128/Ccf is to be applied to the quantity rates of only non-CARW customers to cover the estimated benefits provided under the California Alternative Rates for Water (CARW) Program. (D)

(To be inserted by utility)
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President
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(To be inserted by Cal. P.U.C.)
 Date Filed _____
 Effective _____
 Resolution No. _____

SCHEDULE NO. FO-1
Fontana Water Company
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service, except for those Residential customers required to be served under Schedule FO-1C.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto; and vicinity, San Bernardino County.

RATES

Quantity Rates:

For all water used, per 100 cu. ft. \$ 3.3839 (R)

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 16.37
For 3/4-inch meter	24.54
For 1-inch meter.....	40.92
For 1-1/2-inch meter	81.84
For 2-inch meter.....	130.95
For 3-inch meter.....	245.48
For 4-inch meter.....	409.22
For 6-inch meter.....	817.00
For 8-inch meter.....	1,308.00
For 10-inch meter.....	1,885.00
For 12-inch meter.....	2,701.00

(R)

(continued)

(To be inserted by utility)

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Resolution No. _____

SCHEDULE NO. FO-1
 Fontana Water Company
GENERAL METERED SERVICE
 (continued)

RATES (continued)

	<u>Per Battery</u>	
	<u>Per Month</u>	
For two 2-inch meters	\$ 261.00	(R)
For three 2-inch meters	394.00	
For four 2-inch meters.....	523.00	
For two 3-inch meters	491.00	
For two 4-inch meters	818.00	
For one 8-inch meter, two 2-inch meters.....	1,567.00	
For two 8-inch meters	2,615.00	(R)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is added to the quantity charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2425/Ccf is to be applied to the quantity rates of only non-CARW customers to recover the estimated benefits provided under the California Alternative Rates for Water (CARW) program.
3. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account.
4. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.
5. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net undercollection in the Fontana Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

(To be inserted by utility)
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 Date Filed _____
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SCHEDULE NO. FO-1C
Fontana Water Company
GENERAL METERED SERVICE - CONSERVATION RATES

APPLICABILITY

Applicable to all metered Residential customers, excluding apartments, trailer parks, and any other facility in which Residential customers receive service through a master meter.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For the first 16 Ccf of water used, per 100 cu. ft.....	\$ 3.2235	(R)
For all Ccf greater than 16 Ccf, per 100 cu. Ft.....	\$ 3.6980	

Service Charges:	Per Meter	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 16.37	
For 3/4-inch meter	24.54	
For 1-inch meter	40.92	
For 1-1/2-inch meter	81.84	
For 2-inch meter	130.95	
For 3-inch meter	245.48	(R)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. A surcharge of \$0.2425/Ccf is to be applied to the quantity rates of only non-CARW customers to recover the estimated benefits provided under the California Alternative Rates for Water (CARW) program.
3. A surcharge of \$0.2186 per Ccf is to be applied to the quantity rates for twelve months ending on January 31, 2019 to amortize the net undercollection in the Water Revenue Adjustment Mechanism (WRAM) memorandum account.
4. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account.
5. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.
6. A surcharge of \$0.1254 per Ccf is to be applied to the quantity rates for twenty-four months effective October 1, 2018 to amortize the net undercollection in the Fontana Drought Lost Revenue and Drought Surcharge Revenue Balancing Accounts.

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NAME

Effective _____

President

TITLE

Resolution No. _____

SCHEDULE NO. FO-4
Fontana Water Company
PRIVATE FIRE SERVICE

APPLICABILITY

Applicable to water service furnished to private fire systems and to private fire hydrants.

TERRITORY

Portions of Fontana, Rancho Cucamonga, Rialto and vicinity, San Bernardino County.

RATE

Per Service
Per Month

For each inch of diameter of service connection\$10.97 (R)

SPECIAL CONDITIONS

1. The customer will pay, without refund, the entire cost of the private fire service facilities.
2. The private fire service facilities shall be installed by the utility or under the utility's direction and shall be the sole property and subject to the control of the utility, with the right to alter, repair, replace and the right to remove upon discontinuance of service.
3. The minimum diameter for the private fire service connection will be 4-inches. The maximum diameter shall not be larger than the diameter of the water main to which the private fire service facilities are attached unless said main is circulating, in which case with the approval of the utility the maximum diameter may be larger by not more than 2-inches than the diameter of said circulating main.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the utility at the cost of the customer. Such cost shall not be subject to refund.
5. The private fire service facilities will include a detector check valve or other similar device acceptable to the utility which will indicate the use of water. The facilities may be located within the customer's premises or within public right of way adjacent thereto. Where located within the premises, the utility and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities. In the event the installation is solely a private fire hydrant facility, the requirement for a detector check valve or other similar device may be waived.

(continued)

(To be inserted by utility)

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NAME

Effective _____

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Resolution No. _____

SCHEDULE NO. FO-6
Fontana Water Company Tariff Area
RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

TERRITORY

Portions of Fontana, Rancho Cucamonga; Rialto, and vicinity, San Bernardino County.

RATES

Quantity Rates:

For all water delivered per 100 cu. ft..... \$ 2.5380 (R)

Service Charge:

	Per Meter	
For 5/8 x 3/4-inch meter	\$ 16.37	(R)
For 3/4-inch meter	24.54	
For 1-inch meter	40.92	
For 1-1/2-inch meter.....	81.84	
For 2-inch meter	130.95	
For 3-inch meter	245.48	
For 4-inch meter	409.22	
For 6-inch meter	817.00	
For 8-inch meter	1,308.00	
For 10-inch meter	1,885.00	
For 12-inch meter	2,701.00	(R)

(continued)

(To be inserted by utility)

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Resolution No. _____

SCHEDULE NO. FO-6
 Fontana Water Company Tariff Area
RECYCLED WATER METERED SERVICE
(continued)

RATES – (continued)

	Per Battery Per Month	
For two 2-inch meters.....	\$ 261.00	(R)
For three 2-inch meters.....	394.00	
For four 2-inch meters.....	523.00	
For two 3-inch meters.....	491.00	
For two 4-inch meters.....	818.00	
For one 8-inch meter, one 2-inch meter.....	1,567.00	
For two 8-inch meters.....	2,615.00	(R)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for reclaimed water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The Quantity Rate is set at 75% of the Quantity Rate of Schedule No. FO-1.
2. The customer is responsible for compliance with all local, state, and federal rules and regulations that apply to the use of recycled water on the customer's premises.
3. The utility will supply only such recycled water at such pressure as may be available from time to time from the recycled water system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
5. A surcharge of \$0.2425/Ccf is to be applied to the quantity rates of only non-CARW customers to recover the estimated benefits provided under the California Alternative Rates for Water (CARW) program.
6. A surcharge of \$0.0372 per Ccf is to be applied to the quantity rates for twelve months effective July 1, 2018 to amortize the net under-collection in the Plant F23 Project Balancing Account.
7. A surcharge of \$0.2563 per Ccf is to be applied to the quantity rates effective July 1, 2018 through June 30, 2021 to amortize the net undercollection in the Water Cost Balancing Account.

(To be inserted by utility)

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NAME

Effective _____

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Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

H1. Water Revenue Adjustment Mechanism (WRAM) Memorandum Account for the Los Angeles County Division

1. Purpose: The purpose of this memorandum account is to track the Quantity Rate revenues collected under Schedule LA-1C tiered rates against the revenues that would have been collected under a single block Quantity Rate.
2. The following entries will be made monthly to the WRAM memorandum Account in the Los Angeles County division:
 - a. The recorded revenues collected through the tiered Quantity Rate under Schedule No. LA-1C (debit).
 - b. The calculated revenues that would have been collected under a single block Quantity Rate for the same water usage as in 2a above (credit).
 - c. The CPUC-adopted Quantity Rates (\$/Ccf) to be used in calculating the revenues for 2a and 2b above are as follows:

<u>Effective Date</u>	<u>Single Block Rate</u>	0-13 Ccf/mo. Over 13 Ccf/mo.		(D)
		<u>Tier 1 Rate</u>	<u>Tier 2 Rate</u>	
January 1, 2017	\$2.8894	\$2.7290	\$3.0856	
April 8, 2017	\$2.9021	\$2.7410	\$3.0991	
July 1, 2017	\$3.2010	\$3.0631	\$3.5226	
July 1, 2017	\$3.3159	\$3.1780	\$3.6375	
July 1, 2018	\$3.3075	\$3.1699	\$3.6282	
July 1, 2018	\$3.4063	\$3.2694	\$3.7256	
January 1, 2019	\$3.3648	\$3.2296	\$3.6802	(N)

- d. Franchise fees and uncollectible account expense, based on the net of 2a and 2b above, and the CPUC-adopted rates for franchise fees and uncollectible expenses.
- e. Monthly interest calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, H.15 (<http://www.federalreserve.gov/releases/H15/data/m/cp3m.txt>), or its successor publication.
3. The balance in the memorandum account shall be amortized by a Tier 1 advice letter whenever the balance exceeds 2% of the authorized revenue requirement for the preceding calendar year. If the balance is below 2%, San Gabriel shall propose its amortization in a general rate case.
4. The memorandum account will terminate when so ordered in a CPUC general rate case decision, at which time any remaining debit (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit.

Authorization: Established pursuant to D.10-04-031, Ordering Paragraph 4; and Advice Letter 385

(To be inserted by utility)
Advice Letter No. 534
Decision No. D.18-12-002

Issued by
R. W. Nicholson
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____
Effective _____
Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

H2. Water Revenue Adjustment Mechanism (WRAM) Memorandum Account for the Fontana Water Company Division

1. Purpose: The purpose of this memorandum account is to track the Quantity Rate revenues collected under Schedule FO-1C tiered rates against the revenues that would have been collected under a single block Quantity Rate.
2. The following entries will be made monthly to the WRAM memorandum Account in the Fontana Water Company division:
 - a. The recorded revenues collected through the tiered Quantity Rate under Schedule No. FO-1C (debit).
 - b. The calculated revenues that would have been collected under a single block Quantity Rate for the same water usage as in 2a above (credit).
 - c. The CPUC-adopted Quantity Rates (\$/Ccf) to be used in calculating the revenues for 2a and 2b above are as follows:

<u>Effective Date</u>	<u>Single Block Rate</u>	<u>0-16 Ccf/mo.</u>		<u>Over 16 Ccf/mo.</u>	
		<u>Tier 1 Rate</u>	<u>Tier 2 Rate</u>		
January 5, 2017	\$2.7236	\$2.5585	\$2.9423		(D)
July 1, 2017	\$3.4884	\$3.3200	\$3.8181		
September 15, 2017	\$3.4525	\$3.2859	\$3.7789		
January 1, 2018	\$3.5157	\$3.3491	\$3.8421		
July 1, 2018	\$3.5157	\$3.3491	\$3.8421		
July 1, 2018	\$3.4206	\$3.2585	\$3.7381		
January 1, 2019	\$3.3839	\$3.2235	\$3.6980		(N)

- d. Franchise fees and uncollectible account expense, based on the net of 2a and 2b above, and the CPUC-adopted rates for franchise fees and uncollectible expenses.
 - e. Monthly interest calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, H.15 (<http://www.federalreserve.gov/releases/H15/data/m/cp3m.txt>), or its successor publication.
3. The balance in the memorandum account shall be amortized by a Tier 1 advice letter whenever the balance exceeds 2% of the authorized revenue requirement for the preceding calendar year. If the balance is below 2%, San Gabriel shall propose its amortization in a general rate case.
4. The memorandum account will terminate when so ordered in a CPUC general rate case decision, at which time any remaining debit (undercollection) or credit (overcollection) balance will be amortized through a rate surcharge or surcredit.

Authorization: Established pursuant to D.10-04-031, Ordering Paragraph 4; and Advice Letter 385

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Issued by
R. W. Nicholson
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Revised _____
 Cancelling Revised _____

Cal. P.U.C. Sheet No. 2921-W

Cal. P.U.C. Sheet No. 2888-W

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(continued)

(To be inserted by utility)

Advice Letter No. 534

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The following listed tariff sheets contain all effective rates and rules affecting the rates and services of the utility, together with information relating thereto:

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(continued)

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Advice Letter No. 534

R. W. Nicholson

Date Filed _____

Decision No. _____

NAME

Effective _____

President

TITLE

Resolution No. _____

DISTRIBUTION LIST
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Los Angeles County Division
Advice Letter No. 53x

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240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

California-American Water Company
655 W. Broadway, Suite 1410
San Diego, CA 92101

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

Industry Public Utilities
Post Office Box 3165
City of Industry, CA 91744

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

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15900 East Main Street
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Attn: Bob Kelly
1211 East Center Court Drive
Covina, CA 91724-3603

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112 North 1st Street
La Puente, CA 91744

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

City of Monterey Park Water Department
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Monterey Park, CA 91754

California Public Utilities Commission
Office of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

City of Pico Rivera Water Department
6615 Parsons Boulevard
Pico Rivera, CA 90660

Kiki Carlson
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Fontana Water Company Division
Advice Letter No. 53x**

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