

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: San Gabriel Valley Water Co.	Date Mailed to Service List: 08/14/20
District: Fontana Water Company Division	
CPUC Utility #: U337W	Protest Deadline (20th Day): 09/03/20
Advice Letter #: 553	Review Deadline (30th Day): 09/14/20
Tier <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> Compliance	Requested Effective Date: 08/19/20
Authorization D.20-08-006, Ordering Paragraph No. 6	
	Rate Impact: -\$513,500 -0.7%

Description: Re-Implement Advice Letter 541 Decrease
(application of Facilities Fees)

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Joel M. Reiker
Phone: (626)448-6183
Email: jmreiker@sgvwater.com

Utility Contact: Christine Sluss
Phone: (626)448-2235
Email: csluss@sgvwater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

SAN GABRIEL VALLEY WATER COMPANY

August 14, 2020

Advice Letter 553

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 in its Fontana Water Company division:

CPUC Sheet No.	Title	Schedule No.	Cancelling CPUC Sheet No.
3088-W	General Metered Service	FO-1	3069-W
3089-W	General Metered Service (continued)	FO-1	3070-W
3090-W	General Metered Service – Conservation Rates	FO-1C	3071-W
3091-W	Private Fire Service	FO-4	3072-W
3092-W	Recycled Water Metered Service	FO-6	3073-W
3093-W	Recycled Water Metered Service (continued)	FO-6	3074-W
3094-W	Preliminary Statement H2	N/A	3080-W
3095-W	Table of Contents	N/A	3087-W

Request

This advice letter is submitted in compliance with Ordering Paragraph No. 6 of Decision ("D.") 20-08-006, dated August 6, 2020 in Application ("A.") 19-01-001 to re-implement the reduction in rates and rate base approved in Advice Letter 541. In accordance with Ordering Paragraph No. 6 of D.20-08-006, this is designated as a **Tier 1 advice letter**, with a requested effective date of August 19, 2020 to coincide with additional rate changes being implemented on this date in the Fontana Water Company division by Advice Letters 552 and 555.

Purpose and Background

On August 6, 2020, 2020, the Commission adopted D.20-08-006 in A.19-01-001. Ordering Paragraph No. 6 of the decision states:

San Gabriel Valley Water Company is directed to submit concurrent with the Advice Letter in ordering paragraph 5, a Tier 1 Advice Letter reimplementing the reduction in rates and rate base approved by the Commission's Water Division in Advice Letter 541.

Advice letter 541, filed on June 3, 2019 and effective July 1, 2019, implemented a rate base (and rate) reduction to reflect the collection and application of Facilities Fees recorded in the Facilities Fees Memorandum Account to the remaining net investment in the 2008 Sandhill Surface Water Treatment Plant Upgrade project. An original and four copies of this advice letter are submitted

to reflect in rates the \$3,175,791 net reduction in average rate base adopted in Advice Letter 541.

Concurrent with the filing of this advice letter, San Gabriel has filed Advice Letter 552, implementing the rates and charges approved by the Commission in D.20-08-006 for the test year beginning July 1, 2020. It is necessary to re-implement this rate base reduction because it was originally implemented after the Company filed its general rate case in Application (“A.”) 19-01-001 on January 2, 2019, with a test year beginning July 1, 2020. Thus, this rate base reduction is not reflected in the rates and charges approved by the Commission in D.20-08-006 in A.19-01-001.

Discussion

Re-implementing the \$3,175,791 rate base reduction adopted in Advice Letter 541 decreases the adopted annual Fontana Water Company division revenue requirement in Advice Letter 552 by \$513,500, or 0.7%. The proposed rates were designed by proportionately reducing each component of the Advice Letter 552 rates by 0.7%. The proposed rates submitted with this advice letter will reduce the monthly bill of the typical non-CARW residential customer in the Fontana Water Company division on conservation rate Schedule FO-1C with a $\frac{5}{8}$ x $\frac{3}{4}$ -inch meter and using 15 Ccf, compared to the proposed rates in Advice Letter 552, by \$0.46, or 0.6%, from \$82.00 to \$81.54.

The cumulative effect of both Advice Letter 552 and this advice letter on the monthly bill of the typical non-CARW residential customer in the Fontana Water Company division on conservation rate Schedule FO-1C with a $\frac{5}{8}$ x $\frac{3}{4}$ -inch meter and using 15 Ccf will be an increase of \$6.58, or 8.8% from \$74.96 to \$81.54.

San Gabriel has furnished to the Commission’s Water Division staff for its review and verification, workpapers supporting the proposed revenue requirement and rate design.

Service and Notice

Distribution of this advice letter is being made to the attached service list in accordance with Water Industry Rule 4.1 of General Order 96-B. No other parties have requested notification of tariff filings related to the Fontana Water Company division. In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will also post this advice letter to its website www.fontanawater.com.

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 protest may not rely on a policy objection to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest. 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 response or protest is:

Email Address:
water.division@cpuc.ca.gov

Mailing Address:
California Public Utilities Commission
Water Division, 3rd Floor
505 Van Ness Avenue
San Francisco, CA 94102

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:

Email Address:
jmreiker@sgvwater.com

Mailing Address:
San Gabriel Valley Water Company
Vice President of Regulatory Affairs
11142 Garvey Avenue
El Monte, CA 91733

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

The advice letter process does not provide for any further responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period. San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Water Division within five 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 in accordance with General Order 96-B, General Rule 7.4.3.

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

San Gabriel Valley Water Company

/s/ Joel M. Reiker

Joel M. Reiker
Vice President of Regulatory Affairs

cc: Bruce DeBerry, CPUC – Water Division
Victor Chan, CPUC – Water Branch, Cal Advocates
Richard Rauschmeier, CPUC – Water Branch, Cal Advocates

\encl.

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. \$ 3.4331 (R)

Per Meter
Per Month

Service Charges:

For 5/8 x 3/4-inch meter	\$ 18.71
For 3/4-inch meter.....	28.05
For 1-inch meter.....	46.75
For 1-1/2-inch meter	93.51
For 2-inch meter.....	149.60
For 3-inch meter.....	280.53
For 4-inch meter.....	467.49
For 6-inch meter.....	933.78
For 8-inch meter.....	1,500.00
For 10-inch meter.....	2,145.70
For 12-inch meter.....	3,089.40

(R)

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 553

J. M. Reiker

Date Filed _____

Decision No. D.20-08-006

NAME

Effective _____

Vice President of Regulatory Affairs

TITLE

Resolution No. _____

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

RATES (continued)

	Per Battery Per Month	
For two 2-inch meters	\$ 299.00	(R)
For three 2-inch meters	449.00	
For four 2-inch meters	598.00	
For Five 2-inch meters	748.00	
For two 3-inch meters	561.30	
For three 3-inch meters	841.40	
For two 4-inch meters	934.80	
For three 4-inch meters	1,402.70	
For one 8-inch meter, two 2-inch meters	1,795.00	
For two 8-inch meters	2,992.10	(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. All bills are subject to the applicable surcharges and surcredits set forth on Schedule No. FO-AS.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

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J. M. Reiker
NAME

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Vice President of Regulatory Affairs
TITLE

Effective _____

Resolution No. _____

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 14 Ccf of water used, per 100 cu. ft.	\$3.2881	(R)
For all Ccf greater than 14 Ccf, per 100 cu. ft.	\$3.7813	

Service Charges:	Per Meter	
	Per Month	
For 5/8 x 3/4-inch meter.....	\$ 18.71	
For 3/4-inch meter.....	28.05	
For 1-inch meter.....	46.75	
For 1-1/2-inch meter	93.51	
For 2-inch meter.....	149.60	
For 3-inch meter.....	280.53	(R)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
2. All bills are subject to the applicable surcharges and surcredits set forth on Schedule No. FO-AS.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

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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 \$12.54 (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)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 553

J. M. Reiker
NAME

Date Filed _____

Decision No. D.20-08-006

Vice President of Regulatory Affairs
TITLE

Effective _____

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.....\$ 2.5748 (R)

Service Charge:

Per Meter

For 5/8 x 3/4-inch meter \$ 18.71

For 3/4-inch meter 28.05

For 1-inch meter 46.75

For 1-1/2-inch meter 93.51

For 2-inch meter 149.60

For 3-inch meter 280.53

For 4-inch meter 467.49

For 6-inch meter 933.78

For 8-inch meter 1,500.00

For 10-inch meter 2,145.70

For 12-inch meter 3,089.40 (R)

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 553

J. M. Reiker

Date Filed _____

Decision No. D.20-08-006

NAME

Effective _____

Vice President of Regulatory Affairs

TITLE

Resolution No. _____

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

RATES - (continued)

Table with 3 columns: Description, Per Battery Per Month, and (R). Rows include meter configurations like 'For two 2-inch meters' with rates ranging from \$299.00 to \$2,992.10.

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.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.
5. All bills are subject to the applicable surcharges and surcredits set forth on Schedule No. FO-AS.

(To be inserted by utility)

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(To be inserted by Cal. P.U.C.)

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TITLE

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. Tier 1 Rate</u>	<u>Over 16 Ccf/mo. Tier 2 Rate</u>	
July 1, 2018	\$3.5157	\$3.3491	\$3.8421	(D)
July 1, 2018	\$3.4206	\$3.2585	\$3.7381	
January 1, 2019	\$3.3839	\$3.2235	\$3.6980	
July 1, 2019	\$3.3917	\$3.2309	\$3.7065	
July 1, 2020	\$3.3917	\$3.2309	\$3.7065	
		<u>0-14 Ccf/mo.</u>	<u>Over 14 Ccf/mo.</u>	
July 1, 2020	\$3.4560	\$3.3100	\$3.8065	
July 1, 2020	\$3.4331	\$3.2881	\$3.7813	(R)

- 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. 553
Decision No. D.20-08-006

Issued by
J. M. Reiker
NAME
Vice President of Regulatory Affairs
TITLE

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

TABLE OF CONTENTS

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(continued)

(To be inserted by utility)

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Advice Letter No. 553

J. M. Reiker

Date Filed

Decision No.

NAME

Effective

Vice President of Regulatory Affairs

TITLE

Resolution No.

DISTRIBUTION LIST
San Gabriel Valley Water Company
Fontana Water Company Division
Advice Letter No. 553

Kendall H. MacVey, Esq.
Best, Best & Krieger, LLP
3390 University Avenue 5th Floor
Riverside, CA 92501

City of Colton Water Department
650 North La Cadena Drive
Colton, CA 92324

Cucamonga Valley Water District
Post Office Box 638
Rancho Cucamonga, CA 91730

Debbie Brazill
Deputy City Manager
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Chuck Hays
Public Works Director
City of Fontana Public Service Department
16489 Orange Way
Fontana, CA 92335

Marvin T. Sawyer, District Counsel
Fontana Unified School District
Business Services Office
9680 Citrus Avenue
Fontana, CA 92335

Samuel Martinez, Executive Officer
Local Agency Formation Commission for
San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

City of Ontario Water Department
303 East B Street
Ontario, CA 91764

City of Rialto Water Department
150 South Palm Avenue
Rialto, CA 92376

West Valley Water District
Post Office Box 920
Rialto, CA 92377

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com

Gordon Nichols
Building Industry Association of Southern
California – Baldy View Chapter
9227 Haven Avenue, Suite 350
Rancho Cucamonga, CA 91730