

**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:** 07/20/21

**District:** Companywide

**CPUC Utility #:** U337W

**Protest Deadline (20<sup>th</sup> Day):** 08/09/21

**Advice Letter #:** 566

**Review Deadline (30<sup>th</sup> Day):** 08/19/21

**Tier**  1  2  3  Compliance

**Requested Effective Date:** 07/20/21

**Authorization** D.14-05-001

D.16-03-021

**Rate Impact:** \$0

**Description:** Preliminary Statement Revisions

0.0%

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

**Utility Contact:** Christine Sluss

**Phone:** (626) 448-6183

**Phone:** (626)423-2235

**Email:** [jmreiker@sgvwater.com](mailto:jmreiker@sgvwater.com)

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**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**DWA USE ONLY**

DATE

STAFF

COMMENTS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

APPROVED

WITHDRAWN

REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

# SAN GABRIEL VALLEY WATER COMPANY

July 20, 2021

Advice Letter No. 566

U337W

## TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

CPUC Sheet No.	Title	Schedule No.	Cancelling CPUC Sheet No.
3141-W	Preliminary Statement (Cont.) Section G1	n/a	2391-W
3142-W	Preliminary Statement (Cont.) Section G2	n/a	2392-W
3143-W	Table of Contents	n/a	3140-W

San Gabriel submits this advice letter pursuant to General Order 96-B, General Rule 7.6.1, to clarify San Gabriel's Preliminary Statement descriptions of the operation in each division of the California Alternative Rates for Water ("CARW") balancing accounts. In accordance with Water Industry Rule 7.3.1(3), **this is designated as a Tier 1 advice letter.**

### Purpose and Background

In D.05-05-015, the Commission authorized San Gabriel to open CARW memorandum accounts for the Los Angeles County and Fontana Water Company divisions for tracking the recorded benefits provided and the costs incurred pursuant to the CARW program versus those reflected in rates. The CARW memorandum accounts for the Los Angeles County and Fontana Water Company divisions were subsequently re-designated as balancing accounts by Resolution Nos. W-4987 and W-4997, respectively.

Since their adoption, the original Preliminary Statement descriptions for the CARW balancing accounts have called for the monthly recorded reduction in billed service charge revenues (i.e. the monthly service charge discounts, or subsidies, provided to CARW customers) to be offset by "One-twelfth of the annual CPUC-adopted revenue reduction for the CARW program as reflected in rates (credit)."<sup>1</sup> This particular treatment reflected the fact that the funding of the CARW program subsidy was built-into the rate design by increasing the monthly service charges. However, in D.14-05-001 the Commission adopted a settlement agreement in San Gabriel's 2011 general rate case for

<sup>1</sup> See San Gabriel Valley Water Company Tariff Sheet 2391-W (Preliminary Statement Section G1), Paragraph 2.d, and Tariff Sheet 2392-W (Preliminary Statement Section G2), Paragraph 2.d.

the Fontana Water Company division (A.11-07-005) under which the discount/subsidy provided under the CARW program for the Fontana Water Company division would be funded by a quantity-based surcharge (per hundred cubic feet, or \$/Ccf) applied to the usage of only non-CARW customers.<sup>2</sup> This same change was adopted for the Los Angeles County division in D.16-03-021 (A.15-08-022).<sup>3</sup> Accordingly, since adopting these changes San Gabriel has recorded in the CARW balancing accounts for each division the actual surcharge revenues billed to non-CARW customers to cover the estimated discount/subsidy provided under the CARW program, rather than one-twelfth of the annual adopted revenue reduction for the CARW program.

By this advice letter, San Gabriel seeks to revise the Company's Preliminary Statement descriptions of the operation in each of the CARW balancing accounts to reflect the changes in the operation of those balancing accounts adopted in D.14-05-001 and D.16-03-021. Specifically, San Gabriel proposes revisions to Paragraph 2.d of Preliminary Statement Sections G1 and G2 to clarify that the monthly benefits provided under the CARW program are to be offset by the monthly billed surcharge revenues applied to the quantity rates of non-CARW customers to cover the estimated benefits provided under the CARW program, plus or minus any currently effective amortization surcharge or surcredit revenues.

#### Service and Notice

Distribution of this advice letter is being made to the attached service lists 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 Los Angeles County or Fontana Water Company divisions. In accordance with Water Industry Rule 3.3 of General Order 96-B, San Gabriel will also post this advice letter to its websites [www.sgvwater.com](http://www.sgvwater.com) and [www.fontanawater.com](http://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 re-litigating a prior order of the Commission.

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<sup>2</sup> See D.14-05-001, Ordering Paragraph No. 1, and Attachment I (Settlement Agreement) thereto, pp. 31 – 33.

<sup>3</sup> See D.16-03-021, Ordering Paragraph Nos. 2 and 4.

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](mailto:water.division@cpuc.ca.gov)

Mailing Address:  
California Public Utilities Commission  
Water Division, 3<sup>rd</sup> 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](mailto: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

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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

PRELIMINARY STATEMENT  
(Continued)

**G1. California Alternative Rates for Water (CARW) Balancing Account For The Los Angeles County Division**

1. Purpose: The purpose of the balancing account is to track the costs of the program against the estimates reflected in rates, until sufficient experience with the CARW program is attained that such costs can be reliably forecast in a general rate case proceeding.
2. The following entries will be made monthly to the CARW Balancing Account in the Los Angeles County division:
  - a. The recorded reduction in billed Service Charge revenues for service provided under Schedule No. LA-CARW (debit).
  - b. Franchise fees and uncollectible account expense, based on 2a above and the CPUC-adopted rates for franchise fees and uncollectible accounts expense (credit).
  - c. CARW program costs of performing incremental activities which would not have been incurred absent the CARW program and which have not been reflected in authorized rates (debit).
  - d. The billed surcharge revenues applied to the quantity rates of non-CARW customers to cover the estimated benefits provided under the CARW program (credit), plus or minus any currently effective amortization surcharge or surcredit revenues (credit or debit). (T)
  - e. Monthly interest expense 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 (debit or credit). (T)
3. The balancing 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. (D)

*Authorization: Established pursuant to D.05-05-015, Ordering Paragraph 3*

(To be inserted by utility)

Issued by

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

Advice Letter No. 566

J. M. Reiker

Date Filed

Decision No.

NAME

Effective

V.P. Regulatory Affairs

TITLE

Resolution No.

**PRELIMINARY STATEMENT**  
**(Continued)**

**G2. California Alternative Rates for Water (CARW) Balancing Account For The Fontana Water Company Division**

1. Purpose: The purpose of the balancing account is to track the costs of the program against the estimates reflected in rates, until sufficient experience with the CARW program is attained that such costs can be reliably forecast in a general rate case proceeding.
2. The following entries will be made monthly to the CARW Balancing Account in the Fontana Water Company division:
  - a. The recorded reduction in billed Service Charge revenues for service provided under Schedule No. FO-CARW (debit).
  - b. Franchise fees and uncollectible account expense, based on 2a above and the CPUC-adopted rates for franchise fees and uncollectible accounts expense (credit).
  - c. CARW program costs of performing incremental activities which would not have been incurred absent the CARW program and which have not been reflected in authorized rates (debit).
  - d. The billed surcharge revenues applied to the quantity rates of non-CARW customers to cover the estimated benefits provided under the CARW program (credit), plus or minus any currently effective amortization surcharge or surcredit revenues (credit or debit). (T)
  - e. Monthly interest expense 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.text>), or its successor publication (debit or credit). (T)
3. The balancing 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. (D)

*Authorization: Established pursuant to D.05-05-015, Ordering Paragraph 3*

(To be inserted by utility)

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

Advice Letter No. 566

J. M. Reiker  
NAME

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

V.P. Regulatory Affairs  
TITLE

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

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(continued)

(To be inserted by utility)

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Advice Letter No. 566

J. M. Reiker

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Effective \_\_\_\_\_

Vice President of Regulatory Affairs

TITLE

Resolution No. \_\_\_\_\_



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El Monte, CA 91734

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City of Industry, CA 91744

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La Puente, CA 91744

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Montebello, CA 90640

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Monterey Park, CA 91754

City of Pico Rivera Water Department  
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Pico Rivera, CA 90660

Pico Water District  
Post Office Box 758  
Pico Rivera, CA 90660-0758

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Rosemead, CA 91770

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

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

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

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

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Attn: Ronald Moore, Regulatory Affairs  
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San Dimas, CA 91773  
[rkmoore@gswater.com](mailto:rkmoore@gswater.com)

Suburban Water Systems  
Attn: Bob Kelly  
1325 N. Grand Ave., Suite 100  
Covina, CA 91724

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Baldwin Park, CA 91706

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Whittier, CA 90602

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