

# SAN GABRIEL VALLEY WATER COMPANY

May 15, 2007

Advice Letter 350

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 Fontana Water Company division:

<u>CPUC Sheet No.</u>	<u>Title</u>	<u>Schedule No.</u>	<u>Canceling CPUC Sheet No.</u>
1779-W	General Metered Service	FO-1	1758-W
1780-W	General Metered Service (Cont.)	FO-1	1759-W
1781-W	Private Fire Service	FO-4	1760-W
1782-W	Construction and Tank Truck Service	FO-9C	1761-W
1783-W	Services to Tract Houses During Construction	FO-9CL	1762-W
1784-W	California Alternative Rates for Water	FO-CARW	1763-W
1785-W	Preliminary Statement (continued)	N/A	1765-W
1786-W	Table of Contents	N/A	1778-W

An original and four copies of this advice letter is submitted in compliance with Ordering Paragraph No. 2 of Decision No. 07-04-046 in Application 05-08-021, dated April 12, 2007 and Investigation 06-03-001, dated March 2, 2006 to implement a \$2,814,400 or 6.7% increase for Escalation Year 2007-2008.

### Purpose and Background

The purpose of this advice letter submittal is to implement rates for Escalation Year 2007-2008 authorized by the Commission for the Fontana Water Company division in Decision No. 07-04-046, dated April 12, 2007 in Application No. 05-08-021. The proposed Escalation Year 2007-2008 revenue increase of \$2,814,400 or 6.7% was determined based on March 2007 escalation factors which are the most recent escalation factors. The effect of the proposed increase will raise the typical monthly bill of the typical residential customer

(5/8" x 3/4" meter and 23 Ccf) by \$2.93 or 6.4% from \$45.46 to \$48.39. In accordance with Ordering Paragraph No. 2, the revised tariff schedules shall take effect on July 1, 2007.

**Discussion**

The present rate schedules in the Fontana Water Company division became effective on May \_\_, 2007, pursuant to D.07-04-046 and Advice Letter No. 348.

The following summary lists the recorded, authorized, and pro forma rates of return in San Gabriel's Fontana Water Company division for the twelve months ending March 31, 2007. The pro forma rate of return is calculated in accordance with guidelines provided by the Commission's Water Division staff.

Recorded	7.68%
Authorized	9.33%
Pro Forma	6.73%

Because the pro forma rate of return is lower than the authorized rate of return, San Gabriel is authorized to implement the total Escalation Increase of \$2,814,400.

The tariff schedules reflecting the Escalation Increase are attached hereto. San Gabriel has provided workpapers supporting the recorded and pro forma rates of return set forth herein, as well as the calculation of the proposed rates, to the Commission's Water Division staff for their review as required by D.07-04-046.

In accordance with the requirements of Section III-G of General Order No. 96-A, this advice letter is being sent to the parties listed on the attached distribution list. No other parties have requested notification of tariff filings related to the Fontana Water Company division. No further public notice is required because all public notices in connection with Application No. 05-08-021 have already been mailed to the customers or published in accordance with applicable law and Commission rules.

May 15, 2007

Conclusion

San Gabriel requests processing by the Commission's Water Division so the proposed rates will become effective on July 1, 2007, as provided in Ordering Paragraph No. 2 of D.07-04-046. Thank you for your assistance in processing this advice letter.

San Gabriel Valley Water Company

A handwritten signature in black ink, appearing to read "Daniel Dell'Osa". The signature is written in a cursive style with a long horizontal line extending to the left.

Daniel A. Dell'Osa  
Director of Rates and Revenue

c: Fred L. Curry, CPUC – Water Division  
Hani Moussa, CPUC – Water Branch, DRA  
Danilo Sanchez, CPUC – Water Branch, DRA

**SCHEDULE NO. F0-1**  
Fontana Water Company  
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

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

RATES

Quantity Rates:

For all water used, per 100 cu. ft. .... \$ 1.4793 (I)

Per Meter  
Per Month

Service Charges:

For 5/8 x 3/4-inch meter .....	\$ 14.37	(I)
For 3/4-inch meter .....	21.55	
For 1-inch meter.....	35.93	
For 1-1/2-inch meter .....	71.84	
For 2-inch meter.....	114.99	
For 3-inch meter.....	215.60	
For 4-inch meter.....	359.30	
For 6-inch meter.....	720.00	
For 8-inch meter.....	1,150.00	
For 10-inch meter.....	1,650.00	
For 12-inch meter.....	2,370.00	(I)

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 350

M. L. Whitehead

Date Filed

Decision No. 07-04-046

NAME

Effective

President

TITLE

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 .....	\$ 230.00
For three 2-inch meters .....	345.00
For four 2-inch meters.....	460.00
For two 3-inch meters .....	431.00
For two 4-inch meters .....	719.00
For one 8-inch meter, two 2-inch meters.....	1,260.00
For two 8-inch meters .....	2,300.00

(I)  
|  
(I)

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

- All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 350

M. L. Whitehead

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

Decision No. 07-04-046

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 ..... \$8.21 (I)

**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)  
Advice Letter No. 350  
Decision No. 07-04-046

Issued by  
M. L. Whithead  
NAME  
President  
TITLE

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

**SCHEDULE NO. FO-9C**  
Fontana Water Company  
**CONSTRUCTION AND TANK TRUCK SERVICE**

**APPLICABILITY**

Applicable to temporary water service furnished for construction purposes and for water delivered to tank trucks from fire hydrants or other outlets.

**TERRITORY**

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

**RATE**

Unit Rates

For sidewalk construction, per 100 sq. feet .....	\$ 0.735	(I)
For street curb construction, per 100 lineal feet .....	1.466	
For trench settling, per lineal foot of section of trench 2 feet by 4 feet .....	0.062	
For sprinkling subgrade of street and roadway construction in application of oil or any form of patented oil paving or surfacing, or for rolling and settling subgrade, per 3,000 square feet of roadway .....	10.32	
For compaction of fill, per cubic yard of fill material .....	0.093	
For water delivered to tank wagon or truck, per 100 gallons .....	0.243	

**MINIMUM CHARGE**

For any service rendered under this schedule.....\$36.98 (I)

**SPECIAL CONDITIONS**

1. An applicant wishing to obtain water deliveries under this schedule must first obtain a written permit from the utility.
2. Where water is to be obtained from a public fire hydrant, a permit must be obtained from the fire protection district or other public agency having jurisdiction.
3. For other temporary uses the quantity of water used shall be estimated or metered by the utility. Charges for such water shall be at the quantity rate for General Metered Service applicable to the tariff area within which the water is delivered.
4. An applicant for service under this schedule must pay the utility in advance the net cost of installing and removing any facilities necessary to provide such service.

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 350

M. L. Whitehead  
NAME

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

Decision No. 07-04-046

President  
TITLE

Effective \_\_\_\_\_

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

**SCHEDULE NO. FO-9CL**  
Fontana Water Company  
**SERVICE TO TRACT HOUSES DURING CONSTRUCTION**

**APPLICABILITY**

Applicable to water service for house construction where houses are being constructed as part of a real estate development.

**TERRITORY**

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

**RATES**

For each lot for the construction period . . . \$12.63 (I)

**SPECIAL CONDITIONS**

1. This service is available only to real estate developers or builders who make application prior to installation of mains and services and who undertake the construction of houses as part of the development. At its option the utility may provide the service if application is made after mains and services have been installed.
2. Water service under this tariff schedule is only to be used for house construction. It does not include water use for landscaping or other tract improvement work.
3. When each house passes final inspection water service under this schedule will be terminated.
4. All bills are subject to the reimbursement fee set forth on Schedule No. AA-UF.

(To be inserted by utility)  
Advice Letter No. 350  
Decision No. 07-04-046

*Issued by*  
M. L. Whitehead  
NAME  
President  
TITLE

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

**SCHEDULE NO. FO-CARW**  
Fontana Water Company  
**CALIFORNIA ALTERNATIVE RATES FOR WATER**

**APPLICABILITY**

Applicable to residential domestic service to CARW households accommodation with a 1-inch or smaller meter, where the customer meets all the Special Conditions of this rate schedule.

**TERRITORY**

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

**RATES**

	Per Meter	
	<u>Per Month</u>	
Quantity Rates:		
For all water used, per 100 cu. ft. ....	\$ 1.4793	(I)
Service Charges:		
For 5/8 x 3/4-inch meter .....	\$ 7.19	(I)
For 3/4-inch meter .....	10.78	
For 1-inch meter.....	17.97	(I)

**SPECIAL CONDITIONS**

- CARW Household: A CARW Household is a household where the total gross income from all sources is less than shown on the table below based on the number of persons in the household. Total gross income shall include income from all sources, both taxable and non-taxable. Persons who are claimed as dependent on another person's income tax return are not eligible for this program.

<u>No. of Persons</u> <u>In Household</u>	<u>Total Gross</u> <u>Annual Income</u>
1 or 2	\$25,000
3	\$29,400
4	\$35,400
5	\$41,400
6	\$47,400

For households with more than six persons, add \$6,000 annually for each additional person residing in the household.

*(continued)*

(To be inserted by utility)  
Advice Letter No. 350  
Decision No. 07-04-046

Issued by  
M. L. Whitehead  
NAME  
President  
TITLE

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

**PRELIMINARY STATEMENT**

(Continued)

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

1. Purpose: The purpose of the memorandum 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 memorandum 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. One-twelfth of the annual CPUC-adopted revenue reduction for the CARW program as reflected in rates (credit)<sup>1</sup>. These CPUC-adopted amounts are as follows:

<u>Effective</u>	<u>Annual Amount</u>	
July 2005	\$1,505,925	
April 2006	\$646,919	
May 2007	\$752,902	(T)
July 2007	\$859,980	(N)

The above amounts will be proportionately adjusted when monthly service charges change.

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).

3. 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.

<sup>1</sup> CPUC D.05-05-015 describes this item as a "debit" at page 5 of the decision. After further review, the company finds that this item will regularly be a credit, so it is being described as such in this tariff sheet..

(To be inserted by utility)  
Advice Letter No. 350  
Decision No. 07-04-046

*Issued by*  
M. L. Whitehead  
NAME  
President  
TITLE

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

TABLE OF CONTENTS

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

<u>Subject Matter of Sheet</u>			<u>C.P.U.C. Sheet No.</u>	
Title Page			1559-W	
Table of Contents			1786-W	1756-W (T)
			1751-W	1563-W
			1637-W	1733-W
Preliminary Statement	634-W	390-W	1776-W	1785-W (C)
Service Area Maps:				
Fontana Water Company			1533-W	
Los Angeles County Division				
Service Area - East Portion			1183-W	
- South Portion			869-W	
- West Portion			1171-W	
Area Maps of Less Than 40 p.s.i.g.			871-W	
			691-W to 697-W	
		<u>Schedule Number</u>		
<u>Rate Schedules</u>				
All Tariff Areas				
Surcharge to Fund Public Utilities				
Commission Reimbursement Fee		AA-UF	1460-W	
Fontana Water Company				
General Metered Service		FO-1	1779-W	1780-W (C)
Private Fire Service		FO-4	1781-W	1087-W (C)
Construction and Tank Truck Service		FO-9C	1782-W	1516-W (C)
Service to Tract Houses During				
Construction		FO-9CL		1783-W (C)
California Alternative Rates For Water		FO-CARW	1784-W	1706-W (C)
Facilities Fees		FO-FF	1764-W	

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 350

M. L. Whitehead

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

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

NAME

Effective \_\_\_\_\_

President

TITLE

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

DISTRIBUTION LIST  
San Gabriel Valley Water Company  
Fontana Water Company Division  
**Advice Letter No. 350**

Curtis Aaron  
Public Works Director  
City of Fontana Public Service Department  
16489 Orange Way  
Fontana, CA 92335

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

Cucamonga County Water District  
Post Office Bin 638  
Cucamonga, CA 91730

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 San Bernardino County Water District  
Post Office Box 188  
Rialto, CA 92376

Local Agency Formation Commission for  
San Bernardino County  
175 West Fifth Street, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415-0490