

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

January 5, 2016

Edward N. Jackson
Director of Revenue Requirements
Apple Valley Ranchos Water Company
PO Box 7005
Apple Valley, CA 92307

Dear Mr. Jackson,

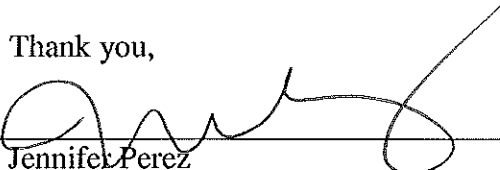
The Commission has approved Apple Valley Ranchos Water Company's Advice Letter No. 209-W, filed on December 10, 2015, regarding the One-Way Conservation Balancing Account established for the 2012-2014 General Rate Case cycle that was submitted in accordance with D.15-11-030.

Enclosed are copies of the following revised tariff sheets for the utility's files:

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
881-W	Schedule No. 1, Residential General Metered Service, Page 2
882-W	Schedule No. 3, Non-Residential General Metered Service, Page 2
883-W	Schedule No. 4, Non-Metered Fire Service
884-W	Table of Contents, Page 1

Please contact Tayeb Mogri at (415) 703-2146 if you have any questions.

Thank you,


Jennifer PerezWater & Sewer Advisory Branch
Division of Water and Audits

Enclosures

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

Advice Letter Cover Sheet

Utility Name: Apple Valley Ranchos Water Company **Date Mailed to Service List:** December 10, 2015
District: N/A
CPUC Utility #: U-346-W **Protest Deadline (20th Day):** December 30, 2015
Advice Letter #: 209-W **Review Deadline (30th Day):** January 9, 2016
Tier 1 2 3 Compliance **Requested Effective Date:** January 9, 2016
Authorization D.15-11-030

Rate Impact: (\$ 12,177)
(0.05%)

Description: The purpose of this advice letter is to seek Commission approval and disposition of AVR's One-Way Conservation Balancing Accounts established for the 2012 – 2014 general rate case ("GRC") cycle. AVR proposes a one-time sur-credit to refund the over-collected balance recorded in the One-Way Conservation Balancing Account.

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: Edward N. Jackson
Phone: 562.923.0711, ext. 1212
Email: ed.jackson@parkwater.com

Utility Contact: Diana M. Lemoli
Phone: 562.923.0711, ext. 1208
Email: dlemoli@parkwater.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

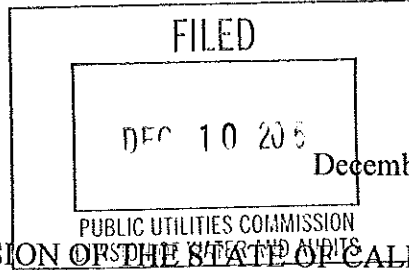
REJECTED

Signature: _____

Comments: _____

Date: _____

APPLE VALLEY RANCHOS WATER COMPANY™



Advice Letter No. 209-W

December 10, 2015

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Apple Valley Ranchos Water Company (U 346 W) ("AVR") hereby transmits for filing this advice letter in accordance with the requirements of D.12-09-004.

Calif. P.U.C.

Canceling

<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Sheet No.</u>
881-W	Schedule No. 1, Residential General Metered Service, page 2	878-W
882-W	Schedule No. 3, Non-Residential General Metered Service, page 2	879-W
883-W	Schedule No. 4, Non-Metered Fire Service	876-W
884-W	Table of Contents, page 1	880-W

Summary

The purpose of this advice letter is to seek Commission approval and disposition of AVR's One-Way Conservation Balancing Account established for the 2012 – 2014 general rate case ("GRC") cycle. AVR proposes a one-time sur-credit to refund the over-collected balance recorded in the One-Way Conservation Balancing Account.

Background

In D.12-09-004 (see Attachment A, Settlement Agreement Section 3.02.10 Conservation, page 14), the Commission authorized the establishment of a one-way capped balancing account to track differences between the actual and authorized conservation program expenses for the 2012 – 2014 rate case cycle. D.12-09-004 further established that conservation program expenses may not be incurred evenly through the rate case cycle and therefore the cap would cover the entire rate case cycle. Two separate caps were established for conservation program expenses. The Public Information Program was capped at \$66,263 and the remaining Conservation Programs (excluding the Public Information Program) were capped at \$254,863. In the event that AVR did not spend the amount of the total cap for the Conservation Programs in the rate cycle, then AVR would refund to customers any unspent amount in its next GRC.

PO Box 7002
21760 Ottawa Road
Apple Valley, CA 92308
760.247.6484

AVR's total conservation spending for the period actually exceeded the adopted amount of conservation expense, however a portion was related to activities associated with the Governor's Drought Emergency Declaration dated January 17, 2014 and Executive Order dated April 25, 2014 and drought procedures ordered by the Commission and is not reflected in this account. For the expenses covered by this account, the actual expenses for the Public Information Program for years 2012 -2014 were \$66,263 and exceeded the authorized amount by \$448. The actual expenses for the other Conservation Programs (excluding the Public Information Program) for years 2012 – 2014 were \$242,877 which is less than the authorized amount by \$11,986. By definition, a one-way balancing account does not allow for the recovery of recorded expense in excess of authorized amounts. Therefore, the total balance recorded in the One-Way Conservation Balancing Account is an over-collection of \$11,986.

The over-collection generates a decrease in additional uncollectible and franchise expense of \$177. AVR is therefore requesting to refund the total of \$12,177 to its ratepayers.

AVR proposes a one-time sur-credit of \$0.61 per customer applicable to domestic service for Schedule No. 1, Residential General Metered Service, Schedule No. 3, Non-Residential General Metered Service, and Schedule No. 4, Non-Metered Fire Service.

The Commission Staff has been provided with workpapers developing the balances in the Conservation Balancing Accounts.

Tier Designation

Pursuant to Water Industry Rule 7.3.1(1) of General Order 96-B, this advice letter is submitted with Tier 2 designation.

Requested Effective Date

Pursuant to General Rule 7.3.2 of General Order 96-B, AVR requests this filing become effective January 9, 2016.

Notice and Service

In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 14.1, a copy of this advice letter will be mailed or electronically transmitted on December 10, 2015 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

Response or Protest

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. 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) The utility 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 the utility 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; or
- (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.)

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 Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit
Division of Water and Audits, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Edward Jackson, Representative
Director of Revenue Requirements
Park Water Company
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Fax: (562) 861-5902
E-Mail: regulatoryaffairs@parkwater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits 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.

If you have not received a reply to your protest within 10 business days, contact Edward Jackson at (562) 923-0711, ext. 1212.

Public notice of this filing is not required. Adjacent public or privately owned utilities and other interested parties have been furnished a copy of this Advice Letter. A list of those recipients is attached.

Very truly yours,

APPLE VALLEY RANCHOS WATER COMPANY

/s/Edward N. Jackson

EDWARD N. JACKSON
Director of Revenue Requirements
562.923.0711, ext. 1212
ed.jackson@parkwater.com

SCHEDULE NO. 1

RESIDENTIAL GENERAL METERED SERVICE
(Continued)

6. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
7. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
8. As authorized by the California Public Utilities Commission, an amount of \$2.43 per customer is to be Added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 208-W. This surcharge will recover the under-collection in the CARW Revenue Reallocation Balancing Account as of December 31, 2013.
9. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$0.61 per customer is to be applied on the effective date of Advice Letter 209-W. This sur-credit will refund the over-collection in the One-Way Conservation Balancing Account as of December 31, 2014. (R)
(R)

(To be inserted by utility)

Advice No. 209-W

Dec. No. D.15-11-030

LEIGH K. JORDAN

Name

EXECUTIVE VICE PRESIDENT

Title

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

Date Filed DEC 10 2015

Effective JAN -9 2016

Resolution No. _____

SCHEDULE NO. 3

NON-RESIDENTIAL GENERAL METERED SERVICE

(Continued)

6. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months, beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
7. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
8. As authorized by the California Public Utilities Commission, an amount of \$2.43 per customer is to be added to the quantity rate for a period of 12 months, beginning on the effective date of Advice Letter 208-W. This surcharge will recover the under collection in the CARW Revenue Reallocation Balancing Account as of December 31, 2013.
9. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$0.61 per customer is to be applied on the effective date of Advice Letter 209-W. This sur-credit will refund the over-collection in the One-Way Conservation Balancing Account as of December 31, 2014. (R)
|
(R)

(To be inserted by utility)

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

Advice No. 209-W

LEIGH K. JORDAN

Date Filed DEC 10 2015

Dec. No. D.15-11-030

Name
EXECUTIVE VICE PRESIDENT

Effective JAN - 9 2016

Title

Resolution No. _____

SCHEDULE NO. 4
NON-METERED FIRE SERVICE
(Continued)

6. Any unauthorized use of water, other than for fire extinguishing purposes shall be charged for at the regular established rate as set forth under Schedule No. 3, Non-Residential General Metered Service, and/or may be the grounds for the immediate disconnection of the service without liability to the Company.
7. A late charge will be imposed per Schedule No. LC
8. All bills subject to the reimbursement fee set forth on Schedule No. UF.
9. As authorized by the California Public Utilities Commission, a surcredit of \$2.77 is to be applied for a period of 12 months, beginning on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Employee and Retiree Health Care Balancing Account balance as of December 31, 2014.
10. As authorized by the California Public Utilities Commission, a one-time surcredit of \$0.93 per customer is to be applied on the effective date of Advice Letter 207-W. This surcredit will refund the over-collection in the Pension Expense Balancing Account as of December 31, 2014.
11. As authorized by the California Public Utilities Commission, a one-time sur-credit of \$0.61 per customer is to be applied on the effective date of Advice Letter 209-W. This sur-credit will refund the over-collection in the One-Way Conservation Balancing Account as of December 31, 2014.

(R)
|
(R)

(To be inserted by Utility)

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

Advice No. 209-W LEIGH K. JORDAN
Name
Dec. No. D.15-11-030 EXECUTIVE VICE PRESIDENT
Title

Date Filed DEC 10 2015
Effective JAN -9 2016
Resolution No. _____

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

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(continued)

(To be inserted by utility)

Issued By:

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

Advice No. 209-W

LEIGH K. JORDAN

Date Filed

DEC 10 2015

Name

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective

JAN 29 2016

Title

Resolution No.

APPLE VALLEY RANCHOS WATER COMPANY

**ADVICE LETTER 209-W
DISTRIBUTION LIST**

Jim Hansen
Navajo Mutual Water Company
P. O. Box 392
Apple Valley, CA 92307
jhansenjr@email.com

Town of Apple Valley
Attention: Dennis Cron
14955 Dale Evans Parkway
Apple Valley, CA 92307
dcron@applevalley.org

Manuel Benitez
County of San Bernardino
Special Districts Department
Water and Sanitation Division
12402 Industrial Blvd.
Bldg. D, Ste. 6
Victorville, CA 92392

California Public Utilities Commission
Attention Ting-Pong Yuen
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
tpy@cpuc.ca.gov

Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
215 N. D Street, Suite 204
San Bernardino, CA 92415-0490
lafco@lafco.sbcounty.gov

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