

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. 207-W, filed on December 7, 2015, to refund the over-collected balance in the 2012, 2013 and 2014 Employee and Retiree Healthcare Balancing Account and Pension Balancing Account 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>
873-W	Schedule No. 1, Residential General Metered Service, Page 2
874-W	Schedule No. 2, Gravity Irrigation Service, Page 2
875-W	Schedule No. 3, Non-Residential General Metered Service, Page 2
876-W	Schedule No. 4, Non-Metered Fire Service, Page 2
877-W	Table of Contents

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

Thank you,

Jennifer Perez
 Water & 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 7, 2015
District: N/A
CPUC Utility #: U-346-W **Protest Deadline (20th Day):** December 27, 2015
Advice Letter #: 207-W **Review Deadline (30th Day):** January 6, 2016
Tier 1 2 3 Compliance **Requested Effective Date:** January 6, 2016
Authorization D.15-11-030 **Rate Impact:** \$ 679,377
 3.04%

Description: The purpose of this advice letter is to request Commission approval to refund the over-collected balance contained in the 2012, 2013, and 2014 Employee and Retiree Healthcare Balancing Account and Pension Balancing Account as authorized by D.15-11.030.

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: Ellen M. Zimbalist
Phone: 562.923.0711, ext. 1208
Email: ezimbalist@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

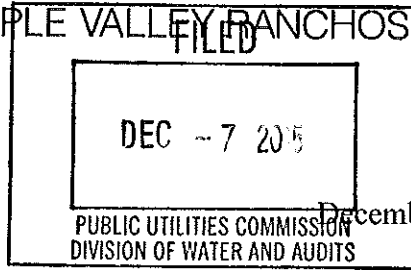
WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



Advice Letter 207-W

December 7, 2015

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Apple Valley Ranchos Water Company (U 346 W) ("AVR") hereby transmits the following revised tariff sheets applicable to water service in its service territory:

Calif. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule Number</u>	<u>Canceling Sheet No.</u>
873-W	Residential General Metered Service, Page 2	1	ORIGINAL
874-W	Gravity Irrigation Service, Page 2	2	ORIGINAL
875-W	Non-Residential General Metered Service, Page 2	3	ORIGINAL
876-W	Non-Metered Fire Service, Page 2	4	860-W
877-W	Table of Contents		872-W

Summary

This request is made pursuant to Ordering Paragraph No. 1 of D.15-11-030 dated November 19, 2015. The purpose of this advice letter is to request Commission approval to refund the over-collected balances contained in both the Employee and Retiree Health Care Balancing Account and the Pension Expense Balancing Account as authorized by D.15-11-030. This request is made pursuant to the settlement agreement between AVR and the Office of Ratepayer Advocates ("ORA"), Attachment A (pages 95 through 97) of D.15-11-030.

Background and Discussion

Ordering paragraph No. 1 of D.15-11.030 states the following:

1. The Final Settlement Agreement between Apple Valley Ranchos Water Company and the Office of Ratepayer Advocates is adopted without modification. The Final Settlement Agreement is attached as Attachment A to this decision. The Joint Comparison Exhibit is attached as Attachment B to this decision.

Section 16.3 of the settlement adopted by D.15-11-030 (Attachment A) states the following:

16.3 Employee and Retiree Health Care Balancing Account

AVR Water Request:

AVR requests that it be permitted to file an advice letter requesting to refund the balance recorded in the Employee and Retiree Health Care Balancing Account after 2014 recorded data becomes available and a final balance at December 31, 2014 is calculated and recorded in the account.

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

ORA Position:

ORA recommends that the over-collected balance of \$285,653 recorded in the Employee and Retiree Health Care Balancing Account as of December 31, 2013, be refunded through a sur-credit authorized in this proceeding.

Resolution:

After discussion, settlement negotiations, and review of AVR's rebuttal testimony, the Parties agree that AVR will file an advice letter no later than March 31, 2015 to refund the balance recorded in the account as of December 31, 2014. The Parties also agree that the account should continue to the next general rate case.

AVR was unable to file this advice letter prior to April 1, 2015, as stated in the terms of the settlement, because of the delay in the Commission's issuance of the final decision in AVR's GRC, adopting the Final Settlement Agreement referenced above.

As of December 31, 2014, the recorded over-collected balance for the Employee and Retiree Health Care Balancing Account is \$650,472. With interest through October 31, 2015, the total recorded over-collected balance is \$651,242. The over-collection generates a decrease in additional uncollectible and franchise expense of \$9,582. Therefore, AVR is requesting to refund the total of \$660,824 to its ratepayers.

Section 16.4 of the settlement adopted by D.15-11-030 states the following:

AVR Water Request:

AVR requests that it be permitted to file an advice letter requesting to refund the balance recorded in the Pension Expense Balancing Account after 2014 recorded data becomes available and a final balance at December 31, 2014 is calculated and recorded in the account.

ORA Position:

ORA recommends that the over-collected balance of \$22,427 recorded in the Pension Expense Balancing Account as of December 31, 2013 be refunded through a sur-credit authorized in this proceeding.

Resolution:

After discussion, settlement negotiations, and review of AVR's rebuttal testimony, the Parties agree that AVR will file an advice letter no later than March 31, 2015 to refund the balance recorded in the account as of December 31, 2014. The Parties also agree that the account should continue to the next general.

The recorded over-collected balance for the Pension Expense Balancing Account is \$18,262. With interest through October 31, 2015, the total recorded over-collected balance is \$18,284. The over-collection generates a decrease in additional uncollectible and franchise expense of \$269. Therefore, AVR is requesting to refund the total of \$18,553 to its ratepayers.

To refund the balance of the Employee and Retiree Health Care Balancing Account, AVR proposes a 12-month sur-credit of \$2.77 per customer for domestic service for Schedule No. 1, Residential General Metered Service, Schedule No. 2, Gravity Irrigation Service, Schedule No. 3, Non-Residential General Metered, and Schedule No. 4, Non-Metered Fire Service.

To refund the balance of the Pension Expense Balancing Account, AVR proposes a one-time sur-credit of \$0.93 per customer for domestic service for Schedule No. 1, Residential General Metered Service, Schedule No. 2, Gravity Irrigation 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 showing the interest calculations. The calculation of the sur-credits is included in the workpapers.

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 6, 2016.

Notice and Service

Pursuant to Water Industry Rule 4.1 and General Rules 4.3 and 7.2 of General Order 96-B, a copy of this advice letter will be mailed or electronically transmitted on December 7, 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 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
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 N. Jackson
Representative
Director of Revenue Requirements
Park Water Company
9750 Washburn Road
P. O. Box 7002
Downey, CA 90241
Phone: (562) 923.0711, ext. 1212
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 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.

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

Very truly yours,

APPLE VALLEY RANCHOS WATER COMPANY

/s/ Edward N. Jackson
EDWARD N. JACKSON
Representative
Director of Revenue Requirements
Park Water Company
562.923.0711, ext 1212
ed.jackson@parkwater.com

ENJ/emz

Enclosure

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. (R)
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. (R)

(To be inserted by utility)

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

Advice No. 207-W

LEIGH K. JORDAN

Date Filed DEC - 7 2015

Name

Effective JAN - 6 2016

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Resolution No. _____

Title

SCHEDULE NO. 2

GRAVITY IRRIGATION 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. (R)
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. (R)

(To be inserted by utility)

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

Advice No. 207-W

LEIGH K. JORDAN

Date Filed DEC - 7 2015

Name

Effective JAN - 6 2016

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Resolution No. _____

Title

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. (R)
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. (R)

(To be inserted by utility)

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

Advice No. 207-W

LEIGH K. JORDAN

Date Filed DEC - 7 2015

Name

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective JAN - 6 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. (R)
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. (R)

(To be inserted by Utility)

Advice No. 207-W LEIGH K. JORDAN
Name
Dec. No. D.15-11-030 EXECUTIVE VICE PRESIDENT
Title

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

Date Filed DEC - 7 2015
Effective JAN - 6 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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Schedule No. 3	Non-Residential General Metered Service-Apple Valley	867-W, 875-W	(T)
Schedule No. 3	Non-Residential General Metered Service-Yermo	871-W	
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No. 16	Service Connections, Meters, and Customer Facilities	399-W thru 405-W	

(continued)

(To be inserted by utility)

Issued By:

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

Advice No. 207-W

LEIGH K. JORDAN

Date Filed

DEC - 7 2015

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective

JAN - 6 2016

Title

Resolution No.

APPLE VALLEY RANCHOS WATER COMPANY

**ADVICE LETTER 207-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
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San Bernardino, CA 92415-0490
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joshua.nelson@bbklaw.com