

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,

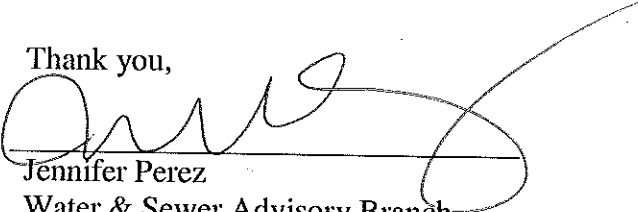
The Commission has approved Apple Valley Ranchos Water Company's Advice Letter No. 208-W, filed on December 9, 2015, to Amortize the Under-Collected Balance in the California Alternative Rates for Water Revenue Reallocation Balancing Account that was submitted in accordance with D.15-11-030.

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>
878-W	Schedule No. 1, Residential General Metered Service, Page 2
879-W	Schedule No. 3, Non-Residential General Metered Service, Page 2
880-W	Table of Contents, Page 1

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

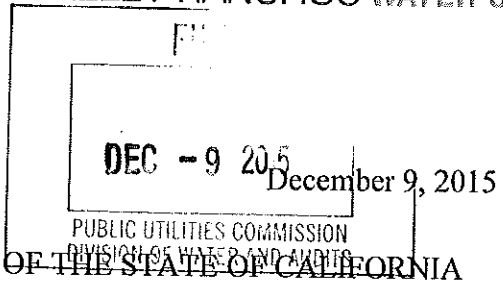
Thank you,


Jennifer Perez
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures

APPLE VALLEY RANCHOS WATER COMPANY

Advice Letter No. 208-W



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.		Canceling
<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Sheet No.</u>
878-W	Schedule No. 1, Residential General Metered Service, page 2	873-W
879-W	Schedule No.3, Non-Residential General Metered Service, page 2	875-W
880-W	Table of Contents, page 1	877-W

This request is made pursuant to Ordering Paragraph No. 1 of D.15-11-030, dated November 19, 2015. The purpose of this filing is to request California Public Utilities Commission ("Commission") authorization to amortize the under-collected balance contained in the California Alternative Rates for Water ("CARW") Revenue Reallocation Balancing Account.

Background and Discussion

AVR's Low-Income Ratepayer Assistance Program was authorized by the Commission in D.05-12-020 and became effective January 1, 2006. The CARW program established for AVR consists of a monthly service charge discount for qualifying customers who meet the income eligibility requirements established annually by the Commission and a surcharge applicable to all non-qualifying customers to fund the CARW program. D.05-12-020 also established the CARW Revenue Reallocation Balancing Account to track the difference between the recorded discounts per month provided by the CARW tariff schedule and the surcharge per month collected through the metered service tariff schedules.

In D.11-05-020, the Commission required water and energy utilities with overlapping service territories to share low-income customer data in an effort to increase the participation rates in water utilities' low-income programs. Pursuant to D.11-05-020, AVR implemented data sharing with Southern California Edison and Southwest Gas in September of 2012. The data sharing program was responsible for a 180% increase in customer participation in the CARW program resulting in a substantial increase to the under-collected balance tracked by the CARW Revenue Reallocation Balancing Account.

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

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 19.0 of the settlement adopted by D.15-11-030 (Attachment A) states the following regarding AVR's low-income program:

AVR Water Request:

AVR proposes to continue its existing low-income discount program known as California Alternate Rates for Water ("CARW"). AVR requests continuing this program by increasing the current monthly service charge discount of \$6.69 by the average percentage increase to rates authorized in this proceeding. AVR also proposes the continuation of a surcharge to offset the CARW discounts provided to qualifying customers. AVR requests the Commission authorize the recovery of the under-collection recorded in the CARW Balancing Account as of December 31, 2013 in the amount of \$425,758 through a 12-month temporary surcharge.

ORA Position:

ORA finds AVR's request acceptable and recommends that the Commission adopt AVR's requested changes to the CARW program identified in AVR's application.

Resolution:

The Parties agree that qualifying customers would receive a monthly CARW discount using the methodology described above. Non-qualifying customers, excluding customers receiving non-metered fire sprinkler service, reclaimed water service, construction and other temporary meter service and customers that receive a CARW credit, would be subject to a monthly surcharge using the methodology described above.

The Parties agree that the Commission should authorize the recovery of the under-collection recorded in the CARW Revenue Reallocation Balancing Account in the amount of \$425,758.

The Parties further agree that the CARW Balancing Account continues to be necessary to track the balance of collected surcharges and discounts.

The balance in the CARW Revenue Reallocation Balancing Account at December 31, 2013 was an under-collection of \$425,758. With interest through October of 2015, the under-collected balance in the CARW Revenue Reallocation Balancing Account is \$426,699. The recovery of the balance in the CARW Revenue Reallocation Balancing Account would generate an increase in uncollectible expense and franchise fees expense of \$6,278, above the amounts currently reflected in Park's rates. AVR proposes to recover the under-collection of \$432,977 through a 12-month surcharge of \$2.43 applicable to domestic service for Schedule No. 1, Residential General Metered Service, and Schedule No. 3, Non-Residential General Metered Service. The surcharge is not applicable to residential customers that receive a CARW credit.

The Commission Staff has been provided with workpapers showing the interest calculation in the CARW Revenue Reallocation Balancing Account. The calculation of the surcharge is included in the workpapers.

Tier Designation

Pursuant to Water Industry Rule 7.3.1(3) of General Order 96-B, this advice letter is submitted with a Tier 1 designation.

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

In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on December 9, 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 relitigating 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, 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 Division of Water and Audits, 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
Fax: (562) 861-5902
E-Mail: 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.

(1)
|
(1)

(To be inserted by utility)

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

Advice No. 208-W

LEIGH K. JORDAN

Date Filed DEC - 9 2015

Name

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective JAN - 6 2016

Title

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. (1)
|
(1)

(To be inserted by utility)

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

Advice No. 208-W

LEIGH K. JORDAN

Date Filed DEC - 9 2015

Name

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective JAN - 6 2016

Title

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. 208-W

LEIGH K. JORDAN

Date Filed

DEC -9 2015

Dec. No. D.15-11-030

EXECUTIVE VICE PRESIDENT

Effective

JAN -6 2016

Title

Resolution No.

APPLE VALLEY RANCHOS WATER COMPANY

**ADVICE LETTER 208-W
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Manuel Benitez
County of San Bernardino
Special Districts Department
Water and Sanitation Division
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Victorville, CA 92392

California Public Utilities Commission
Attention Ting-Pong Yuen
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