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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of San Gabriel Valley Water Company (U337W) for Authority to Increase Rates Charged for Water Service in its Los Angeles County Division by \$10,232,700 or 17.8% in July 2011, \$1,767,700 or 2.6% in July 2012, and \$2,245,800 or 3.2% in July 2013 and in its Fontana Water Company division by \$1,252,200 or 2.1% in July 2011.

Application 10-07-019  
(Filed July 16, 2010)

**ADMINISTRATIVE LAW JUDGE'S RULING  
MODIFYING RULING GRANTING INTERIM RATES**

Pursuant to Section 455.2 of the Pub. Util. Code, this ruling grants the motion of San Gabriel Valley Water Company filed on June 29, 2011, seeking modification of my June 24, 2011 ruling granting interim rate relief for its Los Angeles District. This ruling modifies the June 24, 2011, ruling by granting interim rate relief to San Gabriel Valley Water's Fontana Division. The interim rate relief for the Fontana Division, like the rate relief granted for the Los Angeles Division, is based on the existing rate levels and will be subject to refund, to be adjusted upward or downward consistent with the final rates adopted by the Commission in the pending general rate case.

**1. Procedural Background**

The Rate Case Plan adopted in Decision (D.) 07-05-062 requires the applicant in a water general rate case to file a motion for interim rate relief on or

before the date for filing its opening brief, unless a different date is designated by the Presiding Officer. In this case, when a proposed decision was not issued by May 24, 2011, San Gabriel requested and was granted permission by the assigned Administrative Law Judge (ALJ) to file a motion for interim rate relief after the opening briefs were filed. On May 27, 2011, San Gabriel filed a motion for interim rate relief, followed by an amended motion for interim rate relief on May 31, 2011. On June 24, 2011, I issued a ruling granting the amended motion for rate relief approving interim rates for the Los Angeles Division at the level of then-existing rates. On June 29, 2011, San Gabriel filed an additional motion requesting a modification to the ruling granting interim rate relief to extend the rate relief to its Fontana Division.

**2. Requirements of Pub. Util. Code § 455.2 Are Met**

Pub. Util. Code § 455.2 provides for interim rate relief when the Commission is unable to issue its final decision on the general rate case application of a water corporation with greater than 10,000 service connections in a manner ensuring the decision becomes effective on the first day of the test year in the application. The first day of the test year for San Gabriel's application was July 1, 2010. As established in the June 24, 2011, ruling, San Gabriel has met all requirements for interim rate relief contained in § 455.2 (b), and the delay in the adoption of a final decision is due to the complexity of the proceeding, and not to the actions of San Gabriel.

**3. The Request for Interim Rate Relief is Granted**

No party has protested San Gabriel's motion for modification of the earlier ruling granting rate relief, and as discussed above, the motion meets the requirements of § 455.2. For these reasons, and consistent with the discussion in the June 24, 2011 Ruling, San Gabriel's motion for interim rates in its Fontana

Division is granted. San Gabriel shall file a Tier 1 Advice Letter with the Commission within five days, implementing interim rates for its Fontana Division at that division's the currently authorized levels. The Advice Letter shall contain a request to modify the Interim Rate Memorandum Account established pursuant to the June 24, 2011, ruling to track the difference between the interim rates for both the Los Angeles and Fontana Divisions and the final rates adopted by the Commission in this proceeding for those districts.

Therefore, **IT IS RULED** that:

1. San Gabriel Valley Water Company shall file a Tier 1 Advice Letter with the Commission within five days, implementing interim rates for its Fontana Division. The interim rates for the company's Los Angeles Division remain in place.
2. The interim rates for both districts shall be the currently authorized rates.
3. In the advice letter, San Gabriel Valley Water Company shall request authorization to modify its Interim Rate Memorandum Account as described in this ruling.

Dated August 17, 2011, at San Francisco, California.

          /s/ JESSICA T. HECHT            
Jessica T. Hecht  
Administrative Law Judge