

SAN GABRIEL VALLEY WATER COMPANY

February 18, 2020

U337W

Mr. James A. Boothe
Water Division
California Public Utilities Commission
505 Van Ness Avenue, Room 3200
San Francisco, CA 94102

(by email)

Subject: Authorized Balancing Account Outstanding Balances

Dear Mr. Boothe:

Per Bruce DeBerry's letter dated June 16, 2014, and your January 16, 2015 email, San Gabriel Valley Water Company provides its December 2019 balancing account balances below.

In response to Ms. Rocha's July 30, 2018 email (as clarified by her August 8 email) San Gabriel identifies each balancing account consistent with the following criteria:

(1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account's authorized revenue amount.

RESPONSE: San Gabriel interprets "authorized revenue amount" to be the most recent balance authorized for amortization (i.e. amortization revenues), or the balance in San Gabriel's current GRC (A.19-01-001), whichever is more recent. The following table lists the accounts with a quarter-end balance with more than a 10% differential from the "authorized revenue amount." The table also shows the account balance as a percentage of current authorized revenues in the division.

Div.	Balancing Account	Balance at 12/31/2019	Most Recent Conducted Review Balance	GRC/AL	% Differential	Authorized Revenue Requirement for Division	12/31/2019 Balance as % of Authorized Revenue Requirement
LA	Power Cost	(\$243,462)	\$287,192	A.19-01-001	184.8%	\$77,430,614	0.3%
LA	WRAM	(\$1,681,186)	(\$1,459,060)	A.19-01-001	15.2%	\$77,430,614	2.2%
LA	CARW	\$251,272	\$350,695	A.19-01-001	28.4%	\$77,430,614	0.3%
LA	Cons. Prog.	\$24,837	\$275,449	A.19-01-001	91.0%	\$77,430,614	0.0%
LA	Drought Rev./Schg.	(\$1,405,373)	(\$3,532,149)	AL 507	60.2%	\$77,430,614	1.8%
FWC	Water Cost	(\$6,429,635) ¹	(\$11,289,628)	AL 525	43.0%	\$77,862,410	8.3%
FWC	Power Cost	\$1,172,422	\$648,265	A.19-01-001	80.9%	\$77,862,410	1.5%
FWC	WRAM	(\$779,403)	(\$487,113)	A.19-01-001	60.0%	\$77,862,410	1.0%
FWC	Cons. Prog.	\$253,706	\$2,961	A.19-01-001	8,468.3%	\$77,862,410	0.3%
FWC	Drought Rev./Schg.	(\$1,469,071)	(\$3,586,304)	AL508	59.0%	\$77,862,410	1.9%

(2) *Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.*

RESPONSE: San Gabriel interprets “authorized revenue amount” to be the most recent balance authorized for amortization or the balance reviewed in San Gabriel’s current GRC (A.19-01-001), whichever is more recent. The following table lists the four accounts with the largest authorized balances (i.e. top 25th percentile).

Div.	Balancing Account	Authorized Balance	Balance Reviewed in:
FWC	Water Cost Balancing Account	(\$11,289,628)	AL 525
FWC	Drought Revenue/Surcharge Balancing Account	(\$3,586,304)	AL 508
LA	Drought Revenue/Surcharge Balancing Account	(\$3,532,149)	AL 507
FWC	PABBA	(\$2,823,604)	A.19-01-001

(3) *Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time. (Per Ms. Rocha’s August 8, 2018, email, ...accounts that have fluctuations within 20 percent from the previous semiannual balance.)*

RESPONSE: San Gabriel interprets this request as identifying those accounts that have experienced fluctuations of 20 percent *or more* relative to the previous semiannual balance:

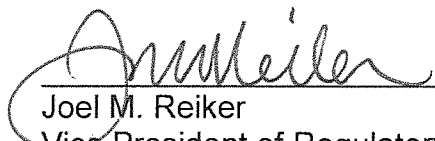
¹Fontana Water Cost Balancing Account reflects November 30, 2019 balance.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	429.6%
LA	California Alternative Rates for Water Balancing Account	28.6%
LA	Conservation Program	92.3%
LA	Drought Revenue/Surcharge Balancing Account	41.2%
FWC	Power Cost Balancing Account	20.4%
FWC	Conservation Programs (One-way) Balancing Account	153.0%
FWC	Plant F23 Project Balancing Account	100.0%
FWC	Drought Revenue/Surcharge Balancing Account	41.6%

(4) *Balancing accounts that have not been reviewed in the previous three years.*

RESPONSE: All of San Gabriel's balancing accounts were either reviewed in its most recent general rate case (A.19-01-001) or in advice letter filings within the previous three years.

Very truly yours,



Joel M. Reiker
Vice President of Regulatory Affairs

cc:

Bruce DeBerry, CPUC – Water Division (bruce.deberry@cpuc.ca.gov)
Richard Smith, CPUC – Water Branch, Cal PA (richard.smith@cpuc.ca.gov)
Victor Chan, CPUC – Water Branch, Cal PA (victor.chan@cpuc.ca.gov)
Kayode Kajopaiye, CPUC – Water Division (kayode.kajopaiye@cpuc.ca.gov)
Carmen Rocha, CPUC – Water Division (mariacarmen.rocha@cpuc.ca.gov)

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San Gabriel Valley Water Company

<u>Utility Name</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Reported Balance as of End of June 2019</u>	<u>Balance as of the End of December 2019</u>	<u>Most Recent Conducted Review/Audit (either GRC or other method)</u>	<u>Notes or Comments</u>
San Gabriel Valley Water Company	Total number of connections per 2019 Los Angeles County Division Annual Report: 49,229						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$779,741)	(\$744,823)	A.19-01-001	GRC
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$73,867	(\$243,462)	A.19-01-001	GRC
	Water Revenue Adjustment Mechanism (WRAM)	Tracks the quantity rate revenues under Schedule No. LA-1C against revenues that would be collected under single-block quantity rate	D.10-04-031; April 8, 2010 & AL 429	(\$1,617,444)	(\$1,681,186)	A.19-01-001	GRC
	California Alternative Rates for Water (CARW)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	\$195,383	\$251,272	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	\$322,654	\$24,837	A.19-01-001	GRC
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	(\$552,716)	(\$557,956)	A.19-01-001	GRC
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$2,388,465)	(\$1,405,373)	AL 507	
				(\$4,746,462)	(\$4,356,692)		

A positive balance reflects an overcollection.
A negative balance reflects an undercollection.

San Gabriel Valley Water Company

<u>Utility Name</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Reported Balance as of End of June 2019</u>	<u>Balance as of the End of December 2019 *</u>	<u>Most Recent Conducted Review/Audit (either GRC or other method)</u>	<u>Notes or Comments</u>
San Gabriel Valley Water Company	Total number of connections per Fontana Water Company 2019 Annual Report: 47,758						
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	(\$7,732,266)	(\$6,429,635)	AL 525	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$973,726	\$1,172,422	A.19-01-001	GRC
	Water Revenue Adjustment Mechanism (WRAM)	Tracks the quantity rate revenues under Schedule No. FO-1C against revenues that would be collected under single-block quantity rate	D.10-04-031; April 8, 2010	(\$654,005)	(\$779,403)	A.19-01-001	GRC
	California Alternative Rates for Water (CARW)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005 & D.04-07-034; July 8, 2004	(\$1,390,490)	(\$1,191,662)	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$100,286	\$253,706	A.19-01-001	GRC
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	(\$2,858,489)	(\$2,908,239)	A.19-01-001	GRC
	Plant F23 Project	Track the authorized amortization	Resolution W-5165	(\$22,442)	\$0	AL 543	Bal. Acct. Closed Pursuant to AL 543
	Mains Projects	Track the authorized amortization	Resolution W-5174	(\$2,021,409)	(\$1,620,576)	AL 527	
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$2,515,050)	(\$1,469,071)	AL 508	
				(\$16,120,139)	(\$12,972,458)		

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