

# SAN GABRIEL VALLEY WATER COMPANY

February 16, 2021

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 2020 balancing account balances below.

In response to Ms. Rocha's July 30, 2018 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 last 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 12/31/2020	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	12/31/2020 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL			
LA	Power Cost	(\$1,061,630) <sup>1</sup>	\$287,192	A.19-01-001	469.7%	\$80,490,200	1.3%
LA	Water Cost	(\$857,791)	(\$778,792)	A.19-01-001	10.1%	\$80,490,200	1.1%
LA	CARW	\$9,671	\$350,695	A.19-01-001	97.2%	\$80,490,200	0.0%
LA	Cons. Prog.	(\$29,522)	\$275,449	A.19-01-001	110.7%	\$80,490,200	0.0%
LA	PABBA	(\$349,654)	(\$545,971)	A.19-01-001	36.0%	\$80,490,200	0.4%
FWC	Water Cost	(\$3,187,221) <sup>1</sup>	(\$11,289,628)	AL 525	71.8%	\$79,211,500	4.0%
FWC	Power Cost	\$1,031,790 <sup>1</sup>	\$648,265	A.19-01-001	59.2%	\$79,211,500	1.3%
FWC	WRAM	(\$756,469)	(\$487,113)	A.19-01-001	55.3%	\$79,211,500	1.0%
FWC	CARW	(\$863,879)	(\$1,133,188)	A.19-01-001	23.8%	\$79,211,500	1.1%
FWC	Cons. Prog.	\$162,707	\$2,961	A.19-01-001	5,395.0%	\$79,211,500	0.2%
FWC	PABBA	(\$1,751,427)	(\$2,823,604)	A.19-01-001	38.0%	\$79,211,500	2.2%
FWC	Mains Proj.	(\$864,712)	(\$2,161,866)	AL527	60.0%	\$79,211,500	1.1%

(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 last GRC (A.19-01-001), whichever is more recent. The following table lists the four accounts with the largest authorized balances (i.e. top 25<sup>th</sup> percentile).

Div.	Balancing Account	Authorized Balance	Balance Reviewed in:
FWC	Water Cost Balancing Account	(\$11,289,628)	AL 525
FWC	PABBA	(\$2,823,604)	A.19-01-001
FWC	Mains Project Balancing Account	(\$2,161,866)	AL 527
LA	WRAM	(\$1,459,060)	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:

<sup>1</sup>L.A. Power Balancing Account, Fontana Water Cost Balancing account, and Fontana Power Cost Balancing account reflect November 30, 2020 balances.

\*The Drought Lost Revenue & Surcharge Revenue Balancing accounts were recently closed (11/30/20), and the balance will be transferred into PABBA effective 02/01/21, in accordance with AL 558.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	109.1%
LA	Conservation Programs (One-way) Balancing Account	211.7%
LA	Drought Revenue/Surcharge Balancing Account	98.3%
LA	CARW	91.5%
LA	PABBA	37.6%
FWC	Drought Revenue/Surcharge Balancing Account	94.9%
FWC	Conservation Programs (One-way) Balancing Account	94.4%
FWC	Water Cost Balancing Account	47.2%
FWC	PABBA	40.1%
FWC	CARW	36.6%
FWC	Mains Project Balancing Account	34.1%
FWC	Power Cost Balancing Account	29.8%
FWC	WRAM	26.4%

*(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:

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/encl.

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 2020</u>	<u>Balance as of the End of December 2020</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 2020 Los Angeles County Division Annual Report: 49,369						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$806,243)	(\$857,791)	A.19-01-001	GRC
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$507,666)	(\$1,061,630)	A.19-01-001	Note_1
	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	(\$1,811,119)	(\$1,505,610)	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	\$113,706	\$9,671	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	\$26,438	(\$29,522)	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	(\$560,760)	(\$349,654)	A.19-01-001	GRC
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$575,903)	(\$10,049)	AL 558	Note_2
				(\$4,121,547)	(\$3,804,585)		

Note\_1: L.A. Power Cost Balancing Account reflects November 30, 2020 balances.

Note\_2: Drought Lost Rev/Surcharge Rev Balancing Account was closed and balance transferred to PABBA effective 2/01/2021.

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 2020</u>	<u>Balance as of the End of December 2020 *</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 2020 Annual Report:	48,187					
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	(\$6,030,997)	(\$3,187,221)	AL 525	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$1,469,787	\$1,031,790	A.19-01-001	Note_1
	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	(\$1,027,948)	(\$756,469)	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	(\$1,362,443)	(\$863,879)	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$83,694	\$162,707	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	(\$2,922,857)	(\$1,751,427)	A.19-01-001	GRC
	Mains Projects	Track the authorized amortization	Resolution W-5174	(\$1,312,585)	(\$864,712)	AL 527	
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$671,774)	(\$34,463)	AL 558	Note_2
				(\$11,775,123)	(\$6,263,674)		

Note\_1: Fontana Water Cost Balancing Account and Fontana Power Cost Balancing Account reflect November 30, 2020 balances.

Note\_2: Drought Lost Rev/Surcharge Rev Balancing Account was closed and balance transferred to PABBA effective 2/01/2021.

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