

# SAN GABRIEL VALLEY WATER COMPANY

August 17, 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 June 2020 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 06/20/2020	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	06/20/2020 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL			
LA	Power Cost	(\$507,666) <sup>1</sup>	\$287,192	A.19-01-001	276.8%	\$77,430,614	0.7%
LA	WRAM	(\$1,811,119)	(\$1,459,060)	A.19-01-001	24.1%	\$77,430,614	2.3%
LA	CARW	\$113,706	\$350,695	A.19-01-001	67.6%	\$77,430,614	0.1%
LA	Cons. Prog.	\$26,438 <sup>1</sup>	\$275,449	A.19-01-001	90.4%	\$77,430,614	0.0%
LA	Drought Rev./Schg.	(\$575,903)	(\$3,532,149)	AL 507	83.7%	\$77,430,614	0.7%
FWC	Water Cost	(\$6,030,997) <sup>1</sup>	(\$11,289,628)	AL 525	46.6%	\$77,862,410	7.7%
FWC	Power Cost	\$1,469,787 <sup>1</sup>	\$648,265	A.19-01-001	126.7%	\$77,862,410	1.9%
FWC	WRAM	(\$1,027,948)	(\$487,113)	A.19-01-001	111.0%	\$77,862,410	1.3%
FWC	CARW	(\$1,362,443)	(\$1,133,188)	A.19-01-001	22.7%	\$77,862,410	1.8%
FWC	Cons. Prog.	\$83,694	\$2,961	A.19-01-001	2,726.5%	\$77,862,410	0.1%
FWC	Drought Rev./Schg.	(\$671,774)	(\$3,586,304)	AL508	81.3%	\$77,862,410	0.9%
FWC	Mains Project	(\$1,312,585)	(\$2,161,866)	AL527	39.3%	\$77,862,410	1.7%

(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 25<sup>th</sup> 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:

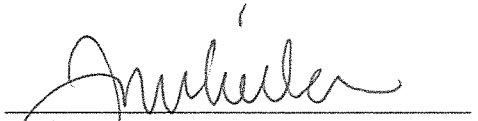
<sup>1</sup>L.A. Power Balancing Account, L.A. Conservation Program Balancing Account, Fontana Water Cost Balancing account, and Fontana Power Cost Balancing account reflect May 31, 2020 balances.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	108.5%
LA	California Alternative Rates for Water Balancing Account	54.7%
LA	Drought Revenue/Surcharge Balancing Account	59.0%
FWC	Power Cost Balancing Account	25.4%
FWC	WRAM	31.9%
FWC	Conservation Programs (One-way) Balancing Account	67.0%
FWC	Drought Revenue/Surcharge Balancing Account	54.3%

*(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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Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Reported Balance as of End of December 2019	Balance as of the End of June 2020*	Most Recent Conducted Review/Audit (either GRC or other method)	Notes or Comments
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	(\$744,823)	(\$806,243)	A.19-01-001	GRC
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$243,462)	(\$507,666)	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	(\$1,681,186)	(\$1,811,119)	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	\$251,272	\$113,706	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	\$24,837	\$26,438	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	(\$557,956)	(\$560,760)	A.19-01-001	GRC
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$1,405,373)	(\$575,903)	AL 507	
				(\$4,356,692)	(\$4,121,547)		

\* L.A. Water Cost Balancing Account, L.A. Power Cost Balancing Account, and L.A. Conservation Program Balancing Account reflect May 31, 2020 balances.

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Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Reported Balance as of End of December 2019	Balance as of the End of June 2020 *	Most Recent Conducted Review/Audit (either GRC or other method)	Notes or Comments
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	(\$6,429,635)	(\$6,030,997)	AL 525	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$1,172,422	\$1,469,787	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	(\$779,403)	(\$1,027,948)	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	(\$1,191,662)	(\$1,362,443)	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$253,706	\$83,694	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	(\$2,908,239)	(\$2,922,857)	A.19-01-001	GRC
	Mains Projects	Track the authorized amortization	Resolution W-5174	(\$1,620,576)	(\$1,312,585)	AL 527	
	Drought Lost Rev/Surcharge Rev Balancing Account	Tracks the authorized amortization	Resolution W-5169	(\$1,469,071)	(\$671,774)	AL 508	
				(\$12,972,458)	(\$11,775,123)		

\* Fontana Water Cost Balancing Account and Fontana Power Cost Balancing Account reflect May 31, 2020 balances.

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