

SAN GABRIEL VALLEY WATER COMPANY

March 4, 2025

U337W

Carmen Rocha, Utilities Engineer
Water Division
California Public Utilities Commission
505 Van Ness Avenue, Room 3200
San Francisco, CA 94102

(by email)

Subject: Authorized Balancing Account Outstanding Balances for December 2023 - REVISED

Dear Ms. Rocha:

Attached is a REVISED Semi-Annual Balancing Account Report for the period ending December 2023. San Gabriel files this revised report at the request of the California Public Utilities Commission's Utility Audits, Risk and Compliance division.

Additionally, 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 reviewed by Water Division in an advice letter, the balance audited by the Commission's Utility Audits Branch in 2021, or the balance reviewed by the Commission's Public Advocates Office in San Gabriel's General Rate Case A.22-01-003, (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 12/31/2023	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	12/31/2023 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL/UAB			
LA	Water Cost	(\$1,648,857)	(\$597,960)	2022 GRC	175.7%	\$94,345,700	1.7%
LA	WRAM	(\$1,436,807)	(\$1,088,276)	2022 GRC	32.0%	\$94,345,700	1.5%
LA	Power Cost	(\$1,469,067)	(\$2,006,769)	AL 573	26.8%	\$94,345,700	0.2%
LA	CARW	(\$1,631,505)	(\$458,680)	2022 GRC	255.7%	\$94,345,700	1.7%
LA	Cons. Prog.	\$4,387	\$30,114	UAB Audit	85.4%	\$94,345,700	0.0%
FWC	Water Cost	\$11,502,767	\$7,264,913	AL 593	58.3%	\$95,511,100	12.0%
FWC	Power Cost	(\$1,274,136)	(\$431,113)	2022 GRC	195.5%	\$95,511,100	1.3%
FWC	CARW	(\$1,329,640)	(\$510,183)	2022 GRC	160.0%	\$95,511,100	1.4%
FWC	Cons. Prog.	\$398,996	\$229,257	2022 GRC	74.0%	\$95,511,100	0.4%
FWC	PABBA	\$40,679	\$1,525	2022 GRC	2567.5%	\$95,511,100	0.0%
FWC	WRAM	(\$787,636)	(\$509,545)	2022 GRC	54.6%	\$95,511,100	0.8%

(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 reviewed by Water Division in an advice letter, the balance audited by the Commission’s Utility Audits Branch in 2021, or the balance reviewed by the Commission’s Public Advocates Office in San Gabriel’s GRC A.22-01-003, (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	\$7,264,913	2023 (AL 593)
LA	Power Cost Balancing Account	(\$2,006,769)	2021 (AL 573)
LA	WRAM	(\$1,088,276)	2022 GRC
LA	Water Cost Balancing Account	(\$597,960)	2022 GRC

(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.)*

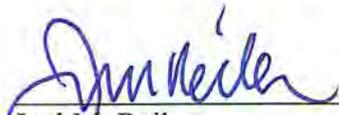
RESPONSE: San Gabriel interprets this request as identifying those accounts that have experienced fluctuations of 20 percent or more relative to the previous semiannual balance:

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Conservation Programs (One-way) Balancing Account	101.1%
FWC	Water Cost Balancing Account	63.6%
FWC	Conservation Programs (One-way) Balancing Account	88.2%

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

RESPONSE: The December 2019 balance recorded in the Los Angeles County Division Conservation Program balancing account was audited in 2021 by the CPUC'S Utility Audits Branch. All other balancing account balances have been reviewed in the previous three years.

Very truly yours,



Joel M. Reiker
Vice President of Regulatory Affairs

cc:

Wilson Tsai, CPUC – Water Division (Wilson.Tsai@cpuc.ca.gov)

Bruce DeBerry, CPUC – Water Division (bruce.deberry@cpuc.ca.gov)

Richard Rauschmeier, CPUC – Water Branch, Cal PA (richard.rauschmeier@cpuc.ca.gov)

Victor Chan, CPUC – Water Branch, Cal PA (victor.chan@cpuc.ca.gov)

/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 2023</u>	<u>Balance as of the End of December 2023 - REVISED</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 2023 Los Angeles County Division Annual Report: 51,207						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,521,634)	(\$1,648,857)	2021 (GRC A.22-01-003)	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,455,108)	(\$1,469,067)	2021 (AL 573)	
	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	(\$1,362,898)	(\$1,436,807)	2021 (GRC A.22-01-003)	
	California Alternative Rates for Water (CARW)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	(\$1,378,756)	(\$1,631,505)	2021 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	(\$388,330)	\$4,387	2019 (UAB Audit conducted in 2021)	
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	(\$15,663)	(\$16,085)	2021 (GRC A.22-01-003)	
				(\$6,122,389)	(\$6,197,934)		

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 2023</u>	<u>Balance as of the End of December 2023 - REVISED</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 2023 Annual Report:	48,602					
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	\$7,031,022	\$11,502,767	2023 (AL 593)	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,223,474)	(\$1,274,136)	2021 (GRC A.22-01-003)	
	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	(\$776,911)	(\$787,636)	2021 (GRC A.22-01-003)	
	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	(\$1,223,774)	(\$1,329,640)	2021 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$212,002	\$398,996	2021 (GRC A.22-01-003)	
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	\$39,611	\$40,679	2021 (GRC A.22-01-003)	
				\$4,058,476	\$8,551,030		

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SAN GABRIEL VALLEY WATER COMPANY

February 15, 2024

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 31, 2023 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 reviewed by Water Division in an advice letter, the balance audited by the Commission's Utility Audits Branch in 2021, or the balance reviewed by the Commission's Public Advocates Office in San Gabriel's General Rate Case A.22-01-003, (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 12/31/2023 ¹	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	12/31/2023 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL/UAB			
LA	Water Cost	(\$1,799,981)	(\$597,960)	2022 GRC	201.0%	\$94,345,700	1.9%
LA	WRAM	(\$1,436,836)	(\$1,088,276)	2022 GRC	32.0%	\$94,345,700	1.5%
LA	Power Cost	(\$894,175)	(\$2,006,769)	AL 573	55.4%	\$94,345,700	0.9%
LA	CARW	(\$1,631,669)	(\$458,680)	2022 GRC	255.7%	\$94,345,700	1.7%
LA	Cons. Prog.	(\$147,445)	\$30,114	UAB Audit	589.6%	\$94,345,700	0.2%
FWC	Water Cost	\$9,158,200	\$7,264,913	AL 593	26.1%	\$95,511,100	9.6%
FWC	Power Cost	(\$1,069,787)	(\$431,113)	2022 GRC	148.1%	\$95,511,100	1.1%
FWC	CARW	(\$1,339,088)	(\$510,183)	2022 GRC	162.5%	\$95,511,100	1.4%
FWC	PABBA	\$40,679	\$1,525	2022 GRC	2567.5%	\$95,511,100	0.0%
FWC	WRAM	(\$787,627)	(\$509,545)	2022 GRC	54.6%	\$95,511,100	0.8%

(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 reviewed by Water Division in an advice letter, the balance audited by the Commission’s Utility Audits Branch in 2021, or the balance reviewed by the Commission’s Public Advocates Office in San Gabriel’s GRC A.22-01-003, (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	\$7,264,913	2023 (AL 593)
LA	Power Cost Balancing Account	(\$2,006,769)	2021 (AL 573)
LA	WRAM	(\$1,088,276)	2022 GRC
LA	Water Cost Balancing Account	(\$597,960)	2022 GRC

(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:

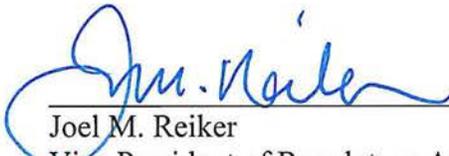
¹L.A. Power Cost Balancing Account, Fontana Water Cost Balancing Account, and Fontana Power Cost Balancing Account reflect November 30, 2023 balances.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	38.5%
LA	Conservation Programs (One-way) Balancing Account	62.09%
FWC	Water Cost Balancing Account	30.3%

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

RESPONSE: The December 2019 balance recorded in the Los Angeles County Division Conservation Program balancing account was audited in 2021 by the CPUC'S Utility Audits Branch. All other balancing account balances have been reviewed in 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 Rauschmeier, CPUC – Water Branch, Cal PA (richard.rauschmeier@cpuc.ca.gov)

Victor Chan, CPUC – Water Branch, Cal PA (victor.chan@cpuc.ca.gov)

Carmen Rocha, CPUC – Water Division (mariacarmen.rocha@cpuc.ca.gov)

/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 2023</u>	<u>Balance as of the End of December 2023</u>	<u>Most Recent Conducted Review/Audit (either GRC or other method)</u>	<u>Notes or Comments</u>
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	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	(\$1,362,898)	(\$1,436,836)	2021 (GRC A.22-01-003)	
	California Alternative Rates for Water (CARW)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	(\$1,378,756)	(\$1,631,669)	2021 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	(\$388,330)	(\$147,445)	2019 (UAB Audit conducted in 2021)	
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	(\$15,663)	(\$16,085)	2021 (GRC A.22-01-003)	
				(\$6,122,389)	(\$5,926,191)		

* Note_1: L.A. Power Cost Balancing Account reflects November 30, 2023 balance. All other L.A. Balancing Accounts reflect December 31, 2023 balances.

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 2023</u>	<u>Balance as of the End of December 2023</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 2023 Annual Report: 48,602						
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	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,223,474)	(\$1,069,787)	2021 (GRC A.22-01-003)	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	(\$776,911)	(\$787,627)	2021 (GRC A.22-01-003)	
	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	(\$1,223,774)	(\$1,339,088)	2021 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$212,002	\$238,309	2021 (GRC A.22-01-003)	
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	\$39,611	\$40,679	2021 (GRC A.22-01-003)	
				\$4,058,476	\$6,240,686		

* Note_1: Fontana Power and Water Cost Balancing Accounts reflect November 30, 2023 balances. All other Fontana Balancing Accounts reflect December 31, 2023 balances.

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