

SAN GABRIEL VALLEY WATER COMPANY

August 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 June 30, 2024 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 06/30/2024 ¹	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	06/30/2024 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL/UAB			
LA	Water Cost	(\$1,897,361)	(\$597,960)	2022 GRC	217.3%	\$97,803,200	5.4%
LA	WRAM	(\$1,542,563)	(\$1,088,276)	2022 GRC	41.7%	\$97,803,200	7.4%
LA	Power Cost	(\$1,610,588)	(\$2,006,769)	AL 573	19.7%	\$97,803,200	1.6%
LA	CAP	(\$1,909,925)	(\$458,680)	2022 GRC	316.4%	\$97,803,200	2.0%
LA	Cons. Prog.	\$152,155	\$30,114	UAB Audit	405.3%	\$97,803,200	0.2%
FWC	Water Cost	\$10,024,752	\$7,264,913	AL 593	38.0%	\$95,023,200	10.5%
FWC	Cons. Prog.	\$486,718	\$229,257	2022 GRC	112.3%	\$95,023,200	0.5%
FWC	CAP	(\$1,651,919)	(\$510,183)	2022 GRC	223.8%	\$95,023,200	1.7%
FWC	PABBA	\$42,103	\$1,525	2022 GRC	2660.9%	\$95,023,200	0.0%
FWC	WRAM	(\$1,118,644)	(\$509,545)	2022 GRC	119.5%	\$95,023,200	1.2%

(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	Water Rights Balancing	\$1,894,000	2022 GRC
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, L.A. Water Cost Balancing Account, Fontana Water Cost Balancing Account, and Fontana Power Cost Balancing Account reflect May 31, 2024 balances.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Balancing Account	80.1%
LA	Cons. Prog. Balancing Account	203.2%
FWC	CAP Balancing Account	23.4%
FWC	Power Balancing Account	62.5%
FWC	Cons. Prog. Balancing Account	104.2%
FWC	WRAM Balancing Account	42.0%

(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)
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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 December 2023</u>	<u>Balance as of the End of June 2024</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	(\$1,799,981)	(\$1,897,361)	2022 (GRC A.22-01-003)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$894,175)	(\$1,610,588)	2021 (AL 573)	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	(\$1,436,836)	(\$1,542,563)	2022 (GRC A.22-01-003)	
	Customer Assistance Program (CAP)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	(\$1,631,669)	(\$1,909,925)	2022 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	(\$147,445)	\$152,155	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	(\$16,085)	(\$14,336)	2022 (GRC A.22-01-003)	
	2018 Tax Accounting Balancing Account	Tracks authorized amortization of balance previously recorded in 2018 Tax Acct. Memo Account	D.24-03-005, March 7, 2024	\$0	(\$287,989)	2022 (GRC A.22-01-003)	
	El Monte Office Balancing Account	Tracks authorized amortization of balance previously recorded in El Monte Office Memo Account	D.24-03-005, March 7, 2024	\$0	(\$3,104)	2022 (GRC A.22-01-003)	
	A.19-01-001 Interim Rates Balancing Account	Tracks authorized amortization of balance previously recorded in A.19-01-001 Interim Rate Memo Account	D.24-03-005, March 7, 2024	\$0	\$432,997	2022 (GRC A.22-01-003)	
	Drinking Water Fees Balancing Account (DWBA)	Tracks difference between actual fees charged by State Water Board and amount authorized in rates	Resolution W-4698	\$0	(\$27,483)	N/A	
	Water Rights Balancing Account	Tracks authorized amortization of balance previously recorded in the Water Rights Memo Account	D.24-03-005, March 7, 2024	\$0	\$1,992,770	2022 (GRC A.22-01-003)	
				(\$5,926,191)	(\$4,715,427)		

* Note_1: L.A. Power & Water Cost Balancing Accounts reflect May 31, 2024 balance. All other L.A. Balancing Accounts reflect June 30, 2024 balances.

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 December 2023</u>	<u>Balance as of the End of June 2024</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	\$9,158,200	\$10,024,752	2023 (AL 593)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,069,787)	(\$401,397)	2022 (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	(\$787,627)	(\$1,118,644)	2022 (GRC A.22-01-003)	
	Customer Assistance Program (CAP)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005 & D.04-07-034; July 8, 2004	(\$1,339,088)	(\$1,651,919)	2022 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$238,309	\$486,718	2022 (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	\$40,679	\$42,103	2022 (GRC A.22-01-003)	
	2018 Tax Accounting Balancing Account	Tracks authorized amortization of balance previously recorded in 2018 Tax Acct. Memo Account	D.24-03-005, March 7, 2024	\$0	(\$259,732)	2022 (GRC A.22-01-003)	
	A.19-01-001 Interim Rates Balancing Account	Tracks authorized amortization of balance previously recorded in A.19-01-001 Interim Rate Memo Account	D.24-03-005, March 7, 2024	\$0	(\$492,071)	2022 (GRC A.22-01-003)	
	Drinking Water Fees Balancing Account (DWBA)	Track difference between actual fees charged by State Water Board and amount authorized in rates	Resolution W-4698	\$0	(\$17,663)	N/A	
				\$6,240,686	\$6,612,147		

* Note_1: Fontana Power and Water Cost Balancing Accounts reflect May 31, 2024 balances. All other Fontana Balancing Accounts reflect June 30, 2024 balances.

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