

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 2024- REVISED

Dear Ms. Rocha:

Attached is a REVISED Semi-Annual Balancing Account Report for the period ending December 2024.

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 12/31/2024 ¹	Most Recent Conducted Review Balance GRC/AL/UAB		% Differential	Authorized Revenue Requirement for Division	12/31/2024 Balance as % of Authorized Revenue Requirement
LA	Water Cost	(\$2,008,917)	(\$597,960)	2022 GRC	236.0%	\$97,803,200	2.1%
LA	WRAM	(\$721,064)	(\$1,088,276)	2022 GRC	33.7%	\$97,803,200	0.7%
LA	Power Cost	(\$946,333)	(\$2,006,769)	AL 573	52.8%	\$97,803,200	1.0%
LA	CAP	(\$1,461,831)	(\$458,680)	2022 GRC	218.7%	\$97,803,200	1.5%
LA	Cons. Prog.	\$101,846	\$30,114	UAB Audit	238.2%	\$97,803,200	0.1%
LA	PABBA	(\$5,271)	(\$14,982)	2022 GRC	64.8%	\$97,803,200	0.0%
LA	2018 Tax Acct.	(\$96,485)	(\$302,941)	2022 GRC	68.2%	\$97,803,200	0.1%
LA	El Monte Office	(\$1,007)	(\$3,272)	2022 GRC	69.2%	\$97,803,200	0.0%
LA	Water Rights	\$1,701,676	\$1,894,000	2022 GRC	10.2%	\$97,803,200	1.7%
FWC	Power Cost	\$1,082,999	(\$431,113)	2022 GRC	351.2%	\$95,023,200	1.1%
FWC	CAP	(\$833,053)	(\$510,183)	2022 GRC	63.3%	\$95,023,200	0.9%
FWC	WRAM	(\$452,608)	(\$509,545)	2022 GRC	11.2%	\$95,023,200	0.5%
FWC	2018 Tax Acct.	(\$78,489)	(\$281,368)	2022 GRC	72.1%	\$95,023,200	0.1%
FWC	A.19-01-001 Interim Rates Balancing	(\$145,441)	(\$533,857)	2022 GRC	72.8%	\$95,023,200	0.2%
FWC	PABBA	\$41,686	\$1,525	2022 GRC	2633.5%	\$95,023,200	0.0%

(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 five 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 with 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:

¹ L.A. Power Cost Balancing Account reflects November 30, 2024 balance.

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Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%) ²
LA	Power Balancing Account	29.1%
LA	Cons. Prog. Balancing Account	33.1%
LA	CAP Balancing Account	24.4%
LA	PABBA Balancing Account	63.1%
LA	WRAM Balancing Account	53.4%
LA	2018 Tax Accounting Balancing Account	66.4%
LA	El Monte Office Balancing Account	67.5%
LA	Drinking Water Fees Balancing Account	243.8%
FWC	CAP Balancing Account	49.5%
FWC	Power Balancing Account	4702.4%
FWC	Cons. Prog. Balancing Account	41.3%
FWC	WRAM Balancing Account	59.7%
FWC	Water Cost Balancing	23.5%
FWC	2018 Tax Accounting Balancing Account	69.7%
FWC	A.19-01-001 Interim Rates Balancing	70.4%
FWC	Drinking Water Fees Balancing	41.9%

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

RESPONSE: The Los Angeles County Division Conservation Program balancing account was audited in 2021 by the CPUC'S Utility Audits Branch, and the Los Angeles County Division Power Cost balancing account was reviewed in Advice Letter 573 in 2021. All other balancing accounts have been reviewed in the previous three years. Additionally, the CPUC's Utility Audits Branch is currently conducting an audit of San Gabriel's balancing accounts for the year 2023.

Very truly yours,


Joel M. Reiker
Vice President of Regulatory Affairs

cc:

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² L.A Power Cost and Fontana Water Cost balancing accounts reflect November 30, 2024 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 2024 - REVISED</u>	<u>Balance as of the End of Dec 2024 - 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 2024 Los Angeles County Division Annual Report: 51,366						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,919,122)	(\$2,008,917)	2022 (GRC A.22-01-003)	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,334,804)	(\$946,333)	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	(\$1,547,529)	(\$721,064)	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	(\$1,934,254)	(\$1,461,831)	2022 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	\$152,155	\$101,846	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	(\$14,296)	(\$5,271)	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	(\$287,154)	(\$96,485)	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	(\$3,095)	(\$1,007)	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	\$432,111	\$371,877	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	(\$27,483)	\$39,520	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	\$1,988,570	\$1,701,676	2022 (GRC A.22-01-003)	
				(\$4,494,901)	(\$3,025,989)		

Note_1: L.A. Power Cost Balancing Account reflects Nov. 30, 2024 balances.
All other L.A. Balancing Accounts reflect Dec. 31, 2024 balances.

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

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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 June 2024 - REVISED	Balance as of the End of Dec 2024 - REVISED	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 2024 Annual Report: 48,731						
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	\$9,493,865	\$7,262,572	2023 (AL 593)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$23,531)	\$1,082,999	2022 (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	(\$1,122,631)	(\$452,608)	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	(\$1,649,859)	(\$833,053)	2022 (GRC A.22-01-003)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$415,051	\$243,786	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	\$41,444	\$41,686	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	(\$259,058)	(\$78,489)	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	(\$490,782)	(\$145,441)	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	(\$17,663)	(\$25,064)	N/A	
				\$6,386,836	\$7,096,388		

Note_1: Fontana Water Cost Balancing Account reflects Nov. 30, 2024 balances.
All other Fontana Balancing Accounts reflect Dec. 31, 2024 balances.

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