

SAN GABRIEL VALLEY WATER COMPANY

February 15, 2022

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, 2021 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 December 31, 2019 balance, which was the balance audited by the Commission's Utility Audits Branch in 2021 (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 12/31/2021 ¹	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	12/31/2021 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL/UAB			
LA	Power Cost	(\$2,431,652)	(\$2,006,769)	AL 573	21.2%	\$88,034,300	2.8%
LA	Water Cost	(\$583,623)	(\$767,394)	UAB Audit	23.9%	\$88,034,300	0.7%
LA	WRAM	(\$1,088,276)	(\$1,681,186)	UAB Audit	35.3%	\$88,034,300	1.2%
LA	CARW	(\$458,680)	\$251,273	UAB Audit	282.5%	\$88,034,300	0.5%
LA	Cons. Prog.	(\$929,336)	\$30,114	UAB Audit	3,186.1%	\$88,034,300	1.1%
LA	PABBA	(\$14,982)	(\$557,956)	UAB Audit	97.3%	\$88,034,300	0.0%
FWC	Water Cost	\$3,622,032	(\$6,245,979)	UAB Audit	158.0%	\$88,317,800	4.1%
FWC	Power Cost	(\$162,038)	\$1,176,188	UAB Audit	113.8%	\$88,317,800	0.2%
FWC	CARW	(\$510,183)	(\$1,191,662)	UAB Audit	57.2%	\$88,317,800	0.6%
FWC	Cons. Prog.	\$229,257	\$203,108	UAB Audit	12.9%	\$88,317,800	0.3%
FWC	PABBA	\$1,525	(\$2,908,239)	UAB Audit	100.1%	\$88,317,800	0.0%
FWC	Mains Proj.	(\$74,643)	(\$1,620,578)	UAB Audit	95.4%	\$88,317,800	0.1%
FWC	WRAM	(\$509,545)	(\$779,403)	UAB Audit	34.6	\$88,317,800	0.6%

(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 December 31, 2019 balance, which was the balance audited by the Commissions Utility Audits Branch in 2021 (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	(\$6,245,979)	UAB Audit
FWC	PABBA	(\$2,908,239)	UAB Audit
LA	Power Cost Balancing Account	(\$2,006,769)	AL 573
LA	WRAM	(\$1,681,186)	UAB Audit

(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:

¹ L.A. Power and Water Balancing Accounts and Fontana Power and Water Balancing accounts reflect November 30, 2021 balances. All other L.A. and Fontana Balancing Accounts reflect December 31, 2021 balances.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	70.3%
LA	PABBA	89.9%
LA	CARW	68.7%
LA	Conservation Programs (One-way) Balancing Account	145.4%
FWC	Conservation Programs (One-way) Balancing Account	111.4%
FWC	WRAM	30.9%
FWC	Power Cost Balancing Account	115.8%
FWC	Mains Project Balancing Account	87.2%
FWC	CARW	36.6%
FWC	PABBA	100.2%
FWC	Water Cost Balancing Account	26.7%

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

RESPONSE: All of San Gabriel's balancing accounts were audited by the Commission's Utility Audits Branch in 2021 for the calendar year 2019.

Very truly yours,



Joel M. Reiker
Vice President of Regulatory Affairs

cc:

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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 June 2021</u>	<u>*Balance as of the End of December 2021</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 2021 Los Angeles County Division Annual Report: 49,425						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$558,390)	(\$583,623)	2019 (UAB Audit conducted in 2021)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,427,994)	(\$2,431,652)	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	(\$1,294,948)	(\$1,088,276)	2019 (UAB Audit conducted in 2021)	
	California Alternative Rates for Water (CARW)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	(\$271,928)	(\$458,680)	2019 (UAB Audit conducted in 2021)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	(\$378,668)	(\$929,336)	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	(\$148,110)	(\$14,982)	2019 (UAB Audit conducted in 2021)	
				(\$4,080,038)	(\$5,506,549)		

* Note_1: L.A. Power and Water Cost Balancing Accounts reflect November 30, 2021 balances. All other L.A. Balancing Accounts reflect December 31, 2021 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 2021</u>	<u>* Balance as of the End of December 2021</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 2021 Annual Report: 48,453						
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	\$2,858,525	\$3,622,032	2019 (UAB Audit conducted in 2021)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$1,027,732	(\$162,038)	2019 (UAB Audit conducted in 2021)	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	(\$737,846)	(\$509,545)	2019 (UAB Audit conducted in 2021)	
	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	(\$805,097)	(\$510,183)	2019 (UAB Audit conducted in 2021)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$108,434	\$229,257	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	(\$747,892)	\$1,525	2019 (UAB Audit conducted in 2021)	
	Mains Projects	Track the authorized amortization	Resolution W-5174	(\$584,798)	(\$74,643)	2019 (UAB Audit conducted in 2021)	
				\$1,119,058	\$2,596,405		

* Note_1: Fontana Power and Water Cost Balancing Accounts reflect November 30, 2021 balances. All other Fontana Balancing Accounts reflect December 31, 2021 balances.

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