

# SAN GABRIEL VALLEY WATER COMPANY

August 16, 2021

**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, 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 balance in San Gabriel's last 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 06/30/2021 <sup>1</sup>	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	06/30/2021 Balance as % of Authorized Revenue Requirement
			Balance	GRC/AL			
LA	Power Cost	(\$1,427,994)	\$287,192	A.19-01-001	597.2%	\$80,490,200	1.8%
LA	Water Cost	(\$558,390)	(\$778,792)	A.19-01-001	28.3%	\$80,490,200	0.7%
LA	CARW	(\$271,928)	\$350,695	A.19-01-001	177.5%	\$80,490,200	0.3%
LA	Cons. Prog.	(\$378,668)	\$275,449	A.19-01-001	237.5%	\$80,490,200	0.5%
LA	PABBA	(\$148,110)	(\$545,971)	A.19-01-001	72.9%	\$80,490,200	0.2%
FWC	Water Cost	\$2,858,525	(\$11,289,628)	AL 525	125.3%	\$79,211,500	3.6%
FWC	Power Cost	\$1,027,732	\$648,265	A.19-01-001	58.5%	\$79,211,500	1.3%
FWC	WRAM	(\$737,846)	(\$487,113)	A.19-01-001	51.5%	\$79,211,500	0.9%
FWC	CARW	(\$805,097)	(\$1,133,188)	A.19-01-001	29.0%	\$79,211,500	1.0%
FWC	Cons. Prog.	\$108,434	\$2,961	A.19-01-001	3,562.1%	\$79,211,500	0.1%
FWC	PABBA	(\$747,892)	(\$2,823,604)	A.19-01-001	73.5%	\$79,211,500	0.9%
FWC	Mains Proj.	(\$584,798)	(\$2,161,866)	AL527	72.9%	\$79,211,500	0.7%

(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 last 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	PABBA	(\$2,823,604)	A.19-01-001
FWC	Mains Project Balancing Account	(\$2,161,866)	AL 527
LA	WRAM	(\$1,459,060)	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 and Fontana Power Balancing account reflect April 30, 2021 balances. All other L.A. and Fontana Balancing Accounts reflect May 31, 2021 balances.

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Power Cost Balancing Account	34.5%
LA	Water Cost Balancing Account	34.9%
LA	Conservation Programs (One-way) Balancing Account	1182.7%
LA	CARW	2911.8%
LA	PABBA	57.6%
FWC	Conservation Programs (One-way) Balancing Account	33.4%
FWC	Water Cost Balancing Account	189.7%
FWC	PABBA	57.3%
FWC	Mains Project Balancing Account	32.4%

*(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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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 2020</u>	<u>*Balance as of the End of June 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 2020 Los Angeles County Division Annual Report: 49,369						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$857,791)	(\$558,390)	A.19-01-001	GRC
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,061,630)	(\$1,427,994)	A.19-01-001	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	(\$1,505,610)	(\$1,294,948)	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	\$9,671	(\$271,928)	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	(\$29,522)	(\$378,668)	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	(\$349,654)	(\$148,110)	A.19-01-001	GRC
				(\$3,794,536)	(\$4,080,038)		

\* Note\_1: L.A. Power Cost Balancing Account reflects April 30, 2021 balances. All other L.A. Balancing Accounts reflect May 31, 2021 balances.

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<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 2020</u>	<u>* Balance as of the End of June 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 2020 Annual Report: 48,187						
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	(\$3,187,221)	\$2,858,525	AL 525	
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$1,031,790	\$1,027,732	A.19-01-001	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	(\$756,469)	(\$737,846)	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	(\$863,879)	(\$805,097)	A.19-01-001	GRC
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	\$162,707	\$108,434	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	(\$1,751,427)	(\$747,892)	A.19-01-001	GRC
	Mains Projects	Track the authorized amortization	Resolution W-5174	(\$864,712)	(\$584,798)	AL 527	
				(\$6,229,211)	\$1,119,058		

\* Note\_1: Fontana Power Cost Balancing Account reflects April 30, 2021 balances. All other Fontana Balancing Accounts reflect May 31, 2021 balances.

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