



**Suburban
Water Systems**

A SouthWest Water Company

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VIA EMAIL

February 16, 2022

James Boothe
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Mr. Boothe:

Pursuant to Division of Water and Audit's letters dated April 15, 2014 and June 16, 2014, Suburban Water Systems ("Suburban") hereby submits its Semi-Annual Report on Balances in Utility Balancing Accounts and Reserve Accounts, in addition to the response to the data request as detailed in Attachment A.

Sincerely,

/s/ Kiki Carlson

Kiki Carlson
Regulatory Affairs Manager

CC: Matt Baker, Director of Public Advocates Office
Terence Shia, Director of Water Division
Chris Ungson, Public Advocates Office's Deputy Director for Communications and Water

Attachment A
Suburban Water Systems
Balancing Account and Reserve Account Balances
As of December 31, 2021

Below are the balances in Suburban’s Purchased Power, Purchased Water and Pumped Water Balancing Accounts:

TABLE 1

No.	Commission – authorized	Outstanding Over/(Under) Collection Balance as of December 31, 2021	
		San Jose Hills (SJH) Service Areas	Whittier/La Mirada (WLM) Service Areas
1.	D.19-05-029, related to WRAM	\$180,615	\$73,743
2.	AL 335-W	(\$136,643); Recycled water (\$16,596)	\$4,912
3.	AL 339-W	(\$14,150); Recycled water (\$22,743)	\$48,921

The estimated balances in Suburban’s Purchased Power, Purchased Water and Pumped Water Reserve Accounts are as follows:

TABLE 2

No.	Description	Reserve Account Balances as of December 31, 2021	
		SJH Service Area	WLM Service Area
1.	Estimated accrual (Jul. ’19 – Dec. ’21)	(\$6,003,626); Recycled water (\$106,058)	(\$5,971,738)
2.	Estimated WRAM (Jan. – Dec. 2021)	(\$263,438)	(\$127,567)

The total company reserve accounts balances as of December 31, 2021 pursuant to D.19-05-029 are as follows:

- Employee Healthcare \$351,413
- Conservation Expense One-Way for period 2018 – 2020 \$0

The total company reserve accounts balances as of December 31, 2021 pursuant to D.21-10-024 are as follows:

- Conservation Expense One-Way for period 2021 – 2023 \$17,496

The following are the authorized revenue requirements for the respective ratemaking area(s) for Test Year 2021:

TABLE 3

SJH Service Area	WLM Service Area
\$54,101,144	\$38,175,674
Recycled water \$1,036,794	

Below is the additional information pursuant to Public Utilities Code Section 792.5(e) 1-4 (The commission shall adopt balancing account review procedures that prioritize the review of the following balancing accounts):

- (1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account's authorized revenue amount.

Response:

- The increase in the SJH potable water under-collection reserve account balance for period Jul. 2019 – Dec. 2021, \$6,003,626 is approximately 11.1% over the related test year 2021 revenue requirement.
- The increase in the WLM potable water under-collection reserve account balance for period Jul. 2019 – Dec. 2021, \$5,971,738 is approximately 15.6% over the related test year 2021 revenue requirement.
- The increase in the SJH recycled water under-collection reserve account balance for period Jul. 2019 – Dec. 2021, \$106,058 is approximately 10.2% over the related test year 2021 revenue requirement.

- (2) Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.

Response: n/a

- (3) Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time.

Response: n/a

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

Response:

The reserve accounts provided in Table 2 above.

Suburban Water Systems

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of Dec. 31, 2021	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments by Suburban for 12/31/21 information	Review/Audit date(s)
Suburban Water Systems	San Jose Hills Service Area	Water Revenue Adjustment Mechanism (WRAM)	D.19-05-029	\$180,615	During GRC - A.17-01-001		1/3/17 - 5/29/19
		Water Revenue Adjustment Mechanism (WRAM)		(\$263,438)		This is the estimated unaudited WRAM account balance in San Jose Hills Service Area for period Jan. through Dec. 2021.	
		Purchased Power, Purchased Water and Pumped Water	AL 335-W	(\$138,643)	During GRC - A.17-01-001		1/3/17 - 5/29/19
		Recycled Water	AL 335-W	(\$16,596)	During GRC - A.17-01-001		1/3/17 - 5/29/19
		Purchased Power, Purchased Water and Pumped Water	AL 339-W	(\$14,150)	AL 339-W		9/16/19 - 10/16/19
		Recycled Water	AL 339-W	(\$22,743)	AL 339-W		9/16/19 - 10/16/19
		Purchased Power, Purchased Water and Pumped Water		(\$6,003,626)	Future filing	This is the estimated reserve account balance in San Jose Hills Service Area for period Jul. 2019 through Dec. 2021.	
		Recycled Water		(\$106,058)	Future filing	This is the estimated reserve account balance in San Jose Hills Service Area for period Jul. 2019 through Dec. 2021.	
	Whittier/ La Mirada Service Area	Water Revenue Adjustment Mechanism (WRAM)	D.19-05-029	\$73,743	During GRC - A.17-01-001		1/3/17 - 5/29/19
		Water Revenue Adjustment Mechanism (WRAM)		(\$127,567)		This is the estimated unaudited WRAM account balance in Whittier/La Mirada Service Area for period Jan. through Dec. 2021.	
		Purchased Power, Purchased Water and Pumped Water	AL 335-W	\$4,912	During GRC - A.17-01-001		1/3/17 - 5/29/19

¹A positive balance means an overcollection, and a negative balance means an undercollection.

Suburban Water Systems

Utility Name	Balancing Account Name	Balancing Account Description	Authorizing Decision or Resolution or Advice Letter	Balance as of Dec. 31, 2021	Most Recent Conducted Review/Audit (either GRC or other Method)	Notes or Comments by Suburban for 12/31/21 information	Review/Audit date(s)
		Purchased Power, Purchased Water and Pumped Water	AL 339-W	\$48,921	AL 339-W		9/16/19 - 10/16/19
		Purchased Power, Purchased Water and Pumped Water		(\$5,971,738)	Future filing	This is the estimated unaudited reserve account balance in Whittier/La Mirada Service Area for period Jul. 2019 through Dec. 2021.	
	Total Company	2018 - 2020 Conservation Expense One-Way	D.19-05-029	\$0	During GRC - A.20-03-001		3/2/20 - 4/14/21
		Employee Healthcare	D.19-05-029	\$351,413			
		2021 - 2023 Conservation Expense One-Way	D.21-10-024	\$17,496	Future GRC	The adopted conservation expense covers years 2021, 2022, and 2023 (GRC cycle)	

¹A positive balance means an overcollection, and a negative balance means an undercollection.