Docket		A.22-01-003
Exhibit Number	:	Cal Adv.-
Commissioner	:	Genevieve Shiroma
Administrative Law Judge	:	Susan F. Lee
Cal Advocates Project Lead	:	Mehboob Aslam

PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

REPORT ON THE RESULTS OF OPERATIONS SAN GABRIEL VALLEY WATER COMPANY LOS ANGELES DIVISION

Test Year 2023-2024

Escalation Years 2024-2025 and 2025-2026

Application: A.22-01-003

Los Angeles, California

July 28, 2022

Contents

MEMORANDUM

The Public Advocates Office ("Cal Advocates") at the California Public Utilities Commission ("CPUC" or "Commission") examined application material, data requests responses, and other information presented by San Gabriel Valley Water Company ("SGVWC" or "San Gabriel") in Application ("A.") 22-01-003 ("Application") to provide the Commission with recommendations that represent the interests of ratepayers for safe and reliable service at the lowest cost. The Executive Summary was prepared by Mehboob Aslam, and the Results of Operations Tables were prepared by Anthony Andrade, under the general supervision of Program Manager Richard Rauschmeier, and Program & Project Supervisor Victor Chan and Project Lead Mehboob Aslam. Ms. Shanna Foley serves as Cal Advocates' legal counsel.

Although every effort was made to comprehensively review, analyze, and provide the Commission with recommendations on each ratemaking and policy aspect presented in the Application, the absence from Cal Advocates' testimony of any issue connotes neither agreement nor disagreement with the underlying request, methodology, or policy position related to that issue. The following table shows the list of Cal Advocates' witnesses and the related chapters:

Chapter	Description	Witness
1	Introduction and Summary	Mehboob Aslam
2	Water Consumption and Operating Revenues	Sam Lam
3	Operations & Maintenance (O&M) Expenses	Lauren Cunningham
4	Administration & General (A&G) Expenses	Lauren Cunningham
5	Conservation Expenses	Lauren Cunningham
6	Payroll	Lauren Cunningham
7	Utility Plant-in Service + Pipeline Replacement	Anthony Andrade
8	Depreciation Reserve and Expenses	Anthony Andrade
9	Historic Rate Base	Chandrika Sharma
10	Rate Base	Anthony Andrade
11	Taxes Other Than Income	Lauren Cunningham
12	Income Taxes	Jawadul Baki
13	Balance & Memo Accts. Review	Jawadul Baki
14	Customer Service	Chandrika Sharma
15	Water Quality	Chandrika Sharma
16	Rate Design	Sam Lam
17	Escalation Year Increases	Mehboob Aslam
Appendix A	Statements of Qualifications	All

EXECUTIVE SUMMARY

SGVWC filed Application (A.) 22-01-003 on January 2, 2021, requesting a revenue requirement increase of $10,791,000 (13.1%) in Test Year 2023-2024, $4,847,000 (5.2%) in Escalation Year 2024-2025, and $5,044,000 (5.1%) in Escalation Year 2025-2026 in its Los Angeles County Division. The Public Advocates Office recommends a revenue requirement increase of $4,096,913 (5%) in the Test Year 2023-2024, and an estimated revenue requirement increase of $3,041,437 (3.5%) in Escalation Year 2024-2025, and estimated revenue increase of $3,128,796 (3.5%) in Escalation Year 2025-2026. The Public Advocates Office's recommendation is consistent with the provision of safe, reliable, and affordable utility service.

The Commission must consider a utility's incentive to increase capital investment beyond what is necessary when determining whether proposed investments are reasonable. Certain aspects of cost-based regulation motivate utilities to invest in systems to an unnecessary degree, burdening ratepayers with unnecessary costs. The greater the capital investment, the greater the return or profit for the utility. One way a regulatory body can protect ratepayers against a utility's incentive to overspend is to require utilities to demonstrate the need for infrastructure investment based on the actual, physical condition of the current system, rather than simply on the infrastructure age. Therefore, Cal Advocates has considered both the physical conditions and operational alternatives available for SGVWC when recommending its capital investment needs. For example, Cal Advocates recommends that the Commission deny the $200,000 in 2022 $6.7 million in 2023, and $7 million in 2024 for treatment of perfluorooctanesulfonic acid ("PFOS") and perfluorooctanoic acid ("PFOA") as SGVWC's LA division has adequate supply capacity without installing most of the new treatment system. Similarly, Cal Advocates recommends that the Commission deny $1.7 million in 2022 and $1 million in 2023 for new pipelines as they are not needed to maintain the adequate water supply.

In addition, Cal Advocates has applied general polices for setting rates that appear to be especially relevant in the current proceeding. First, only projects that are used and useful should be in rates. Cal Advocates reviews previous projects that have been approved by the Commission to ensure that they remain used-and-useful. Ratepayers should not have to pay for any project that is not in-service and thus not providing benefits to ratepayers. For example, Cal Advocates recommends removing $581,786 from the recorded cumulative rate base of Los Angeles division. The removed amount reflects the rationale that ratepayers should not pay for the assets that are either retired significantly earlier than their useful life or were not providing useful services to the ratepayers.

Second, customers should not pay twice for projects they have never received a benefit from once. This would include projects that were previously authorized by the Commission and included in customer rates but remain unfinished in this General Rate Case ("GRC"). Because customers have already paid once under the assumption these projects would be providing beneficial service, it is unreasonable to continue customer funding of these projects until the actual project benefits (i.e., in-service) can be demonstrated in a subsequent general rate case. For example, Cal Advocates recommends that the Commission should remove $0.85 million for the project at Plant No. 14 in 2023, $6 million for the projects at Plant B15 and M1 in 2024, and $9.3 million for the projects at Plant No. 13 and B14 in 2025 from the capital budget because the Commission already included these projects in customer rates expecting they would be completed and providing direct benefits to customers during the 2019 GRC cycle, but SGVWC failed to complete these projects within the given timeframe.

Third, the ratemaking process should be transparent to decisionmakers and ratepayers and should encourage utilities to operate efficiently and within budget. Memo and Balancing Accounts ("surcharge accounts") are alternative ratemaking mechanisms that are counter to both these principles. The amounts that are tracked in these accounts can appear as surcharges on customer bills but are not included in the rate changes

presented in this proceeding. More importantly, these surcharge accounts allow utilities to operate without the discipline of an established budget, which is inconsistent with the role of regulation being a substitute for competition. Therefore, Cal Advocates recommends elimination of various surcharge accounts. For example, Cal Advocates recommends closing five surcharge accounts: Water Rights Memorandum Account, A.19-01-001 Interim Rates Memorandum Account, 2018 Tax Accounting Memorandum Account, El Monte Office Memorandum Account, and School Lead Testing Memorandum Account. Cal Advocates also recommends issuing a net surcredit in the amount of $0.574 million. Most of the surcredit amount is due to closure of Water Rights Memorandum Account that is impacted by SGVWC's failure of sharing its lease revenues of $6.27 million with the ratepayers since 2000.

Fourth, in a GRC, the utility must be able to demonstrate the reasonableness of every dollar in its revenue requirement.[1] SGVWC's request for contingency allowances for most capital projects should be denied advance ratepayer funding. Contingency amounts are, by definition, unknown, and therefore inappropriate for inclusion in revenue requirement. In D.21-08-036, the Commission stated that "budgeting for contingencies is not necessarily appropriate in the context of a general rate case, where the utility must demonstrate the reasonableness of every dollar in its forecast revenue requirement."[2] Therefore, Cal Advocates recommends that the Commission deny approximately $3 million per year over 2022-2025 period in SGVWC's requested contingency budget.

Fifth, the utility in its GRC application should advance and fully address the Commission's Environmental and Social Justice ("ESJ") objectives. SGVWC's application addresses several of the Commission's ESJ Action Plan objectives published on February 21, 2019. SGVWC states it has reviewed potential impacts on ESJ communities within its service areas and took proactive steps to work towards meeting

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[1] D.96-12-066, 69 CPUC2d, p. 695.

[2] D.21-08-036, p. 331.

the applicable goals outlined in the Commission's ESJ Action Plan.[3] However, while SGVWC discusses the Commission's ESJ Action Plan's goals, and it does not appear SGVWC's goals were specifically developed to address the Commission's ESJ Action Plan objectives. Rather, SGVWC's testimony presents a collection of existing practices that can be applied to the ESJ communities. The list of impacts that SGVWC identified in its testimony were for all its customers, not specific for the ESJ communities. The Commission has since updated its version of ESJ Action Plan as of April 07, 2022, which has slightly modified and added goals and objectives.[4] The Commission should order SGVWC to develop a plan that specifically addresses the Commission's revised ESJ Action Plan's goals and objectives and present its achievements in the next rate case.

Finally, in considering SGVWC's proposed increases in customer rates, the Commission should be informed of SGVWC's recent financial performance. In each of the five most recent years for which data is submitted (2017 – 2021), SGVWC's Annual Reports to the Commission show recorded investor profit ("Return on Equity" or "ROE") exceeding those the Commission has established as reasonable. For example, the following table compares SGVWC's authorized ROE with its actual achieved ROE for the last five years.

	2017	2018	2019	2020	2021
Authorized Return on Equity	9.79%	9.79%	9.20%	9.20%	9.20%
Achieved Return on Equity	10.98%	13.70%	11.60%	12.14%	11.21%

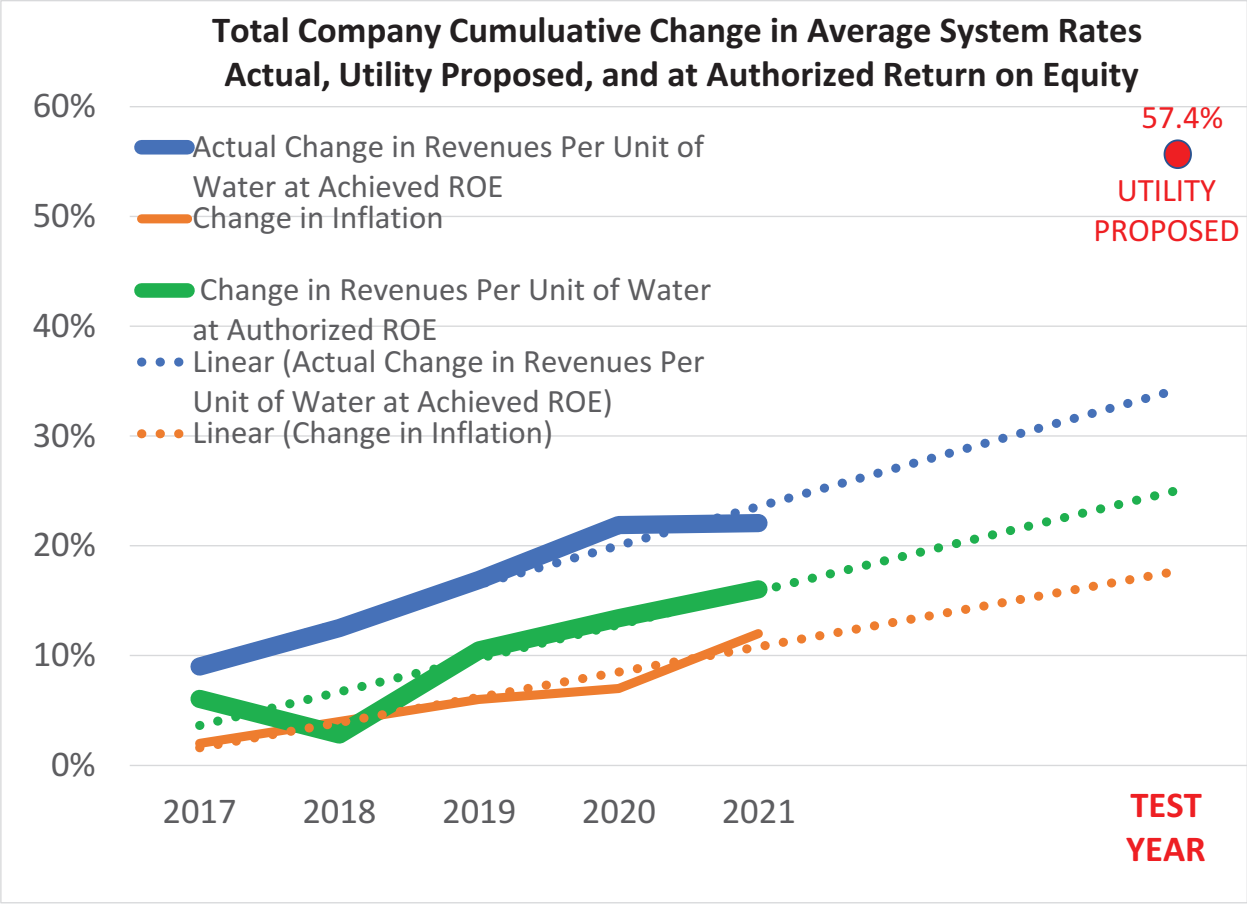
Although SGVWC's recent financial performance is not wholly dispositive of necessary rate changes in the future, the additional $30.2 million in profits above authorized investor returns collected over the past five years by SGVWC may be

[3] Direct Testimony of Matt Yucelen, Exhibit SG-8, pp. 234-239.

[4] CPUC Environmental & Social Justice Action Plan, Version 2.0.

informative as the Commission determines the reasonableness of differing forecasts and budget estimated made by SGVWC in the current proceeding.

The following graph compares the cumulative change in SGVWC's average system rates over the last five years with inflation. The blue line shows the actual change in revenue per unit of water sold. The green line shows the change over the past five years that would have been necessary for SGVWC to achieve its authorized rate of return. A linear trend line extending to the test year in this proceeding has been added for comparison with SGVWC's proposed rate changes (red dot) in this proceeding. If SGVWC's proposals are granted, average system rates will have increased 57.4% since 2017.



CHAPTER 1 INTRODUCTION AND SUMMARY

I. INTRODUCTION

SGVWC filed Application (A.) 22-01-003 on January 2, 2021, requesting a revenue requirement increase of $10,791,000 (13.1%) in Test Year 2023-2024, $4,847,000 (5.2%) in Escalation Year 2024-2025, and $5,044,000 (5.1%) in Escalation Year 2025-2026 for its Los Angeles County division.

This report sets forth Cal Advocates' analyses and recommendations on SGVWC's general rate case ("GRC") requests. Tables at the end of this Chapter present the Summary and comparison of the differences in the key items such as Summary of Earnings, Sales Revenues, Expenses, and Rate Base.

II. DISCUSSION

SGVWC's Los Angeles County ("LA") division operates two separate water systems in Los Angeles County that includes portions of the Cities of Arcadia, Baldwin Park, El Monte, Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, SGVWC, Santa Fe Springs, South El Monte, West Covina, and Whittier. SGVWC's water sources of supply include 95% groundwater and 5% recycled water. SGVWC's domestic system generates approximately $87 million in annual revenues and has 49,377 customers.

SGVWC estimates that its proposed increases will produce revenues providing a rate of return ("ROR") of 8.12%.[5] SGVWC is a fiscal year filer and its Fiscal Test Year 2023-2024 covers July 1, 2023, to June 30, 2024. SGVWC's Fiscal Test Year 2023 request is calculated based on the average of the Calendar Year 2023 and 2024. Cal Advocates adopt the same methodology as SGVWC for fiscal test year results throughout its report for easy comparison.

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[5] Per D.18-2-002, SGVWC has authorized ROR of 8.12% which is comprised of 9.20% Rate on Equity ("ROE") at the weight of 64.46% and Rate of Debt of 6.17% at the weight of 35.54%.

III. ANALYSIS

A. Revenue Requirement

Table 1-1 below compares SGVWC's and Cal Advocates' estimated changes in revenue requirement for the Test Year 2023-24 based on 8.12% ROR.

Table 1-1: Test Year 2023-2024 Revenue Requirement Increase

	Amount of Increase	Percent Increase
San Gabriel	$10,791,281*	13.1%
Public Advocates Office	$4,096,913*	5.0%
Difference	$6,694,368	8.1%

*Amount of increase is the difference between present rate revenue and proposed rate revenue shown in Table 1-2.

The differences between the Cal Advocates and SGVWC's revenue requirement estimates are due to Cal Advocates' adjustments as summarized below:

1. Revenue Requirement---Chapter 1

Cal Advocates recommends the Test Year 2023-24 revenue requirement of $86.70 million. This amount is made up of several recommendations in the areas of expenses, plant-in service and rate base. For example, the Chapter-1 presents the details of Summary of Earnings in terms of the comparison between the SGVWC's proposed revenue requirement of $93.38 million and Cal Advocates' recommended value of $86.70 million. More specifically, the differences in Operation and Maintenance ("O&M") expenses are discussed in Chapter-3, the differences in Administrative and General ("A&G") expenses are discussed in Chapter-4, the differences in Plant-in service are discussed in Chapter-7, the differences in historic rate base are discussed in Chapter-8 and the differences in the rate base are discussed in Chapter-9. Cal Advocates uses SGVWC's rate of return of 8.12% adopted in Decision (D.) 18-12-002 to reflect SGVWC's current cost of debt.

2. Water Consumption and Revenues---Chapter 2

A forecast of customer counts by customer class, and average sales per customer for each customer class is necessary to forecast revenues at current rates. The customer forecast multiplied by the average sales per customer forecast for each class is the total sales forecast for each class. Cal Advocates independently reviewed SGVWC's requested number of customer forecast and the water consumption per customer forecast and find them reasonable and thus recommends that the Commission adopt SGVWC's requested forecast for number of customers and consumption per customer. For more details, please refer to Chapter-2 of this report.

3. Operations and Maintenance ("O&M") Expenses— Chapter 3

Cal Advocates recommends $39.84 million in O&M expenses for the Test Year 2023-24 as opposed to SGVWC's request for $40.03 million.[6] Most of the difference is due to Cal Advocates' recommendations to reduce the uncollectibles amount. SGVWC's uncollectible estimates are based on its new methodology which is based on allowance method. Cal Advocates does not oppose the use of allowance method but does oppose the use of past recession years to estimate an extremely inflated Uncollectibles ratios. For more details, please refer to Chapter-3 of this report.

4. Administrative and General ("A&G") Expenses--- Chapter 4

Cal Advocates recommends $2.85 million in A&G expenses for the Test Year 2023-204 as opposed to SGVWC's request for $2.94 million.[7] Most the difference is due to Cal Advocates' recommendations opposing SGVWC's request to transfer of few

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[6] SGVWC's Workpapers File: GRCWorkpapers-2022, Tab: TABLES1, Table 5A for Los Angeles County division.

[7] SGVWC's Workpapers File: GRCWorkpapers-2022, Tab: TABLES1, Table 6 for Los Angeles County division.

positions from its General Office to Los Angeles County division. For more details, please refer to the Chapter-4 of this report and Chapter-1 in Cal Advocates' General Office report.

5. Review of Conservation Expenses---Chapter 5

Cal Advocates independently reviewed SGVWC's request for $760,000 annual budget for the Test Year 2023-24 and the Escalation Years 2024-25 and 2025-26. SGVWC's conservation goal is to plan and implement the most cost-effective conservation programs that will achieve water saving goals and objectives set by the State Water Resources Control Board ("SWRCB"), the California Public Utilities Commission ("CPUC") and the Governor of California (currently Governor Gavin Newsom), as well as any subsequent orders and/or emergency proclamations. The most recent directive requires water purveyors to reduce water consumption by at least 15% over the 2020 consumption level, as is discussed in Chapter 2 of this report. Thus, SGVWC must continue to carry out its Conservation programs to successfully meet this objective. Therefore, Cal Advocates recommends that the Commission should adopt SGVWC's conservation expense forecast as requested. For more details, please refer to Chapter-5 of this report.

6. Payroll Expenses---Chapter 6

SGVWC has requested two new positions in its Los Angles Count division: Water Treatment Operator and Operations Analyst. Cal Advocates conducted an independent analysis of SGVWC's request and found that the addition of the two new positions is reasonable and recommends that the Commission should allow the two new positions. For more details, please refer to Chapter-6 of this report.

7. Adjustments in Plant-in Service---Chapter 7

Cal Advocates recommends $25.22 million and $25.66 million in plant additions for the Test Year 2023-24 and Test Year 2024-25 respectively as opposed to SGVWC's

request of $38.94 million and $43.41 million.[8] The difference is due to several Cal Advocates' recommendations. For example, Cal Advocates recommends removing all contingency capital budget, the use of escalation of SGVWC's capital projects in 2023 to 2025 based on the non-labor composite escalation rate as opposed to accelerated cost increases used by SGVWC, removal of capital budget associated with treatment plants in 2023 and 2024 because LA division has adequate supply capacity without installing the new treatment plants, removal of few main replacement as these mains are needed to maintain the adequate water supply, downward adjustments for company-funded plant as the plant should be funded by the contributions at Plant No. 7, removal of several capital budgets such as Plant No. 14, Plant B15, Plant M1, Plant No. 13, and Plant B14 as these capital projects were previously authorized and paid by the ratepayers but SGVWC failed to complete them in the time requested, reduction of cost estimates at Plant M4 for a reservoir as SGVWC is planning to acquire an alternate reservoir, and reduce the capital budget for the meters so that SGVWC can remain conformed to previously authorized 15-year forecast. For more details of these recommendation, please refer to Chapter-7 of this report.

8. Adjustment in Historic Rate Base---Chapter-9

Cal Advocates recommends removing $581,786 from the recorded cumulative rate base. The removed amount reflects the rationale that ratepayers should not pay for the assets that are not use and useful. As regulated utilities depreciate assets on the basis of group depreciation, the impact of early retired assets can be offset with the assets that are not retired beyond their useful lives per Standard Practice U-4-W.[9] However, the same Standard Practice also states that "*occasional instances of extraordinary obsolescence such as the unexpected early retirement of a major unit of property may require some*

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[8] SGVWC's workpapers, File: GRCWorkpapers-2022, Tab: P2, Cells: CB101 and CI101(including contributed plant) for Los Angeles County division.

[9] Standard Practice U-4-W, Section 6 (b), p.8

form of an adjustment."[10] Cal Advocates identified several such incidents of early retirements and have removed the net book value of these assets that still resides in the rate base even after the retirement of such assets. For more details, please refer to the Chapter-9 of this report.

9. Adjustment in Rate Base---Chapter 10

Cal Advocates recommends $219.31million of rate base in the Test Year 2023-24 and $232.87 million in the Test Year 2024-25 as opposed to SGVWC's $269.04 million and $296.71 million for the Test Year 2023-24 and Test Year 2024-25 respectively.[11] Most of the difference is due to Cal Advocates' recommendations for reduced capital project budget discussed earlier in Adjustments in Plan-in Service section above, reduced budget for Construction Work in Progress ("CWIP") and reduced working cash. Cal Advocates recommends limiting the CWIP capital projects that are up to one-year old based on the 1982 Commission's policy memorandum that shows that on average water related capital projects require four months to complete; clearly, the capital projects requiring more than a year to complete should not be included in the CWIP. Cal Advocates also identifies several CWIP projects that should be removed mainly due to the fact that the projects should be funded through contributions. For more details, please refer to the Chapter-10 of this report. In addition, Cal Advocates recommends reducing the Working Cash portion of the Rate Base as well. Currently, SGVWC has a net contamination proceeds in the amount of $9.9 million that can be used as a source of working cash and thus, should be used to reduce the working cash requirement. For more details, please refer to the Chapter-13 of this report.

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[10] Ibid, p.42.

[11] SGVWC's workpapers, File: GRCWorkpapers-2022, Tab: TABLES1, Table 10A for Los Angeles County division.

10. Taxes Other Than Income---Chapter 11

Cal Advocates independently reviewed SGVWC's forecasts for various taxes such as payroll taxes, and Ad Valorem, or property taxes. Payroll taxes are comprised of (1) Federal Insurance Contribution Act ("FICA"); (2) Federal Unemployment Insurance ("FUI"); and (3) State Unemployment Insurance ("SUI"). Cal Advocates and SGVWC generally do not differ on methodologies employed to forecast Taxes Other Than Income. The differences in total estimated taxes are largely due to differences in plant additions. For more details, please refer to Chapter-11 of this report.

11. Income Taxes---Chapter 12

Cal Advocates recommends that the Commission should approve $3.281 million federal income tax (FIT) expense and $0.84 million state income tax (CCFT) expense for the Test Year 2023-24. Cal Advocates and SGVWC generally do not differ on the methodologies employed to forecast regulated income tax expenses. Further, SGVWC has accounted for all the implications of the 2017 Tax Cuts and Jobs Act ("TCJA"). Any differences in total estimated income taxes are due to differences in forecasted operating revenues, expenses, and plant additions. For more details, please refer to the Chapter-12 of this report.

12. Balancing and Memorandum Accounts Review---Chapter 13

A memorandum account is an accounting device that, after approval by the Commission or upon statutory notice, may be used by a utility to record various expenses it incurs.[12] The establishment of a memorandum account does not guarantee that the utility will recoup the tracked amount, but a utility is precluded from recovering amounts not booked to a memorandum account.[13] On the other hand, a balancing account is a

[12] Standard Practice U-27-W.

[13] Standard Practice U-27-W.

regulatory accounting method used to ensure the recovery in rates of specified expenditures authorized by the Commission.[14] A balancing account can also be explained as a deferred debit account carried on the utility's books. When the Commission approves amounts from memorandum accounts as reasonable, those amounts are moved to balancing accounts for recovery.[15] Surcharge accounts can mask the overall impact of utilities' proposals in GRCs. For example, in this application the balancing and memorandum accounts that SGVWC wants to amortize in the Los Angeles division have a total surcharge balance of $1,429,413 as of December 31, 2021.[16] This surcharge amount is approximately 1.53% of its total proposed Revenue Requirement for Test Year 2023-24.[17] This surcharge account amount is not reflected in the proposed revenue requirement increase for the Test Year.[18] Therefore, the full impact of GSWC's requests on customers' bills is not transparent. The Commission should underscore the importance of reducing the total number of BAMAs, not allowing to have the proliferation of the new BAMAs and should require utilities to close BAMAs whenever possible and remove their reference from the related preliminary statements.

SGVWC currently maintains 16 memorandum and balancing accounts in its LA division,[19] and requests to establish a new account titled Montebello Acquisition Memo

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[14] Standard Practice Audit Manual, p. 6.

https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/utility-audits--risk--and-compliance-division/documents/2020-12-14_standard-practice-audit-manual---jan-2021_v1.pdf

[15] Standard Practice U-27-W.

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M090/K002/90002198.PDF

[16] Table 13-1: Balancing and Memorandum Accounts for Amortization.

[17] SGVWC's proposed Revenue Requirement for Test Year 2023-24 is $93,377,000. The accounts for what SGVWC requested recovery in this GRC application have a total surcharge balance of $1,429,413 as of December 31, 2021. It is around 1.53% of the proposed revenue requirement in the Test Year. ($1,429,413/ $93,377,00 = 1.53%)

[18] SGVWC GRC Proceeding A.22-01-003.

[19] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.3.

Account ("MAMA").[20] Cal Advocates recommends to close five accounts: Water Rights Memorandum Account, A.19-01-001 Interim Rates Memorandum Account, 2018 Tax Accounting Memorandum Account, El Monte Office Memorandum Account, and School Lead Testing Memorandum Account. Cal Advocates also recommends issuing a net surcredit in the amount of $0.574 million. Most of the surcredit amount is due to closure of Water Rights Memorandum Account that is impacted by SGVWC's failure of sharing its lease revenues of $6.27 million with the ratepayers since 2000. For more details, please refer to the Chapter-13 of this report.

13. Customer Service---Chapter 14

Cal Advocates reviewed and analyzed the customer service and compliant data reported by the Consumer Affairs Branch ("CAB"), the General Order ("GO") 103-A customer service performance criteria, and the data reported directly from SGVWC, to determine the quality of customer service in SGVWC's Los Angeles County division. Based on its review, Cal Advocates recommends that the Commission should find that Los Angeles County division of SGVWC to be compliant with the Commission's General Order ("GO") 103-A customer service performance standards. For more details, please refer to Chapter-14 of this report.

14. Water Quality Review---Chapter 15

The Los Angeles County division consists of the El Monte/Whittier and Montebello Water systems. The sources of water for customers located in Whittier/Santa Fe are the Main San Gabriel Basin and the Central Basin.[21] The main source of water for all other customers is from the Main San Gabriel Basin. Groundwater makes up 95% of

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[20] Direct testimony of Joel M. Reiker, p. 57

To the extent SGVWC still has an application for approval of the purchase of Montebello's water system pending at the time the Commission issues a final decision in this GRC

[21] EXHIBIT SG-9 (Zvirbulis) ATTACHMENT E – 2019 and 20202 Consumer Confidence Reports

the water supply, and 5% is recycled water used for irrigation purposes.[22] The 2019 and 2020 Consumer Confidence Reports show the Los Angeles County division is following all applicable drinking regulations, with no current outstanding violations based on the Safe Drinking Water Information System for the Division of Drinking Water ("DDW").[23] Accordingly, Cal Advocates recommends that the Commission should find the Los Angeles County division water systems of SGVWC to be compliant with the applicable water quality standards. For more details, please refer to Chapter-15 of this report.

15. Rate Design Review---Chapter 16

Rate design is the structure of prices charged to utility customers for tariffed services. The process for creating a rate design involves determining the revenue requirement, the allocation of revenue recovery between fixed and quantity charges (revenue allocation), finding appropriate tier breakpoints for tiered meter services, calculating the standard quantity rate, and establishing a tiered quantity rate structure for tiered meter services. Effective rate design encourages conservation, offers affordable options for baseline water use, and is revenue neutral.[24] Cal Advocates recommends that The Commission should adopt a Tier 1 breakpoint at 10 CCF as opposed to SGVWC's request for 11 CCF. The Commission should also implement a third tier for residential tiered meter services to better meet the State's conservation initiatives. The Commission should adopt Cal Advocates' recommended rate ratio which complements the three-tiered meter services rate design. For more details, please refer to Chapter-16 of this report.

16. Escalation Year Increase---Chapter 17

Cal Advocates recommends that SGVWC should follow an escalation (attrition) year revenue requirement mechanism pursuant to the Commission's Rate Case Plan

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[22] EXHIBIT SG-9 (Zvirbulis) SECTION IV. Water Supply and Treatment.

[23] https://sdwis.waterboards.ca.gov/PDWW/

[24] D.20-08-047, p. 106.

which requires that the utility may file an advice letter setting out its calculations and supporting analysis for the escalation year rates. The most recent "Estimates of Non-labor and Wage Escalation Rates" and "Summary of Compensation Per Hour" published monthly using third-party data should be used as the escalation rates. Items not covered by the monthly published rates should be escalated by the most recently available, recorded, 12-month-ending change in the U.S. Cities Consumer Price Index (CPI-U). The escalation year increase should be decreased to the extent the pro-forma rate of return exceeds the authorized rate of return. And in terms of escalation years' rate base, the Commission standard practice of using two test years and one attrition year should apply.

B. Summary of Earnings and Other Tables

The Attachment 1-1 contains related Summary of Earning and other related tables such as Average Number of Customers, Average Sales Revenues Per Customer, Water Sale and Supply, Operating Revenues, O&M Expenses, A&G Expenses, Payroll and Ad Valorem Taxes, Income Taxes, Plant-in Service, Depreciation and Reserves, and Rate Base that results in Cal Advocates and SGVWC's respective revenue requirements.

IV. CONCLUSION

The Commission should adopt Cal Advocates' Test Year 2023-2024 results of operations, presented in Table 1-2 at the end of this chapter in Attachment 1-1, and authorized a revenue increase of $4.1 million (5.0%) for SGVWC's Los Angeles County division.

ATTACHMENT 1-1: SUMMARY OF EARNINGS AND OTHER TABLES

San Gabriel Water Company A. 21-01-003

Los Angeles Dvision

Table 1-1 Summary of Earning (Test Year 2023-2024)

(Present Rate $000)

		San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues		82,585.5	82,585.50	0.0	0%
Operating Expenses					
	Purchased Water & Assessments	17,466.0	17,466.0	0.0	0%
	Purchased Power	5,239.7	5,239.7	0.0	0%
	Chemicals	3,296.7	3,296.7	0.0	0%
	Payroll	6,478.1	6,478.1	0.0	0%
	Materials & Supplies	2,042.3	2,015.9	26.5	1%
	Transportation	945.7	945.7	0.0	0%
	Insuarance	1,752.1	1,752.1	0.0	0%
	Pensions & Benefits	3,074.4	3,074.4	0.0	0%
	Uncollectibles	206.4	50.7	155.7	75%
	Franchise Fees	717.2	717.2	0.0	0%
	Regulatory Commission Expense	184.9	184.9	0.0	0%
	Outside Services	2,298.4	2,298.4	0.0	0%
	Utilities & Rents	1,666.0	1,666.0	0.0	0%
	Miscellaneous Expense	1,499.0	1,499.0	0.0	0%
	Administrative Expense Transferred	-4,039.6	(4,039.6)	0.0	0%
	Subtotal	42,827.4	42,645.2	182.2	0.4%
Allocated Common Expenses		10,546.4	10,214.00	332.4	3.2%
	Total Operating Expenses	53,373.8	52,859.21	514.6	1.0%
	Depreciation	8,980.0	8,462.11	517.9	5.8%
	Ad Valorem Taxes	2,804.3	2,419.23	385.0	13.7%
	Payroll Taxes	972.3	960.35	11.9	1.2%
	Total Expense before Income Taxes	66,130.4	64,700.91	1,429.5	2.2%
	Net Revenue Before Income Taxes	16,455.1	17,884.55	-1,429.5	-8.7%
	State Income Tax	92.8	479.35	-386.5	-416.5%
	Federal Income Tax	1,929.5	2,412.17	-482.7	-25.0%
	Total Expenses	68,152.7	67,592.43	560.2	0.8%
	Net Operating Revenues	14,432.8	14,993.03	-560.2	-3.9%
	Rate Base	269,044.2	219,310.45	49,733.7	18.5%

San Gabriel Water Company A. 21-01-003

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Table 1-2 Summary of Earning (Test Year 2023-2024)

(Proposed Rate $000)

		San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues		93,376.7	86,682.4	6,694.37	7.2%
Operating Expenses					
	Purchased Water & Assessments	17,466.0	17,466.0	0.0	0.0%
	Purchased Power	5,239.7	5,239.7	0.0	0.0%
	Chemicals	3,296.7	3,296.7	0.0	0.0%
	Payroll	6,478.1	6,478.1	0.0	0.0%
	Materials & Supplies	2,042.3	2,015.9	26.48	1.3%
	Transportation	945.7	945.7	0.0	0.0%
	Insuarance	1,752.1	1,752.1	0.0	0.0%
	Pensions & Benefits	3,074.4	3,074.4	0.0	0.0%
	Uncollectibles	237.2	53.6	183.62	77.4%
	Franchise Fees	824.2	757.8	66.36	8.1%
	Regulatory Commission Expense	184.9	184.9	0.0	0.0%
	Outside Services	2,298.4	2,298.4	0.0	0.0%
	Utilities & Rents	1,666.0	1,666.0	0.0	0.0%
	Miscellaneous Expense	1,499.0	1,499.0	0.0	0.0%
	Administrative Expense Transferred	-4,039.6	(4,039.6)	(0.00)	0.0%
	Subtotal	42,965.2	42,688.7	276.47	0.6%
Allocated Common Expenses		10,546.4	10,214.0	332.43	3.2%
	Total Operating Expenses	53,511.6	52,902.7	608.90	1.1%
	Depreciation	8,980.0	8,462.1	517.89	5.8%
	Ad Valorem Taxes	2,804.3	2,419.2	385.04	13.7%
	Payroll Taxes	972.3	960.4	11.92	1.2%
	Total Expense before Income Taxes	66,268.2	64,744.4	1,523.76	2.3%
	Net Revenue Before Income Taxes	27,108.6	21,938.0	5,170.61	19.1%
	State Income Tax	1,034.6	837.7	196.90	19.0%
	Federal Income Tax	4,219.2	3,281.2	937.98	22.2%
	Total Expenses	71,521.9	68,863.3	2,658.64	3.7%
		5,253.8		5,253.78	100.0%
	Net Operating Revenues	21,854.8	17,819.1	4,035.73	18.5%
	Rate Base	269,044.2	219,310.5	49,733.72	18.5%

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Table 2-1 Summary of Earning (Escalation Year 2024-2025)

(Proposed Rate $000)

		San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues		98,434.1	89,917.2	8,516.84	8.7%
Operating Expenses					
	Purchased Water & Assessments	17,503.2	17,503.2	0.0	0.0%
	Purchased Power	5,250.9	5,250.9	0.0	0.0%
	Chemicals	3,395.2	3,395.2	0.0	0.0%
	Payroll	6,639.4	6,639.4	0.0	0.0%
	Materials & Supplies	2,105.9	2,078.5	27.31	1.3%
	Transportation	975.1	975.1	0.0	0.0%
	Insuarance	1,877.3	1,877.3	0.0	0.0%
	Pensions & Benefits	3,151.0	3,151.0	0.0	0.0%
	Uncollectibles	251.7	55.9	195.78	77.8%
	Franchise Fees	874.3	789.9	84.43	9.7%
	Regulatory Commission Expense	184.9	184.9	0.0	0.0%
	Outside Services	2,408.5	2,408.5	0.0	0.0%
	Utilities & Rents	1,717.8	1,717.8	0.0	0.0%
	Miscellaneous Expense	1,545.6	1,545.6	0.0	0.0%
	Administrative Expense Transferred	-4,165.3	(4,165.3)	(0.0)	0.0%
	Subtotal	43,715.5	43,407.9	307.52	0.7%
Allocated Common Expenses		10,874.4	10,531.7	342.77	3.2%
	Total Operating Expenses	54,589.9	53,939.6	650.29	1.2%
	Depreciation	9,890.1	9,044.2	845.91	8.6%
	Ad Valorem Taxes	3,110.9	2,576.1	534.78	17.2%
	Payroll Taxes	996.5	984.3	12.22	1.2%
	Total Expense before Income Taxes	68,587.3	66,544.1	2,043.20	3.0%
	Net Revenue Before Income Taxes	29,846.8	23,373.1	6,473.64	21.7%
	State Income Tax	1,226.8	988.2	238.56	19.4%
	Federal Income Tax	4,517.5	3,469.2	1,048.33	23.2%
	Total Expenses	74,331.5	71,001.5	3,330.09	4.5%
	Net Operating Revenues	24,102.5	18,915.8	5,186.76	21.5%
	Rate Base	296,715.0	232,869.5	63,845.48	21.5%

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Table 3-1 Summary of Earning (Escalation Year 2025-2026)

(Proposed Rate $000)

		San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues		103,700.7	93,247.2	10,453.55	10.1%
Operating Expenses					
	Purchased Water & Assessments	17,540.5	17,540.5	0.0	0.0%
	Purchased Power	5,262.1	5,262.1	0.0	0.0%
	Chemicals	3,503.2	3,503.2	0.0	0.0%
	Payroll	6,804.7	6,804.7	0.0	0.0%
	Materials & Supplies	2,172.8	2,144.6	28.18	1.3%
	Transportation	1,006.1	1,006.1	0.0	0.0%
	Insuarance	2,011.3	2,011.3	0.0	0.0%
	Pensions & Benefits	3,229.4	3,229.4	0.0	0.0%
	Uncollectibles	266.7	58.2	208.48	78.2%
	Franchise Fees	926.5	822.9	103.63	11.2%
	Regulatory Commission Expense	184.9	184.9	0.0	0.0%
	Outside Services	2,522.7	2,522.7	0.0	0.0%
	Utilities & Rents	1,772.4	1,772.4	0.0	0.0%
	Miscellaneous Expense	1,594.7	1,594.7	0.0	0.0%
	Administrative Expense Transferred	-4,297.7	(4,297.7)	(0.0)	0.0%
	Subtotal	44,500.3	44,160.0	340.28	0.8%
Allocated Common Expenses		11,220.2	10,866.6	353.67	3.2%
	Total Operating Expenses	55,720.6	55,026.6	693.95	1.2%
	Depreciation	10,800.1	9,626.2	1,173.92	10.9%
	Ad Valorem Taxes	3,417.4	2,732.9	684.53	20.0%
	Payroll Taxes	1,021.3	1,008.8	12.52	1.2%
	Total Expense before Income Taxes	70,959.4	68,394.5	2,564.92	3.6%
	Net Revenue Before Income Taxes	32,741.3	24,852.6	7,888.63	24.1%
	State Income Tax	1,432.8	1,142.6	290.11	20.2%
	Federal Income Tax	4,958.3	3,686.6	1,271.67	25.6%
	Total Expenses	77,350.5	73,223.8	4,126.71	5.3%
	Net Operating Revenues	26,350.2	20,023.4	6,326.85	24.0%
	Rate Base	324,385.7	246,428.5	77,957.24	24.0%

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Table 4-1 Annual Sales per Customer (Test Year 2023-2024)

(Ccf)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Customer Class				
Residential - Single Family	131	131	0.0	0.0%
Residential - Multi-Family - Small	422	422	0.0	0.0%
Residential - Multi-Family - Large	3,340	3,340	0.0	0.0%
Commercial - Small	213	213	0.0	0.0%
Commercial - Large	4,822	4,822	0.0	0.0%
Industrial - Small	1,020	1,020	0.0	0.0%
Industrial - Large	17,553	17,553	0.0	0.0%
Public Authority - Small	357	357	0.0	0.0%
Public Authority - Large	3,616	3,616	0.0	0.0%
City of Montebello - Contract	249,643	249,643	0.0	0.0%
Construction	391	391	0.0	0.0%
Recycled Contract - Munoz Nursery	5,243	5,243	0.0	0.0%
Recycled Contract - Grant Rea Park	17,436	17,436	0.0	0.0%
Recycled Contract - Whittier Narrows	227,477	227,477	0.0	0.0%
Recycled Contract - W.N. Golf Course	166,898	166,898	0.0	0.0%
Recycled Water - Tariff	2,699	2,699	0.0	0.0%

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Table 5-1 Average Customer (Test Year 2023-2024)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Metered Service Connections				
Residential - Single Family	39,597	39,597	0.0	0.0%
Residential - Multi-Family - Small	3,040	3,040	0.0	0.0%
Residential - Multi-Family - Large	222	222	0.0	0.0%
Commercial - Small	4,707	4,707	0.0	0.0%
Commercial - Large	317	317	0.0	0.0%
Industrial - Small	10	10	0.0	0.0%
Industrial - Large	37	37	0.0	0.0%
Public Authority - Small	271	271	0.0	0.0%
Public Authority - Large	143	143	0.0	0.0%
City of Montebello - Contract	1	1	0.0	0.0%
Construction	26	26	0.0	0.0%
Recycled Water	63	63	0.0	0.0%
Subtotal	48,432	48,432	0.0	0.0%
Flat Rate Services				
Private Fire Service	1,282	1,282	0.0	0.0%
Total	49,714	49,714	0.0	0.0%
Public Fire Hydrants	4,147	4,147	0.0	0.0%

San Gabriel Water Company A. 21-01-003

Los Angeles Dvision

Table 6-1 Water Sales and Supply (Test Year 2023-2024)

(KCcf)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Metered Service Connections				
Residential - Single Family	5,182	5,182	0.0	0.0%
Residential - Multi-Family - Small	1,283	1,283	0.0	0.0%
Residential - Multi-Family - Large	741	741	0.0	0.0%
Commercial - Small	1,005	1,005	0.0	0.0%
Commercial - Large	1,526	1,526	0.0	0.0%
Industrial - Small	10	10	0.0	0.0%
Industrial - Large	649	649	0.0	0.0%
Public Authority - Small	97	97	0.0	0.0%
Public Authority - Large	517	517	0.0	0.0%
City of Montebello - Contract	250	250	0.0	0.0%
Construction	10	10	0.0	0.0%
Subtotal	11,271	11,271	0.0	0.0%
Recycled Water	575	575	0.0	0.0%
Subtotal	11,846	11,846	0.0	0.0%
Water Supply				
Groundwater Supply Wells	12,046	12,046	0.0	0.0%
Purchased - CBMWD/Santa Fe Springs	0	-		
Total Potable Water Productic	12,046	12,046	0.0	0.0%
Purchased - Recycled Water	574.9278112	575	0.0	0.0%
Total Water Production	12620.53094	12,621	0.0	0.0%
Unmetered & Unaccounted For	774	774	0.0	0.0%
Unmetered & Unaccounted For %	6.4%	6.4%	0.0	0.0%

San Gabriel Water Company A. 21-01-003

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Table 7-1 Operating Revenue (Test Year 2023-2024)

Present Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Metered Revenues				
Residential - Single Family	35,714	35,714	0.0	0.0%
Residential - Multi-Family - Small	7,137	7,137	0.0	0.0%
Residential - Multi-Family - Large	3,737	3,737	0.0	0.0%
Total Residential	46,589	46,589	0.0	0.0%
Commercial - Small	7,808	7,808	0.0	0.0%
Commercial - Large	7,220	7,220	0.0	0.0%
Total Commercial	15,028	15,028	0.0	0.0%
Industrial - Small	56	56	0.0	0.0%
Industrial - Large	2,759	2,759	0.0	0.0%
Total Industrial	2,815	2,815	0.0	0.0%
Public Authority - Small	826	826	0.0	0.0%
Public Authority - Large	2,733	2,733	0.0	0.0%
City of Montebello - Contract	679	679	0.0	0.0%
Total Public Authority	4,238	4,238	0.0	0.0%
Construction	114	114	0.0	0.0%
Recycled Water	1,860	1,860	0.0	0.0%
Total Metered Service	70,644	70,644	0.0	0.0%
Flat Rate Service Revenues				
Private Fire Service	1,704	1,704	0.0	0.0%
Miscellaneous Revenues				
Rent from Water Property	1	1	0.0	0.0%
Other & Miscellaneous Revenues	10,236	10,236	0.0	0.0%
Total Miscellaneous	10,237	10,237	0.0	0.0%
Total Operating Revenues	82,585	82,585	0.0	0.0%

San Gabriel Water Company A. 21-01-003
Los Angeles Dvision
Table 7-2 Operating Revenue (Test Year 2023-2024)
Proposed Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Metered Revenues				
Residential - Single Family	40,935	37,594	3,341	8.2%
Residential - Multi-Family - Small	8,279	7,601	678	8.2%
Residential - Multi-Family - Large	4,361	4,004	358	8.2%
Total Residential	53,575	49,199	4,376	8.2%
Commercial - Small	8,905	8,179	726	8.2%
Commercial - Large	8,462	7,767	694	8.2%
Total Commercial	17,367	15,946	1,420	8.2%
Industrial - Small	65	60	5	8.2%
Industrial - Large	3,259	2,991	268	8.2%
Total Industrial	3,324	3,051	273	8.2%
Public Authority - Small	938	862	76	8.1%
Public Authority - Large	3,179	2,919	260	8.2%
City of Montebello - Contract	679	679	0	0.0%
Total Public Authority	4,796	4,459	337	7.0%
Construction	128	118	10	8.1%
Recycled Water	2,089	1,961	128	6.1%
Total Metered Service	81,279	74,735	6,544	8.1%
Flat Rate Service Revenues				
Private Fire Service	1,860	1,710	150	8.1%
Miscellaneous Revenues				
Rent from Water Property	1	1	-	0.0%
Other & Miscellaneous Revenues	10,236	10,236	-	0.0%
Total Miscellaneous	10,237	10,237	-	0.0%
Total Operating Revenues	93,377	86,682	6,694	7.2%

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Table 8-1 Operating and Maintenance Expenses (Test Year 2023-2024)

Present Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operation Expenses				
Purchased Water & Assessments	17,466	17,466	0.0	0.0%
Purchased Power	5,240	5,240	0.0	0.0%
Chemicals	3,297	3,297	0.0	0.0%
Payroll	4,442	4,442	0.0	0.0%
Materials & Supplies	1,057	1,057	0.0	0.0%
Transportation	523	523	0.0	0.0%
Uncollectibles	206	51	155.7	75.4%
Outside Services	1,632	1,632	0.0	0.0%
Utilites & Rents	1,560	1,560	0.0	0.0%
Miscellaneous	1,351	1,351	0.0	0.0%
Total Operation Expense	36,774	36,619	155.7	0.4%
Maintenance Expenses				
Payroll	1,426	1,426	0.0	0.0%
Materials & Supplies	796	796	0.0	0.0%
Transportation	423	423	0.0	0.0%
Outside Services	472	472	0.0	0.0%
Utilities & Rents	6	6	0.0	0.0%
Miscellaneous	99	99	0.0	0.0%
Total Maintenance Expense	3,222	3,222	0.0	0.0%
Total Operation & Maintenance Expesne	39,997	39,841	155.7	0.4%

San Gabriel Water Company A. 21-01-003

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Table 8-2 Operating and Maintenance Expenses (Test Year 2023-2024)

Proposed Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operation Expenses				
Purchased Water & Assessments	17,466	17,466	0.0	0.0%
Purchased Power	5,240	5,240	0.0	0.0%
Chemicals	3,297	3,297	0.0	0.0%
Payroll	4,442	4,442	0.0	0.0%
Materials & Supplies	1,057	1,057	0.0	0.0%
Transportation	523	523	0.0	0.0%
Uncollectibles	237	54	183.6	77.4%
Outside Services	1,632	1,632	0.0	0.0%
Utilites & Rents	1,560	1,560	0.0	0.0%
Miscellaneous	1,351	1,351	0.0	0.0%
Total Operation Expense	36,805	36,622	183.6	0.5%
Maintenance Expenses				
Payroll	1,426	1,426	0.0	0.0%
Materials & Supplies	796	796	0.0	0.0%
Transportation	423	423	0.0	0.0%
Outside Services	472	472	0.0	0.0%
Utilities & Rents	6	6	0.0	0.0%
Miscellaneous	99	99	0.0	0.0%
Total Maintenance Expense	3,222	3,222	0.0	0.0%
Total Operation & Maintenance Expesne	40,028	39,844	183.6	0.5%

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Table 9-1 Administrative and General Expenses (Test Year 2023-2024)

Present Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Administrative & General Expenses				
Payroll	610	610	0.0	0.0%
Materials & Supplies	189	163	26.5	14.0%
Transportation	(0)	(0)	0.0	0.0%
Insurance	1,752	1,752	0.0	0.0%
Pensions & Benefits	3,074	3,074	0.0	0.0%
Franchise Fees	717	717	0.0	0.0%
Outside Services	194	194	0.0	0.0%
Regulatory Commission Expense	185	185	0.0	0.0%
Utilities & Rents	100	100	0.0	0.0%
Miscellaneous	48	48	0.0	0.0%
Administrative Expense Transferred	(4,040)	(4,040)	(0.0)	0.0%
Total Administrative & General Expense	2,831	2,804	26.5	0.9%

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Table 9-2 Administrative and General Expenses (Test Year 2023-2024)
Proposed Rate ($000)

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Administrative & General Expenses				
Payroll	610	610	0.0	0.0%
Materials & Supplies	189	163	26.5	14.0%
Transportation	(0)	(0)	0.0	0.0%
Insurance	1,752	1,752	0.0	0.0%
Pensions & Benefits	3,074	3,074	0.0	0.0%
Franchise Fees	824	758	66.4	8.1%
Outside Services	194	194	0.0	0.0%
Regulatory Commission Expense	185	185	0.0	0.0%
Utilities & Rents	100	100	0.0	0.0%
Miscellaneous	48	48	0.0	0.0%
Administrative Expense Transferred	(4,040)	(4,040)	(0.0)	0.0%
Total Administrative & General Expense	2,938	2,845	92.8	3.2%

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Table 10-1 Payroll and Ad Valorem Taxes (Test Year 2023-2024)
Dollars in Thousands

						San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
	Payroll Taxes								
		FICA				683	683	0.0	0.0%
		FUTA				4	4	0.0	0.0%
		SUI				16	16	0.0	0.0%
			Total Payroll Taxes			703	703	0.0	0.0%
			Less: Payroll Taxes Capitalized			(136)	(136)	0.0	0.0%
				Subtotal		567	567	0.0	0.0%
			General Division Allocation			405	394	11.9	3.0%
				Total Payroll Taxes		972	960	11.9	1.2%
	Ad Valorem Taxes					2,787	2,403	383.4	16.0%
		Ratemaking Adjustments				N/A	N/A	-	-
				Subtotal		2,787	2,403	383.4	16.0%
			General Division Allocation			17	16	1.7	10.6%
				Total Ad Valorem Taxes		2,804	2,419	385.0	15.9%

San Gabriel Water Company A. 21-01-003									
Los Angeles Dvision									
Table 11-1 Income Taxes (Test Year 2023-2024)									
Present Rate ($000)									
						San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues						82,585	82,585	0.0	0.0%
Deductions									
	Total Expenses Before Income Taxes					66,130	64,701	1,429.5	2.2%
	Less: Book Depreciation Expense					(8,980)	(8,462)	(517.9)	5.8%
	Interest Expense					5,900	4,809	1,090.6	18.5%
	Subtotal					63,050	61,048	2,002.2	3.2%
State Tax Calculation									
	Taxable Income Before Deductions					19,535	21,538	(2,002.2)	-10.2%
	Less: State Tax Depreciation					(18,609)	(16,238)	(2,370.6)	12.7%
	State Taxable Income					927	5,299	(4,372.7)	-471.8%
	State Corporate Franchise Tax at 8.84%					82	468	(386.5)	-471.8%
	Amortization of AIAC/CIAC Tax					11	11	0.0	0.0%
	Total State Income Tax Expense					93	479	(386.5)	-416.5%
Federal Tax Calculation									
	Taxable Income Before Deductions					19,535	21,538	(2,002.2)	-10.2%
	Less: Book Depreciation Expense					(8,980)	(8,462)	(517.9)	5.8%
	Less: State Corp. Franchise Tax - Prior Year					(343)	(564)	221.5	-64.6%
	Federal Taxable Income					10,213	12,511	(2,298.6)	-22.5%
	Federal Income Tax at 21%					2,145	2,627	(482.7)	-22.5%
	Amortization of AIAC/CIAC Tax					24	24	0.0	0.0%
	Amortization of EDIT					(239)	(239)	0.0	0.0%
	Total Federal Income Tax Expense					1,929	2,412	(482.7)	-25.0%

San Gabriel Water Company A. 21-01-003									
Los Angeles Dvision									
Table 11-2 Income Taxes (Test Year 2023-2024)									
Proposed Rate ($000)									
						San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Operating Revenues						93,377	86,682	6,694	7.2%
Deductions									
	Total Expenses Before Income Taxes					66,268	64,744	1,524	2.3%
	Less: Book Depreciation Expense					(8,980)	(8,462)	(518)	5.8%
	Interest Expense					5,900	4,809	1,091	18.5%
	Subtotal					63,188	61,091	2,096	3.3%
State Tax Calculation									
	Taxable Income Before Deductions					30,189	25,591	4,598	15.2%
	Less: State Tax Depreciation					(18,609)	(16,238)	(2,371)	12.7%
	State Taxable Income					11,580	9,353	2,227	19.2%
	State Corporate Franchise Tax at 8.84%					1,024	827	197	19.2%
	Amortization of AIAC/CIAC Tax					11	11	-	0.0%
	Total State Income Tax Expense					1,035	838	197	19.0%
Federal Tax Calculation									
	Taxable Income Before Deductions					30,189	25,591	4,598	15.2%
	Less: Book Depreciation Expense					(8,980)	(8,462)	(518)	5.8%
	Less: State Corp. Franchise Tax - Prior Year					(93)	(479)	387	-416.5%
	Federal Taxable Income					21,116	16,650	4,467	21.2%
	Federal Income Tax at 21%					4,434	3,496	938	21.2%
	Amortization of AIAC/CIAC Tax					24	24	-	0.0%
	Amortization of EDIT					(239)	(239)	-	0.0%
	Total Federal Income Tax Expense					4,219	3,281	938	22.2%

San Gabriel Water Company A. 21-01-003							
Los Angeles Dvision							
Table 12-1 Plant in Service (Test Year 2023-2024)							
Dollars in Thousands							
				San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
LA Plant in Service- BOY				456,494.2	441,383.7	15,110.5	3.3%
GO Plant in Service-BOY				17,982.2	16,248.3	1,733.9	9.6%
CWIP-BOY				31,391.7	13,310.7	18,081.1	57.6%
Total Plant in Service -BOY				505,868.2	470,942.7	34,925.5	6.9%
Gross Additions							
	Company Funded Additions			38,942.5	25,219.0	13,723.5	35.2%
	GO Additions			565.0	2,135.9	(1,570.9)	-278.0%
	Advances and Contributions			-	-	-	-
Total Gross Additions				39,507.5	27,354.9	12,152.6	30.8%
	Adjustments			1,265.9	1,265.9	0.0	0.0%
	LA Div Retirements			(2,529.0)	(2,529.0)	0.0	0.0%
	GO Retirements			(289.3)	(289.3)	0.0	0.0%
	Net Additions			37,955.2	25,802.5	12,152.6	32.0%
Plant in Service- EOY				543,823.3	496,745.2	47,078.1	8.7%
Plant Weighting Factor				50%	50%	0.0	0.0%
Weighted Average Plant in Service				524,845.8	483,844.0	41,001.8	7.8%

San Gabriel Water Company A. 21-01-003							
Los Angeles Dvision							
Table 12-2 Plant In Service (Test Year 2024-2025)							
Dollars in Thousands							
				San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
LA Plant in Service- BOY				494,173.7	464,757.9	29,415.80	6.0%
GO Plant in Service-BOY				18,258.0	18,094.9	163.03	0.9%
CWIP-BOY				31,391.7	13,310.7	18,081.06	57.6%
Total Plant in Service -BOY				543,823.3	496,163.4	47,659.89	8.8%
Gross Additions							
	Company Funded Additions			43,408.5	25,664.5	17,744.00	40.9%
	GO Additions			439.8	356.4	83.41	19.0%
	Advances and Contributions			-	-	-	-
Total Gross Additions				43,848.3	26,020.9	17,827.41	40.7%
	Adjustments			-	-	-	-
	LA Div Retirements			(2,529.0)	(2,529.0)	0.0	0.0%
	GO Retirements			(289.3)	(289.3)	0.0	0.0%
	Net Additions			41,030.0	23,202.6	17,827.41	43.4%
Plant in Service- EOY				584,853.3	519,366.0	65,487.30	11.2%
Plant Weighting Factor				50%	50%	0.0	0.0%
Weighted Average Plant in Service				564,338.3	507,764.7	56,573.60	10.0%

San Gabriel Water Company A. 21-01-003							
Los Angeles Dvision							
Table 13-1 Depreciation Reserve (Test Year 2023-2024)							
Dollars in Thousands							
				San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Depreciation Reserve- BOY				138,686.7	138,426.5	260.2	0.2%
GO Depreciation Reserve-BOY				2,515.3	2,364.8	150.5	6.0%
Total Plant in Service -BOY				141,202.0	140,791.3	410.7	0.3%
Depreciation Accrual							
	Company Accrual			11,594.2	11,059.8	534.4	4.6%
	GO Accrual			968.2	961.2	7.0	0.7%
	Retirements						
	LA Div Retirements			(2,529.0)	(2,529.0)	0.0	0.0%
	GO Retirements			(289.3)	(289.3)	0.0	0.0%
	LA Salvage/Cost of Removal			(144.8)	(144.8)	0.0	0.0%
	GO Salvage/Cost of Removal			9.6	9.6	0.0	0.0%
Depreciation Reserve- EOY				150,810.8	149,858.8	952.1	0.6%
Plant Weighting Factor				50%	50%	0.0	0.0%
Weighted Average Plant in Service				146,006.4	145,325.0	681.4	0.5%

San Gabriel Water Company A. 21-01-003							
Los Angeles Dvision							
Table 13-2 Depreciation Reserve (Test Year 2024-2025)							
Dollars in Thousands							
				San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Depreciation Reserve- BOY				147,607.0	146,812.4	794.6	0.5%
GO Depreciation Reserve-BOY				3,203.8	3,046.3	157.4	4.9%
Total Plant in Service -BOY				150,810.8	149,858.8	952.1	0.6%
Depreciation Accrual							
	Company Accrual			12,556.6	11,614.4	942.2	7.5%
	GO Accrual			998.2	1,057.4	(59.2)	-5.9%
	Retirements						
	LA Div Retirements			(2,529.0)	(2,529.0)	0.0	0.0%
	GO Retirements			(289.3)	(289.3)	0.0	0.0%
	LA Salvage/Cost of Removal			(144.8)	(144.8)	0.0	0.0%
	GO Salvage/Cost of Removal			9.6	9.6	0.0	0.0%
Depreciation Reserve- EOY				161,412.1	159,576.9	1,835.2	1.1%
Plant Weighting Factor				50%	50%	0.0	0.0%
Weighted Average Plant in Service				156,111.5	154,717.8	1,393.6	0.9%

San Gabriel Water Company A. 21-01-003

Los Angeles Dvision

Table 14-1 Average Rate Base (Test Year 2023-2024)

Dollars in Thousands

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Utility Plant	506,726	466,381	40,344	8.0%
Depreciation Reserve	143,147	142,619	527	0.4%
Net Utility Plant	363,579	323,762	39,817	11.0%
Less:				
Advances in Aid of Construction	2,483	2,483	0.0	0.0%
Contributions in Aid of Construction				
Contributions	109,557	109,557	0.0	0.0%
Depreciation Reserve	31,136	31,136	0.0	0.0%
Net Contributions in Aid of Construction	78,421	78,421	0.0	0.0%
Accumulated Deferred Income Taxes	36,877	36,221	656	1.8%
Accumulated Deferred Taxes - ITC	313	313	0.0	0.0%
Subtotal - Deductions	118,095	117,439	656	0.6%
Plus:				
Materials & Supplies	2,769	2,743	27	1.0%
Operational Cash Requirement	30	30	0.0	0.0%
Working Cash (lead/lag)	4,390	(5,362)	9,751	222.1%
Tax on Advances & Contributions	1,111	1,111	0.0	0.0%
Water Entitlements	-	-		
General Office Plant Allocation				
Utility Plant	18,120	17,172	948	5.2%
Depreciation Reserve	2,860	2,706	154	5.4%
Net General Office Allocation	15,261	14,466	795	5.2%
Subtotal - Additions	23,561	12,988	10,573	44.9%
Average Rate Base	269,044	219,310	49,734	18.5%

San Gabriel Water Company A. 21-01-003

Los Angeles Dvision

Table 14-2 Average Rate Base (Test Year 2024-2025)

Dollars in Thousands

	San Gabriel	Cal Advocates	San Gabriel > Cal Advocates	
Utility Plant	546,005	489,636	56,369	10.3%
Depreciation Reserve	152,548	151,283	1,266	0.8%
Net Utility Plant	393,457	338,354	55,103	14.0%
Less:				
Advances in Aid of Construction	2,355	2,355	0.0	0.0%
Contributions in Aid of Construction				
Contributions	110,769	110,769	0.0	0.0%
Depreciation Reserve	31,960	31,960	0.0	0.0%
Net Contributions in Aid of Construction	78,809	78,809	0.0	0.0%
Accumulated Deferred Income Taxes	38,612	37,536	1,076	2.8%
Accumulated Deferred Taxes - ITC	275	275	-	0.0%
Subtotal - Deductions	120,051	118,976	1,076	0.9%
Plus:				
Materials & Supplies	3,047	2,994	53	1.7%
Operational Cash Requirement	30	30	0.0	0.0%
Working Cash (lead/lag)	4,386	(5,302)	9,688	220.9%
Tax on Advances & Contributions	1,077	1,077	0.0	0.0%
Water Entitlements	-	-		
General Office Plant Allocation				
Utility Plant	18,333	18,128	205	1.1%
Depreciation Reserve	3,563	3,435	128	3.6%
Net General Office Allocation	14,770	14,693	77	0.5%
Subtotal - Additions	23,310	13,491	9,818	42.1%
Average Rate Base	296,715	232,869	63,845	21.5%

CHAPTER 2 SALES FORECAST

I. INTRODUCTION

For a given test year ("TY"), a forecast of customer counts by customer class, and average sales per customer for each customer class is necessary to forecast revenues at current rates. The customer forecast multiplied by the average sales per customer forecast for each class is the total sales forecast for each class:

(Number of Customer Forecast)
x (Average Use per Customer Forecast)
= Total Sales Forecast

Revenue obtained from the total sales is referred to as the operational revenue.[25] This chapter discusses SGVWC's Los Angeles County ("LA") division's sales forecast in this General Rate Case ("GRC").

II. SUMMARY OF RECOMMENDATIONS

- The Commission should adopt SGVWC LA division's number of customers forecast.
- The Commission should adopt SGVWC LA division's usage per customer forecast.

III. ANALYSIS

A. Number of Customers Forecast

SGVWC uses the number of customers forecasting methodology outlined in the Commission's Rate Case Plan ("RCP") for the LA division, with exceptions to the Construction classes.[26] The methodology estimates the number of customers in the test year using the most recent 5-year average of the annual growth rate to determine

[25] Revenue is also generated from Non-Tariffed Products and Services (NTP&S).

[26] Exhibit SG-6 (Reiker), p.10.

customer growth.[27] SGVWC forecasts an additional 166 customers per year in the LA division and a total customer count of 49,774.[28] Table 2-1 is the TY 2023-2024 number of customers forecast.

Table 2-1: TY 2023-2024 Number of Customers Forecast

Number of Customers Forecast		
Customer Class	**TY 2023-2024**	**# of New Cust.**
Residential - Single Family	39,650	134
Residential - Multi-Family - Small	3,038	7
Residential - Multi-Family - Large	222	
Commercial - Small	4,709	9
Commercial - Large	316	(1)
Industrial - Small	10	
Industrial - Large	36	
Public Authority - Small	269	
Public Authority - Large	141	
City of Montebello - Contract	1	
Construction	28	1
Private Fire Service	1,295	13
Subtotal	*49,712*	*163*
Recycled Contract - Munoz Nursery	1	
Recycled Contract - Grant Rea Park	1	
Recycled Contract - Whittier Narrows	1	
Recycled Contract - W.N. Golf Course	1	
Recycled Water - Tariff	59	3
Subtotal	*63*	*3*
Total	**49,774**	**166**

The RCP permits utilities to adjust the number of customers forecast methodology for unusual situations.[29] Therefore, subject to the Commission's ruling in SGVWC's

[27] D.07-05-062, p. A-23, footnote 4.

[28] Exhibit SG-6 (Reiker), p. 22.

[29] D.07-05-062, p. A-23, footnote 4.

Application (A.) 20-10-004 to purchase the City of Montebello's ("Montebello") water system and related approvals, the number of customers forecast needs to be adjusted to account for the newly acquired customers in the LA division.[30] Cal Advocates' discusses the Montebello water system acquisition in its testimony for Special Request #3.

B. Use per Customer Forecast

In accordance with Governor Newsom's directive in Executive Order N-10-21, SGVWC forecasts LA TY 2023-2024 usage per customer (water sales) by reducing the recorded 2020 per-customer potable sales for each customer class by 15%.

1. New Committee Method

The RCP states that the New Committee Method ("NCM") should be used to forecast per customer usage for the residential and small commercial customer classes in GRCs.[31] The NCM is a multiple regression model used to calculate customer consumption based on time, temperature, and rainfall.[32] In addition, in D.20-08-047, the Commission ordered that future GRCs must discuss how the following specific factors impact the sales forecast:

a. Impact of revenue collection and rate design on sales and revenue collection;
b. Impact of planned conservation programs;
c. Changes in customer counts;
d. Previous and upcoming changes to building codes requiring low flow fixtures and other water-saving measures, as well as any other relevant code changes;
e. Local and statewide trends in consumption, demographics, climate population density, and historic trends by ratemaking area; and
f. Past sales trends.

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[30] Exhibit SG-6 (Reiker), p.11.

[31] D.07-05-062, p. A-26, footnote 8.

[32] D.07-05-062, p. A-23, footnote 4.

Cal Advocates completed a multiple regression analysis to calculate TY 2023-2024 sales based on the NCM and variables addressed in D.20-08-047. Cal Advocates' regression model includes explanatory variables – time, temperature, rainfall, mandatory drought restricted period, and the COVID-19 pandemic period – over the last ten years. The mandatory drought restricted period is defined as June 2015 through April 2017,[33] the period between when then Governor Brown issued and lifted mandatory water use restrictions.[34] The COVID-19 pandemic period is defined as March 2020 through June 2021. On March 19, 2020, Governor Newsom declared a statewide shelter-in-place to contain the spread of COVID-19.[35] Governor Newsom lifted the statewide shelter-in-place order on June 15, 2021.[36] The COVID-19 pandemic period is included in Cal Advocates' regression analysis as it changed Californian's water consumption behavior. As residents sheltered at home, normal water usage that would have occurred at the place of employment or school transferred to at-home usage. In addition, citizens were recommended to wash their hands more and for at least 20 seconds to prevent the spread of COVID-19.[37]

Based on Cal Advocates' regression model, it was determined that a regression analysis would not accurately forecast TY 2023-2024 sales based on the variables used for LA division's residential and small commercial customers. The regression model's R-Squared is unfavorable and suggests that the sales forecast would only be around 72% accurate based on the independent variables/factors used. As such, Cal Advocates recommends against using a regression model to forecast and support TY sales.

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[33] Then Gov. Brown issued Executive Order B-29-15 (mandatory water use restrictions) and SGVWC recorded lost sales in its Drought Lost Revenue Memorandum Account (DLRMA) during this period.

[34] SG-6 (Reiker), p. 15.

[35] https://calmatters.org/health/coronavirus/2021/03/timeline-california-pandemic-year-key-points/

[36] https://www.gov.ca.gov/2021/06/11/as-california-fully-reopens-governor-newsom-announces-plans-to-lift-pandemic-executive-orders/

[37] https://www.cdc.gov/handwashing/when-how-handwashing.html

2. Governor Newsom's Call for Increased Conservation

Governor Newsom issued Executive Order N-10-21 in July 2021, which calls on Californians to voluntarily reduce water use by 15% compared to 2020 levels and expanded the state of drought emergency.[38] While Executive Order N-10-21 fell short of a statewide water conservation mandate, it has set the stage for future administrative action. Comparing March 2021 to March 2020 water consumption, residents increased urban water use by 18.9% statewide.[39] According to the U.S. Drought Monitor, a weekly report issued by the federal government and the University of Nebraska, over 95% of California is in a severe drought and 59% is in an extreme drought.[40] It is likely that Governor Newsom will impose mandatory statewide restrictions on water use if the situation continues to worsen – as warned by the Governor on May 23, 2022.[41]

3. TY 2023-2024 Sales Forecast

The Commission should adopt SGVWC's LA division sales forecast for TY 2023-2024 as it aligns with Executive Order N-10-21. As Governor Newsom states, "every water agency across the state needs to take more aggressive actions to communicate about the drought emergency and implement conservation measures."[42] Table 2-2 below summarizes the TY 2023-2024 sales forecast.

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[38] https://www.gov.ca.gov/wp-content/uploads/2021/07/7.8.21-Conservation-EO-N-10-21.pdf

[39] https://www.msn.com/en-us/weather/topstories/gov-newsom-calls-for-increased-water-conservation-warning-of-mandatory-statewide-restrictions/ar-AAXD7fZ?ocid=BingNewsSearch

[40] https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CA

[41] https://www.sfchronicle.com/bayarea/article/Newsom-says-California-could-get-mandatory-water-17192962.php

[42] https://www.msn.com/en-us/weather/topstories/gov-newsom-calls-for-increased-water-conservation-warning-of-mandatory-statewide-restrictions/ar-AAXD7fZ?ocid=BingNewsSearch

Table 2-2: TY 2023-2024 Sales per Customer Forecast

Sales per Customer Forecast (ccf)	
Customer Class	**TY 2023-2024**
Residential – Single Family	130.9
Residential – Multi-Family – Small	422.1
Residential – Multi-Family – Large	3,339.5
Commercial – Small	213.4
Commercial – Large	4,822.4
Industrial – Small	1,019.5
Industrial – Large	17,553.1
Public Authority – Small	357.4
Public Authority – Large	3,616.0
City of Montebello – Contract	249,643.3
Construction	391.0
Recycled Contract – Munoz Nursery	5,242.8
Recycled Contract – Grant Rea Park	17,436.1
Recycled Contract – Whittier Narrows	227,477.0
Recycled Contract – W.N. Golf Course	166,897.5
Recycled Water – Tariff	2,698.7

C. Operational Revenue

The Commission should adopt the operational revenues based on SGVWC's number of customer and water sales forecast. Table 2-3 below and Attachment 1-1 in Chapter 1 of this report summarizes the LA division's Operating Revenue for TY 2023-2024 based on SGVWC's request and Cal Advocates' recommendations, respectively. Operating revenue summary at proposed rates in Table 2-3 below is based on SGVWC's rate increase request. The operating revenue summary at Cal Advocates' rate recommendation can be found in Attachment 1-1 of Chapter 1.

Table 2-3: Operating Revenue Summary (Present Rates vs SGVWC's Proposed Rate Request)

Operating Revenue Summary	Test Year 2023-2024	
Metered Service Revenues	**at Present Rates**	**at Proposed Rates**
Residential - Single Family	$ 35,761,725.60	$ 42,037,805.42
Residential - Multi-Family - Small	$ 7,132,679.08	$ 8,489,098.38
Residential - Multi-Family - Large	$ 3,737,262.78	$ 4,475,724.44
Total Residential	$ 46,631,667.46	$ 55,002,628.24
Commercial - Small	$ 7,811,185.96	$ 9,134,701.06
Commercial - Large	$ 7,197,446.69	$ 8,657,965.34
Total Commercial	$ 15,008,632.65	$ 17,792,666.41
Industrial - Small	$ 56,134.07	$ 66,848.17
Industrial - Large	$ 2,684,595.52	$ 3,255,772.56
Total Industrial	$ 2,740,729.59	$ 3,322,620.73
Public Authority - Small	$ 817,947.38	$ 952,705.99
Public Authority - Large	$ 2,694,955.59	$ 3,217,012.62
City of Montebello - Contract	$ 678,800.26	$ 678,986.66
Total Public Authority	$ 4,191,703.23	$ 4,848,705.27
Construction	$ 119,963.58	$ 138,422.55
Recycled Water	$ 1,860,441.94	$ 2,130,271.58
Total Metered Service Revenues	$ 70,553,138.45	$ 83,235,314.78
Flat Rate Service Revenues		
Private Fire Service	$ 1,721,467.02	$ 1,923,549.99
Miscellaneous Revenues		
Miscellaneous Service Revenues	$ 83,300.64	$ 83,300.64
Rent from Water Property	$ 1,432.46	$ 1,432.46
Other Water Revenues	$ 10,444,212.18	$ 10,444,212.18
Total Miscellaneous Revenues	$ 10,528,945.28	$ 10,528,945.28
Total Operating Revenues	$ 82,803,550.76	$ 95,687,810.05

D. Other Revenues

The Commission should adopt SGVWC's other revenues forecast as it is based on the best available data. SGVWC forecasts TY 2023-2024 other revenues based on the most recent 5-year average. SGVWC does not foresee any potential changes to the other revenues collection with exception to the pending purchase of Montebello's water system and related approvals (A.20-10-004). Other revenues items associated with the Montebello system may need to be adjusted depending on the timing of the Commission's decision in the Application. For example, the number of customers forecast needs to be adjusted to account for the newly acquired customers in the LA division.

IV. CONCLUSION

The Commission should adopt SGVWC's number of customers forecast and water sales forecast as it is reasonable and aligns with State's conservation initiatives. In addition, the Commission should adopt SGVWC's operational revenue forecast methodology and other revenues forecast methodology.

CHAPTER 3 OPERATIONS & MAINTENANCE EXPENSES

I. INTRODUCTION

This chapter addresses San Gabriel Valley Water Company's ("SGVWC" or "San Gabriel") Operation & Maintenance ("O&M") expense budgets for its Los Angeles ("LA") division and presents the analysis and recommendations of the California Public Advocates Office at the California Public Utilities Commission ("Cal Advocates").

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt the following recommendations regarding SGVWC's requested O&M budgets:

(1) Adopt Purchased Water & Assessments forecasts using the most recent rates available;

(2) Adopt Purchased Power forecasts using August 27, 2021, Southern Californian Edison ("SCE") rates and estimates;

(3) Adopt Chemicals forecasts using the inflation-adjusted recorded five-year average, adjusted to reflect forecasted production;

(4) Adopt SGVWC's requested Transportation budget;

(5) Adopt Uncollectibles ratio calculations which utilize actual recorded Uncollectibles amounts instead of inflated estimates.

On a stand-alone basis, these recommendations result in SGVWC's proposed TY budget being reduced by approximately $92,889.

III. ANALYSIS

A. Forecasting Methodology

SGVWC generally developed its expense forecasts for Test Year ("TY") 2023-2024 using the most recent five-year historical data for years 2017-2021, adjusted for inflation. Transportation, Utilities & Rents, Postage, and Payroll were the exception in that these forecasts were based on 2021 recorded expenditures. Unless otherwise stated, Cal Advocates' analysis is based on SGVWC's original TY estimates.

The main operational accounts used to track O&M expenses are shown in Chapter 1, Tables 1-2 and 1-3 which present a summary of SGVWC's proposed and Cal Advocates' recommended O&M expenses in the LA Division.

B. Purchased Water and Assessments

The Commission should adopt $17,466,024 for Purchased Water and Assessments for Test Year 2023-2024, which is based on the most recent rates available. The final decision in this proceeding should require SGVWC to utilize the most recent purveyor rates in the forecast to improve forecast accuracy.

SGVWC's water supply consists of approximately 95% groundwater produced from the Main San Gabriel Basin and Central Basin. The remaining 5% is purchased recycled water. Purchased Water and Assessments expense consists of purchased Recycled Water, and other costs such as Cyclic Storage, Replacement Water and Replenishment Water assessments, Water Quality Authority assessments, leased water costs, and Watermaster Production and Administrative assessments. Test Year estimates are based on the most recent rates multiplied by the forecasted annual supply required to provide water service to SGVWC's customers.

Upon review of SGVWC's supporting documentation for the rate and service charges used in the calculation of the Purchased Water and Assessments forecast, its Purchased Water and Assessments forecasts appear reasonable.

C. Purchased Power

The Commission should approve SGVWC's methodology for Purchased Power for TY 2023-2024, because it is based on the most recent rates available.

SGVWC based its estimate for TY 2023-2024 on SCE rates effective August 27, 2021. SGVWC based its estimated energy consumption on the historical five-year average use for existing plant and used the average power usage as a proxy for future projects to be completed during the Test Year. Cal Advocates also determined its estimate using August 27, 2021, SCE rates and estimates.

D. Chemicals

The Commission should adopt SGVWC's methodology for Chemical Expense for TY 2023-2024 because it is based on the historical expenditures.

SGVWC uses the inflation-adjusted recorded five-year (2017-2021) average expense, adjusted to reflect forecasted production, as the basis for the Test Year forecast.[43] Cal Advocates agrees with this methodology. Any other differences between Cal Advocate's and SGVWC's forecast of Chemicals costs are the result of different estimates of demand, which are addressed elsewhere in Cal Advocate's testimony.

E. Payroll

The Commission should approve approximately $5,867,988 for O&M Payroll for TY 2023-2024. The O&M Payroll estimate is based on the last recorded year (2021) plus any adjustments for new positions. Payroll Expense, including SGVWC's request for new positions, is addressed in Chapter 6.

F. Transportation

The Commission should adopt a $945,727 total[44] transportation budget for TY 2023-2024. Transportation expenses are forecasted by escalating 2021 expenses using non-labor escalation rates. Cal Advocates agrees with this methodology because it is consistent with accepted methods and practices.

G. Uncollectibles

The Commission should approve a 0.0703% Uncollectibles[45] Ratio for TY 2023-2024. While Cal Advocates does not oppose SGVWC's accounting method to switch

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[43] Exhibit SG-6 (Reiker), PDF page 34.

[44] Sum of Operations and Maintenance Transportation budgets.

[45] Uncollectibles are customer arrearages categorized as having virtually no chance of being paid.

from write-off method[46] to the allowance method,[47] Cal Advocates does oppose SGVWC's use of past recession years to estimate an extremely inflated Uncollectibles ratio. The allowance method is widely used by the other investor-owned water utilities in California and can provide better matching of expenses and revenues on the Income Statement. On a stand-alone basis, this recommendation results in SGVWC's proposed TY budget of $151,308 being reduced by approximately $92,889.

1. SGVWC's Methodology to Calculate 2020-2021 Uncollectibles is Unreasonable

SGVWC officially switched its accounting for Uncollectibles from the write-off method to the allowance method in 2020.[48] Allowance for Uncollectible accounts is calculated using SGVWC's experienced history of Uncollectible write-offs, as a percentage of the balance of customer accounts receivable.[49] SGVWC then applies this percentage to the balance of customer accounts receivable at the end of the year to determine the amount charged to the Uncollectibles account.

The percentage that SGVWC uses to derive both its 2020 and 2021 Uncollectibles amounts is 8.63% and is calculated by taking the three-year average of ratios of Uncollectibles to Accounts Receivables Balances from recession years 2007 to 2009.[50] SGVWC states that the Uncollectibles expense is affected by factors including general

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[46] The cost of customer accounts written off is recorded, as well as any subsequent collections associated with such write-offs.

[47] An allowance for Uncollectible accounts is calculated using SGVWC's experienced history of Uncollectible write-offs, as a percentage of the balance of customer accounts receivable. SGVWC then applies this percentage to the balance of customer accounts receivable at the end of the year to determine the amount charged to Account 775.

[48] Exhibit SG-5 (Harris), PDF page 24, line 1.

[49] Exhibit SG-5 (Harris), PDF page 24, lines 1-6.

[50] Attachment 3-1: SGVWC's Response to Cal Advocates' DR LCN-003 (Uncollectibles), Attachment 1, tab "LCN-003-02."

economic conditions and credit and collection policies including legislation and moratoriums on disconnections.[51]

SGVWC's exclusive use of a recessionary period is unreasonable because it accounts for only extreme conditions and not a normalized year, which is better suited when developing a future forecast. SGVWC seems to imply that the current COVID-19 situation somewhat resembles the past recession but fails to recognize the forecasts being developed in this proceeding will apply to years 2023 to 2025 and not just the "current situation." SGVWC has also received a total of $1,962,974 from the state under such a program, which should be considered as it normalizes the Uncollectibles over the past two years. Please refer to Table 3-1 below for a comparison between the inflated Uncollectibles amounts SGVWC uses and the actual Uncollectibles amounts for 2020 and 2021.

Table 3-1: SGVWC's Derived Vs. Actual Uncollectibles (2020-2021)

Year	SGVWC	Actual Uncollectibles	SGVWC > Actual
2020	$345,579	$42,111	$303,468
2021	$124,098	$26,927	$97,171

As illustrated in Table 3-1 above, the estimated Uncollectibles amounts that SGVWC forecasts for years 2020 and 2021 far exceed the actual recorded Uncollectibles amounts.

2. SGVWC's Use of Inflated 2020-2021 Uncollectibles Amount Skews the Five-Year Average

SGVWC's use of inflated 2020 and 2021 uncollectibles figures leads to an inflated five-year average ratio for forecasting that is several times higher than the actual uncollectible ratio, as illustrated in Tables 3-2 and 3-3 below. Cal Advocates utilized actual recorded 2020 and 2021 uncollectibles amounts instead of SGVWC's estimated

[51] Exhibit SG-6, PDF page 46.

uncollectibles amounts when calculating the five-year average of uncollectibles amounts to be divided by the total revenues over the past five years.

Table 3-2: SGVWC vs. Actual Uncollectibles Ratios

Uncollectibles	2017	2018	2019	2020	2021
SGVWC	$54,140	$45,177	$83,610	$345,579	$124,098
Actual	$54,140	$45,177	$83,610	$42,111	$26,927

Table 3-3: SGVWC vs. Actual Uncollectibles Ratios

SGVWC	Actual	SGVWC > Actual
0.1820%[52]	0.0703%	0.1117%
$151,308	$58,419	$92,889

3. The Commission Should Adopt An Uncollectibles Forecast Calculated Using Actual Uncollectibles Values

The Commission should adopt Cal Advocates' Uncollectibles forecast, which is calculated using actual 2020 and 2021 Uncollectibles values thus yielding a 0.0703% Uncollectibles ratio for TY 2023-2024. Cal Advocates derived the Uncollectibles ratio by dividing the five-year average of actual Uncollectibles amounts by the five-year average of total revenues. By using inflated Uncollectibles values, SGVWC unnecessarily skews the five-year average upward when the five-year average utilizing actual Uncollectibles amounts sufficiently captures any COVID-19 related variation and inflation. On a stand-alone basis, this recommendation results in SGVWC's proposed TY budget of $151,308 being reduced by approximately $92,889.

IV. CONCLUSION

The Commission should adopt the recommendations detailed above as they reflect a more reasonable and accurate forecast for TY 2023-2024 O&M expenses, which is in ratepayers' best interest.

[52] GRCWorkpapers – 2022 (100 DAY UPDATE).

Attachment 3-1: SGVWC's Response to Cal Advocates' DR LCN-003 (Uncollectibles), Attachment 1.

San Gabriel Valley Water Company
Response to LCN-003, 1.c.

Los Angeles County Division

		2020		Est. 2021 [1]
Accounts Receivable Balance	at 12/30/20	$3,516,437.00	at 6/30/21	$5,200,789.00
Uncollectible rate		8.63%		8.63%
Allowance		$303,469.00		$448,828.00
Beginning Balance Allow for Uncollectibles	***at 01/01/20***	***$0.00***	**at 7/1/2020**	**$13,200.00**
Allowance for year		$303,469.00		$435,628.00
Uncollectibles - write offs for year		**$42,110.97**		**$61,050.06**
Total Allowance charged to expense		$345,579.97		$496,678.06

Fontana Water Company Division		2020		Est. 2021
Accounts Receivable Balance 12/31	at 12/30/20	$5,429,202.00	at 6/30/21	$7,006,913.00
Uncollectible rate		8.63%		8.63%
Allowance		$468,540.00		$604,697.00
Beginning Balance Allow for Uncollectibles	***at 01/01/20***	***$0.00***	**at 7/1/2020**	**$49,200.00**
Allowance for year		$468,540.00		$555,497.00
Uncollectibles - write offs for year		**$101,246.74**		**$102,591.44**
Total Allowance charged to expense		$569,786.74		$658,088.44

[1] Est. 2021 amount depicted in SGVWC's GRC Workpapers 2022, tab EX1, Cells J459, K459, J1263 and K1263 was developed using the twelve month period July 1, 2020 - June 30, 2021

CHAPTER 4 ADMINISTRATIVE AND GENERAL EXPENSES

I. INTRODUCTION

This chapter addresses SGVWC's Administrative and General ("A&G") expense budgets for LA division and presents Cal Advocates' analysis and recommendations.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt the following Cal Advocates' recommendations regarding SGVWC's requested A&G budgets:

(1) Adopt Pension & Benefits forecasts which correct for Vision Insurance input errors;
(2) Adopt Workers' Compensation forecasts which apply escalated premiums to the payroll and employee forecasts;
(3) Adopt Franchise fees which are based on the total revenues from forecasted water sales;
(4) Accept SGVWC's Administrative Expenses Transferred forecasts;
(5) Adopt Dues & Subscriptions forecasts which exclude lobbying expenses.

III. ANALYSIS

A. Forecasting Methodology

SGVWC developed its A&G expense forecasts for TY 2023-2024 using the most recent five-year historical inflation adjusted data for years 2017 through 2021. As stated in Chapter 3, Transportation, Utilities & Rents, Postage, and Payroll were the exception in that these forecasts were based on 2021 recorded expenditures. Unless otherwise stated, Cal Advocates' analysis is based on SGVWC's original TY estimates, and not on the 100-day update.

Cal Advocates used the same methodology and inflation rates as SGVWC for forecasts based on a five-year historical average. The main operational accounts used to track A&G expenses are shown in Chapter 1, Tables 1-2 and 1-3 which present a summary of SGVWC's proposed and Cal Advocates' recommended A&G expenses in the Los Angeles Division. The difference between Cal Advocates' recommendations and

SGVWC's request is due to the difference in forecasted Payroll, including Overtime, and Pension & Benefits.

The Commission should approve $610,127 for A&G Payroll for Test Year 2023-2024. The A&G Payroll estimate is based on the last recorded year (2021) plus any adjustments for new positions. Payroll Expense, including SGVWC's request for new positions, is addressed in Chapter 6.

B. Pension & Benefits

The Commission should approve $3,074,400 Pension & Benefits budget for Test Year 2023-2024.[53]

Pension & Benefits includes SGVWC's 401(k) retirement savings plan, health, dental and vision insurance, life and long-term disability insurance, vacations, holidays and sick leave, uniforms, and other. The estimates and recommendations below are based on SGVWC's workpapers. Cal Advocates agrees with the methodologies because they are consistent with accepted methods and practices.

1. 401(k) Retirement Plan

The Commission should approve $768,118 for SGVWC's retirement plan for TY 2023-2024.

SGVWC employees become eligible for Company contributions to their 401(k) account on the first entry date after they complete one year of service.[54] Entry dates are January 1, and July 1. Once an employee is eligible for the 401(k) plan, SGVWC makes an annual contribution of 6% of the eligible salary to each employee-eligible account in January based on the 401(k) eligible payroll. SGVWC also contributes to employee

[53] The amount shown for Pension & Benefits for TY 2023-2024 excludes capitalized and reimbursed expense.

[54] Exhibit SG-6 (Reiker), PDF page 38.

401(k) plans through matching contributions up to 50% of each employee's eligible salary deferral.[55] Cal Advocates agrees with SGVWC's methodology.

2. Life Insurance

The Commission should approve $57,585 for SGVWC's Life Insurance for TY 2023-2024.

SGVWC escalated 2021 Life Insurance premiums by applying the 6.8% Consumer Price Index-Urban ("CPI-U") Escalation Rate for Estimated Year 2022 and TY2023-2024.[56] SGVWC then applied these escalated premiums to the Company's Payroll and Employee forecast to arrive at the total Life Insurance costs. Cal Advocates uses the same methodology to forecast its recommendation. Any difference between SGVWC and Cal Advocates estimates is due to the difference in total payroll.

3. Long-Term Disability Insurance

The Commission should approve $38,458 for SGVWC's Long-Term Disability Insurance for TY 2023-2024. Long-Term Disability Insurance premiums are applied to the Company's Payroll and Employee forecast to arrive at the total Long-Term Disability Insurance costs.

SGVWC escalated 2021 Long-Term Disability Insurance premiums by applying the 6.8% CPI-U Escalation Rate for Estimated Year 2022 and TY 2023-2024.[57] SGVWC then applied these escalated premiums to the Company's Payroll and Employee forecast to arrive at the total Long-Term Disability Insurance costs.

Cal Advocates uses the same methodology to forecast its recommendation. Any difference between SGVWC and Cal Advocates estimates is due to the difference in total

[55] Exhibit SG-6 (Reiker), PDF page 38.

[56] Exhibit SG-6 (Reiker), PDF page 39.

[57] Exhibit SG-6 (Reiker), PDF page 39.

payroll due to Cal Advocates' recommendations to transfer few positions from General Office ("G.O.") division to LA division as discussed in Chapter 6 of this report.

4. Vacations, Holidays, and Sick Leave

The Commission should adopt $663,220 for SGVWC's Vacation Pay expense, $376,672 for Holiday Pay expense, and $241,388 for Sick Leave expense for TY 2023-2024.

SGVWC's estimates for vacations, sick leave, and holidays are based on historical data and forecasted payroll in the Test Year. Cal Advocates uses the same methodology.

5. Health Insurance

The Commission should approve $1,471,958 for the combined healthcare benefits (medical, dental, vision) for TY 2023-2024, which corrects Vision Insurance forecasting attributed to open positions in 2022 and 2023.

Health insurance includes dental, vision, and medical. Since SGVWC's health plan runs annually from July to June, SGVWC escalated the July 2021 premiums by applying a 6.8% CPI-U escalation rate for estimated year 2022 and TY 2023-2024. SGVWC then applied the escalated premiums to its employee forecast to arrive at the total health insurance costs.

For dental and vision insurance, SGVWC escalated 2021 premiums by applying the 6.8% CPI-U Escalation Rate for Estimated Year 2022 and Test Year 2023-2024.[58] SGVWC then applied these escalated premiums to its employee forecast to arrive at the total dental and vision insurance costs. Cal Advocates uses the same methodology to forecast its recommendation. Any difference between SGVWC and Cal Advocates estimates is due to the difference in total payroll.

[58] Exhibit SG-6 (Reiker), PDF page 39.

6. Correction of Vision Insurance Error

Cal Advocates found and corrected an error in SGVWC's workpaper forecasting values for Vision Insurance in years 2022 and 2023 for new requested positions which are expected to be filled in 2024. Cal Advocates removed these particular Vision Insurance forecasts for 2022 and 2023.

C. Workers' Compensation

The Commission should approve $395,132 for Workers' Compensation expenses for TY 2023-2024.

Since SGVWC's Workers' Compensation insurance is renewed each year on July 1st, SGVWC escalated July 2021 Workers' Compensation premiums by applying a 6.8% CPI-U escalation rate for estimated year 2022 and TY 2023-2024. SGVWC then applied the escalated premiums to its payroll and employee forecasts to arrive at the total Workers' Compensation insurance cost. Cal Advocates agrees with SGVWC's methodology.

D. Franchise Fees

The Commission should adopt the SGVWC's methodology for Franchise Fees.

E. Administrative Expenses Transferred

The Commission should adopt SGVWC's original ($4,039,630) Administrative Expenses Transferred estimate. Administrative Expenses Transferred represents the administrative overhead for management supervision of capital investment in plant projects. A detailed discussion regarding Administrative Expenses Transferred can be found in Chapter 7.

F. Materials & Supplies

The Commission should adopt $162,509 in Dues & Subscriptions expenses, which excludes $26,483.94 related to lobbying from Dues & Subscriptions expenses. Lobbying in this instance is any attempt SGVWC makes to influence public and government policy at any level in order to serve its own interests. Cal Advocates removes these lobbying

expenses from the historical expenses used in the forecast calculation because the Commission does not allow lobbying expenses in rates. Commission policy is clear that political and lobbying activity should not be included in customer rates.[59] Since there is no ratepayer benefit to lobbying, the ratepayers should not subsidize the costs.

IV. CONCLUSION

The Commission should adopt recommendations detailed above as they reflect a more reasonable and accurate forecast for TY 2023-2024 A&G expenses.

[59] D.06-11-050, page 73.

CHAPTER 5 CONSERVATION EXPENSES

I. INTRODUCTION

This chapter addresses SGVWC's Conservation expense budgets for the LA division and presents Cal Advocates' analysis and recommendations.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt SGVWC's proposed $760,000 Conservation budget. Cal Advocates reviewed SGVWC's request and responses to discovery and concluded that its request for one Facilities Maintenance Supervisor is reasonable, as discussed below.

III. ANALYSIS

A. Water Saving Goals and Objectives

SGVWC's goal is to plan and implement the most cost-effective conservation programs that will achieve water saving goals and objectives set by the State Water Resources Control Board ("SWRCB"), the California Public Utilities Commission ("CPUC") and the Governor of California (currently Governor Gavin Newsom), as well as any subsequent orders and/or emergency proclamations.[60]

The most recent directive requires water purveyors to reduce water consumption by at least 15% over the 2020 consumption level. Thus, SGVWC must continue to carry out its Conservation programs in order to successfully meet this objective.

B. Past Conservation Budget and Goals

In the previous General Rate Case ("GRC"), SGVWC adopted a Conservation budget of $513,686 for its 2020-2021 TY in the Los Angeles Division in order to meet

[60] Exhibit SG-9 (Zvirbulis), PDF page 23.

California Governor Brown's directive on water consumption.[61] Pursuant to the California Water Conservation Act of 2009 ("SBX7-7"), which mandated reduction in per capita water use by 20% by the year 2020, SGVWC successfully met its 2020 water use target.[62] In 2020, the recorded per capita water use was 112 gallons per capita per day ("gpcd"), far surpassing the confirmed 2020 Water Use Target of 142 gpcd.[63]

C. Conservation in the Current GRC

In the current GRC, SGVWC is requesting a $760,000 Conservation budget, a smaller currently requesting a smaller amount to carry out similar mandate provided by Governor Newsom to cut down on 15%. Upon review of SGVWC's prepared testimony, historical data, methodologies used and discovery responses, Cal Advocates concluded that SGVWC's proposed Conservation expense budget is reasonable.

IV. CONCLUSION

Table 5-1 below presents a summary of SGVWC's proposed Conservation expenses in the LA division.

Table 5-1: Test Year 2023-2024 Conservation Expenses[64]

Program	Budget
K-12 School Education Program	$20,000
Education/Public Outreach Program	$90,000
Create Your Own Garden Program	$50,000
Residential Irrigation Controller, Nozzles Retrofit Program	$150,000
High Efficiency Toilet Distribution Program	$150,000
CII Water Efficient Fixtures and Devices/Turf Removal Program	$200,000
Recycle Water Retrofit Program	$100,000
TOTAL	**$760,000**

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[61] Exhibit SG-6 (Reiker) Appendix A (MDRs), PDF page 66.

[62] Exhibit SG-9 (Zvirbulis), PDF page 22-23.

[63] Exhibit SG-9 (Zvirbulis), PDF page 22-23.

[64] Exhibit SG-9 (Zvirbulis), PDF page 19, line 18.

CHAPTER 6 PAYROLL

I. INTRODUCTION

This chapter presents recommendations for Payroll expenses and describes Cal Advocates' approach and adjustments in forecasting TY 2023-2024. The main difference in Payroll expense is caused by the request for new positions. In the LA division, SGVWC seeks authority to increase its workforce by a total of two new positions: Operations Analyst and Water Treatment Operator.

II. SUMMARY OF RECOMMENDATIONS

The Commission should approve $9,115,646, in Payroll expenses for TY 2023-2024. The Commission should authorize one Water Treatment Operator.[65]

III. ANALYSIS

A. Water Treatment Operator Position

Cal Advocates reviewed SGVWC's request and responses to discovery and concluded that its request for one Water Treatment Operator position is reasonable.

The Water Treatment Operator position is initially being funded by a Proposition 68 Grant from the State Water Resources Control Board for Operations and Maintenance.[66] This particular position is primarily dedicated to the operation and maintenance of the newly completed Ion Exchange treatment for the removal of per- and polyfluoroalkyl substances ("PFAS"), ultraviolet ("UV") treatment for the removal of N-nitrosodimethylamine ("NDMA"), and Air Stripping for volatile organic compound

[65] Table 7, Exhibit SG-6 (Reiker), PDF page 35 indicates that the requested Operations Analyst position has already been filled.

[66] Exhibit SG-9 (Zvirbulis), PDF page 37, lines 6-15.

("VOC") treatment.[67] The grant is only sufficient to cover costs up to February 28, 2023,[68] which is prior to the beginning of the TY 2023-2024.

In response to discovery,[69] SGVWC stated its intention to fill the position by July 1, 2022. Should this position be filled prior to a decision in this GRC, as SGVWC intends, Cal Advocates recommends that all relevant forecasts, such as salary and insurance, be updated to include this new employee position in order to yield more accurate forecasts, and thus, more accurate rates for ratepayers.

B. Operations Analyst Position

SGVWC hired an Operations Analyst in 2020 to assist the Los Angeles County Operations Manager with an increasing workload of primarily administrative and analyst duties associated with the ongoing administration of a number of third-party operating agreements, grant agreements and other contracts.[70] Cal Advocates reviewed SGVWC's request and responses to discovery and concluded that its request for one Operations Analyst position is reasonable, as discussed below.

1. Operations Manager's Workload

The Operations Manager performed the duties currently held by the newly hired Operations Analyst in addition to their many other job responsibilities. According to SGVWC, until the Operations Analyst was hired, the required administrative workload interfered with the Operations Manager's ability to fulfil other management responsibilities, such as staff development and supervision, executive management support, project management and planning.[71] Over time, these tasks have increased in

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[67] Exhibit SG-9 (Zvirbulis), PDF page 37, lines 6-15.

[68] Attachment 6-1: SGVWC's response to Cal Advocates' DR LCN-016 (Misc.), Q13a.ii.

[69] Attachment 6-1: SGVWC's response to Cal Advocates' DR LCN-016 (Misc.), Q13a.

[70] Exhibit SG-9 (Zvirbulis), PDF page 35.

[71] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1a.

scope and complexity, requiring the dedication of significant time and effort, which interferes with the Operations Manager's ability to fulfill other duties and responsibilities, such as, overall management, supervision and administration of the Operations Department, project management and budgeting, operations contracts and management support.[72]

In response to discovery,[73] SGVWC specified that considerable effort is required on a monthly basis to review and prepare third-party recoverable cost billings associated with operations, maintenance an capital improvements related, but not limited to, the Baldwin Park Operable Unit, South El Monte Operable Unit, Puente Valley Operable Unit, and Whittier Narrows Operable Unit. Furthermore, significant documentation and effort is required to prepare invoices and billings related to many grant SGVWC has applied for and has been awarded.[74] These grants also require the preparation of operational reports, attendance at technical advisory committee meetings, stakeholder advisory committee meetings, tracking and ensuring labor compliance, and project management.[75] Such grants include those for the Plant B24 Hydroelectric Station (California Energy Commission - $500,000; Self Generation Incentive Program - $43,000; Federal Tax Credit - $160,000), Plant B6 1,4 Dioxane and Nitrosodimethylamine UltraViolet Light Flex Modular Demonstration Project ($1,424,959) and Whittier Narrows Operable Unit Treatment for Drinking Water End Use ($7,103,433).[76]

When questioned why SGVWC did not consider adding an Operations Analyst position prior to 2020 if the Operations Manager's workload had been continually

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[72] Exhibit SG-9 (Zvirbulis), PDF page 35.

[73] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1b.

[74] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1b.

[75] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1b.

[76] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1b.

increasing over a period of time, SGVWC stated that it led to a gradual need for administrative and analyst support.[77] During that time, a number of key positions in the Operations Department were newly promoted following the retirement of longtime employees, and thus, filling those positions and training and developing those individuals took precedence, in turn inadvertently delaying efforts to fill the Operations Analyst position.[78] However, it became a primary objective in 2020.[79]

2. Operations Analyst's Duties

The Operations Analyst is responsible for a variety of tasks and duties which may include, but are not limited to, providing administrative and analyst support in the preparation of Professional Service Agreements and Work Authorizations for the many Operations Department repair and improvement projects, operating agreements administered by the Operations Department, assisting with maintenance of all accounting records and subsidiary ledgers in compliance with the Commission's Uniform System of Accounts for Water Utilities, assisting with month-end closing and the preparation of financial reports, including the Annual Financial Report of Class A Water Companies as required by the California Public Utilities Commission ("CPUC"), analyzing cost of operation and maintenance of treatment plants, preparation of invoices and monitoring collections and review of third-party contracts with managers and supervisors to ensure compliance with contract terms and conditions, organizing, maintaining, and electronically tracking all contracts and related documents, preparation of memorandums and analytical studies as necessary and maintenance of and updating records of all correspondence related to contact activity.[80]

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[77] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1c.

[78] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1c.

[79] Attachment 6-2: SGVWC's response to Cal Advocates' DR LCN-007 (Additional Employees), Q1c.

[80] Exhibit SG-9 (Zvirbulis), PDF page 36.

3. Alleviated Workload

SGVWC states that the addition of the Operations Analyst position to the Operations Department proved to be extremely helpful and improved the department's responsiveness related to issuing timely third-party billings, preparation and administration of Operations Department contracts and other assignments.[81]

IV. CONCLUSION

The Commission should approve $9,115,646 in Payroll expenses for TY 2023-2024. The Commission should authorize one Water Treatment Operator and one Operations Analyst position.[82] The Commission should adopt this recommendation because it addresses the need for additional staffing for the operation of the new treatment facilities.

[81] Exhibit SG-9 (Zvirbulis), PDF page 36.

[82] Table 7, EXHIBIT SG-6 (Reiker), PDF page 35 indicates that the requested Operations Analyst position has already been filled.

Attachment 6-1: SGVWC's Response to Cal Advocates' DR LCN-016 (Misc.), Q13.

RESPONSE NO. 13:

a. Yes, San Gabriel can reasonably forecast the salary and related expenses for this and the other new positions the Company is requesting in this GRC. However, please note that although San Gabriel had hoped to fill this new position by the end of December 2021 as indicated in the referenced testimony, the position remains unfilled as of the date of this response, and San Gabriel now intends to fill the position by July 1, 2022. Consequently, Line No. 190 of WORKPAPER PR4 (both the original workpapers and 100-Day Update) show this new requested position as being open with a salary of $0.

   i. As explained above, although San Gabriel has included this requested position on Line No. 190 of its WORKPAPER PR4, the Company has not included the associated salary or related expenses in the proposed revenue requirement for the Los Angeles County division because the position has not yet been filled. In order to calculate an estimate of the test year salary and related benefits for this position, the current initial starting salary of $56,742 may be entered in CELL U190 of WORKPAPER PR4.

   ii. No. As explained in San Gabriel's response to Public Advocates Data Request LCN-013, QUESTION 1.a, the Grant agreement provides that the last date on which project costs may be incurred is February 28, 2023. Please see Advice Letter No. 576, ATTACHMENT B, page 6 ("Work Completion Date").

Attachment 6-2: SGVWC's Response to Cal Advocates' DR LCN-007 (Additional Employees), Q1.

RESPONSE:

a. The Operations Manager is an exempt position and overtime is not tracked or paid. However, until such time as the Operations Analyst position was filled, the required administrative workload interfered with the Operations Manager's ability to fulfill other management responsibilities, such as staff development and supervision, executive management support, project management and planning

b. Please refer to EXHIBIT SG-9 (Zvirbulis) for a detailed description of job duties. As described, considerable effort is required on a monthly basis to review and prepare third-party recoverable cost billings associated with operations, maintenance and capital improvements related, but not limited to the Baldwin Park Operable Unit, South El Monte Operable Unit, Puente Valley Operable Unit, and Whittier Narrows Operable Unit. Additionally, significant documentation and effort is required to prepare invoices and billings related to the many grants San Gabriel has applied for and has been awarded. These Grants also require the preparation of operational reports, attendance at technical advisory committee meetings, stakeholder advisory committee meetings, tracking and ensuring labor compliance, and project management. Specifically, these include the following:

    i. Plant B24 Hydroelectric Station
        a. California Energy Commission - $500,000.
        b. Self Generation Incentive Program - $43,000.
        c. Federal Tax Credit – $160,000.
    ii. Plant B6 1,4 Dioxane and Nitrosodimethylamine UltraViolet Light Flex Modular Demonstration Project - $1,424,959.
    iii. Whittier Narrows Operable Unit Treatment for Drinking Water End Use - $7,103,433.

c. The increased workload had started to develop over time leading to the gradual need for administrative/analyst support. Additionally, a number of key positions in the Operations department were newly promoted following the retirement of longtime employees. Filling these positions and training and developing those individuals initially took precedence and inadvertently delayed efforts to replace the Operations Analyst position. However, in early 2020 it became a primary objective.

CHAPTER 7 UTILITY PLANT-IN-SERVICE

I. INTRODUCTION

This chapter discusses California Public Advocates Office's ("Cal Advocates") recommended budget and supporting analysis for capital projects during the years 2022 to 2024. Cal Advocates uses the recommended budget in this chapter as a component to calculate the rate base forecast for SGVWC Valley Water Company's ("SGVWC" or "San Gabriel") Los Angeles County ("LA") division in the Test Years: 2023-2024 and 2024-2025.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt Cal Advocates' recommended capital budget as shown in row 2 of the table below:

Table 7-1: Capital Budget[83]

	(A) Description	(B) 2022	(C) 2023	(D) 2024	(E) 2025
1	SGVWC[84]	$30,949,000	$31,169,000	$37,502,000	$44,805,000
2	**Cal Advocates[85]**	**$22,312,000**	**$18,222,000**	**$23,002,000**	**$23,817,000**
3	SGVWC > Cal Advocates	$8,637,000	$12,947,000	$14,500,000	$20,988,000
4	Cal Advocates as % of SGVWC	72%	58%	61%	53%

The Commission should adjust SGVWC's proposed capital budget, as follows:

- Remove all amounts for contingency from the capital budget because contingency amounts should not be funded by ratepayers.

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[83] This amount excludes SGVWC's estimates for contributions in aid of construction ("contributions"). Cal Advocates does not recommend reductions to SGVWC's estimates for contributions.

[84] SGVWC's Workpapers, file "GRCWorkpapers – 2022.xlsx," tab "P1," column AL, rows 93, 159, 225, and 291.

[85] Attachment 7-1: Cal Advocates Capital Budget by Plant Site and Account.

- Adjust the escalation of SGVWC's capital projects in 2023 to 2025 based on the non-labor composite factor used by the Commission for expense escalation.

- Remove $200,000 in 2022, $6.7 million in 2023, and $7 million in 2024 from SGVWC's forecasted capital budget for treatment systems that remove perfluorooctanesulfonic acid ("PFOS") and perfluorooctanoic acid ("PFOA") because there are no applicable maximum contaminant levels (MCLs) for these substances and the LA division has adequate supply capacity without installing most of the new treatment systems. SGVWC should first attempt to fund the remaining treatment system from public grants.

- Remove $1.7 million in 2022 and $1 million in 2023 from the mains pipeline budget to remove new proposed mains that are not needed to maintain adequate supply.

- Reduce the cost of the project at Plant No. 7 to $3.8 million to account for the correct amount from contributions and establish a completion date for mid-2024. SGVWC's proposed $5.9 million cost estimate in 2022 for this project should be denied.

- Remove $850,000 for the project at Plant No. 14 in 2023, $6 million for the projects at Plant B15 and M1 in 2024, and $12.7 million for the projects at Plant No. 13, B14, and W6 in 2025 from the capital budget because the Commission already included these projects in customer rates expecting they would be completed and providing direct benefits to customers during the 2019 GRC cycle. Because these projects still have not been completed, the Commission should instead remove them from rate base in this GRC. In a subsequent GRC application, the utility can request to place these projects into rate base after it completes these projects, and the Commission can conduct its prudency review at that time.

- Reduce the cost estimate for the project at Plant M4 to $0 in 2024 and $1.8 million in 2025 because of SGVWC's plans to acquire and use the Hillside

Reservoir instead of building a second reservoir. SGVWC's proposed $450,000 in 2024 and $5.7 million in 2025 cost estimates should be denied.

- Reduce the cost estimate for meters to $795,000 in 2022, $1,320,000 in 2023, $840,000 in 2024, and $865,000 in 2025, to conform to the 15-year installation schedule previously proposed by SGVWC and adopted by the Commission. SGVWC's proposed cost estimates of $1,485,000 in 2022, $2,015,000 in 2023, $1,545,000 in 2024, and $1,576,000 in 2025, should be denied.

- Remove $150,000 in 2022 and $150,000 in 2023 for SGVWC's proposed Office Space Study from the capital budget because SGVWC should instead close the study to Plant-in-Service after SGVWC completes office space designed according to the study. The Commission should also disallow the former Office Space Study that was completed in 2020 because it does not provide any ratepayer benefit.

- Reduce SGVWC's vehicle budget to $77,000 for the year 2025 because one vehicle SGVWC proposes for replacement is not estimated to meet its replacement criteria until after mid-2026. SGVWC's proposed cost estimate of $304,000 for the LA Division's vehicle budget in 2025 should be denied.

- Adopt SGVWC's proposed Administrative Expense Transferred of $4,039,630 for the Test Year 2023-2024 despite the adjusted capital budget to account for expenses transferred to projects that SGVWC will continue but that are not forecasted as Plant-in-Service in this GRC cycle.

III. ANALYSIS

The following sections discuss the adjustments that the Commission should make to SGVWC's proposed capital budget involving contingency, escalation, PFOS/PFOA treatment systems, the reservoir at Plant No. 7, repeated projects, the project at Plant M4, meters, the Office Space Study, vehicles, and the Administrative Expense Transferred.

A. Contingency

The Commission should remove all amounts for contingency from the forecasted capital budget. In each of the cost estimates for its proposed capital projects, SGVWC includes amounts for contingency. SGVWC uses contingency as a placeholder for unforeseen project components at the time of budgeting. In effect, contingency accounts for project cost overruns that may or may not occur.

For each project, SGVWC calculates the contingency as a percentage, such as 5%, 10%, or 15%, of the project's base construction cost.[86] For example, for the construction phase of the treatment system that SGVWC proposes for Plant B24, SGVWC estimates that the project will have a base construction cost of $1 million. To this amount, SGVWC adds $366,000 for various other cost components, including inspection and testing, construction management, and administrative overhead. Finally, SGVWC adds 15% of the $1 million, or $150,000, to the cost estimate as contingency to cover costs that it did not anticipate at the time of budgeting.[87] The table below shows how a capital project's contingency, and other cost components are calculated from the base construction cost:

Table 7-2: Cost Estimate for Proposed Treatment System at Plant B24

	(A) Cost Component	(B) Cost Component Percentage of Base	(C) Cost Estimate
1	Base Construction Cost		$1,000,000
2	Other Cost Components such as Inspection and Testing and Overheads	36.6%	$366,000
3	Contingency	15%	$150,000
4	**Total**		**$1,516,000**

[86] SGVWC's project cost estimates are located as enclosures throughout its Exhibit SG-8, Attachments B, C, and D.

[87] SGVWC Exhibit SG-8, Attachment C, Plant B24, Enclosure 6 Cost Estimate, p. 2.

The Commission should remove contingency amounts from the adopted capital budget because ratepayers should not fund project components that are speculative at the time of budgeting. Instead, the Commission should adopt a capital budget based only on forecasted project components that can be reasonably evaluated. After project completion, if actual capital project costs exceed forecasted amounts, the utility can seek further cost recovery in a subsequent GRC. The Commission then can assess the utility's request for prudency and reasonableness.

The Commission has recently considered and removed contingency from capital budgets. In a 2021 decision, the Commission stated that budgeting for contingencies is not necessarily appropriate in a General Rate Case ("GRC"), where the utility must demonstrate the reasonableness of every dollar in its forecast revenue requirement.[88] The Commission recognized that since contingency allowances are intended to cover "unforeseen conditions," contingency amounts are unpredictable, and therefore, a utility cannot establish the costs for contingency to be reasonable at the time of forecasting. In addition, the Commission reasoned that removing the budgeted contingencies should motivate the utility to remain within its forecasted budget for these projects. Finally, the Commission stated that if additional funds become necessary, the utility may seek reasonable recovery in its next GRC.[89]

Removing contingency also partly protects customers from overestimated capital budgets. The Commission-adopted settlement in SGVWC's last GRC forecasted SGVWC's capital budget with a 10% contingency factor.[90] SGVWC's recorded capital additions differ from the adopted capital budget SGVWC for many reasons. SGVWC did not complete several projects that were forecasted in the prior GRC but did complete projects that were not forecasted in the prior GRC. Although many forecasted capital

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[88] D.21-08-036, p. 331.

[89] D.21-08-036, p. 331.

[90] D.20-08-006, p. 21.

projects exceeded the estimates that SGVWC forecasted in the last GRC, this cost variance has a smaller effect on the overall capital budget than the completion of projects that were not previously forecast.

In the LA division, SGVWC records a rate base for years 2020 and 2021 that is about $9 million dollars above the estimate adopted in the prior GRC,[91] but this figure includes amounts that were not related to the specific capital projects forecasted in the prior GRC. Importantly, about $7.5 million of the recorded capital additions were water rights purchases where SGVWC tracks the revenue requirement in a memorandum account for separate recovery.[92] In addition, the settlement agreement in the prior GRC deferred the review of capital additions for the Rurban Homes Mutual Water Company ("Rurban") that SGVWC acquired in 2019 to the current GRC.[93] Besides the cost of Rurban's water rights, SGVWC spent about $300,000 to acquire Rurban, and spent an additional $3.4 million improving the acquired system since 2019.[94] Therefore, $3.7 million in rate base that SGVWC spent acquiring and improving water system are also unrelated to the capital projects that SGVWC previously forecasted.

As explained above, it should have been expected that SGVWC's recorded rate base would exceed the estimate adopted in the prior GRC because SGVWC tracks the revenue requirement of water rights purchases separately and deferred including Rurban acquisition costs in rate base to this GRC. If the combined $11.2 million that SGVWC spent on water rights purchases and costs related to the Rurban acquisition and improvement were removed from the recorded rate base, the resulting rate base recorded

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[91] SGVWC file "GRCWorkpapers – 2022.xlsx," tab "RB1" cells J39 and K39 show a rate base of $208,350,000 for recorded year 2020 and $218,819,000 for 2021. Using these amounts, the average rate base for 2020-2021 would have been $213,585,000 which is about $9 million more than the adopted rate base of $204,759,000 as shown by the same tab "RB1," cell M39.

[92] Attachment 7-2: SGVWC Response to DR AA9-001, Q.3. See Account "306.1" in 2019 and 2020.

[93] D.20-08-006, p. 15.

[94] Attachment 7-3: SGVWC Response to DR AA9-002, Attachment 2.

for the year from mid-2020 to mid-2021 would be lower than the adopted estimate. As a result, the rate base that was forecasted with a 10% contingency in the prior GRC was an overestimate.[95]

B. Escalation

The Commission should adjust the escalation of SGVWC's capital projects in 2023 to 2025 based on the non-labor composite factor used by the Commission for expense escalation.

SGVWC proposes to escalate future project costs based on its calculated increases in recorded costs of similar projects or items.[96] To illustrate, SGVWC compares the increased cost of a well it completed in 2019 to the relatively lesser cost of a well it completed in 2018. SGVWC then creates a trend by projecting the 2018 to 2019 increase each year all the way to 2025. Using this methodology, SGVWC proposes an annual 13% escalation factor for wells in its capital budget.[97] Based on the same methodology, SGVWC proposes escalation factors ranging from 8% to 17% for the other budget items.[98]

The Commission should use the escalation factor of 2.8% for capital projects forecasted in this GRC after the year 2022. This is the average of the non-labor composite escalation rates for the years 2023 to 2025 from Cal Advocates' December 15, 2021 Memo.[99] In these monthly memos, Cal Advocates provides the Commission's water industry staff with historical and forecasted annual changes in labor and the prices for material and supply purchases.

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[95] See also the discussion of historical CWIP in the chapter on rate base in this report (Chapter 10) for projects that should be recovered from contributions.

[96] SGVWC Exhibit SG-8, pp. 38-39.

[97] SGVWC Exhibit SG-8, pp. 42-43.

[98] SGVWC Exhibit SG-8, p. 45.

[99] SGVWC "GRCWorkpapers – 2022.xlsx," tab "GI1," column L, rows 28 to 32.

The non-labor composite rate is an appropriate escalation factor for capital projects from 2023 to 2025 as it has been recently proposed and used by other Class A water utility districts. California Water Service Group ("Cal Water") is the largest class A water company that is regulated by the Commission. Cal Water's multiple service areas include the East Los Angeles District which neighbors SGVWC's LA division. Cal Water proposes using a 2.5% escalation factor for capital projects forecasted in its 2021 GRC. Specifically, Cal Water justifies its use of the escalation factor because it is based on the non-labor composites from earlier Cal Advocates memos.[100] Indeed, Cal Water's proposed 2.5% factor is lower than the 2023 to 2025 average of 2.8%. Since SGVWC is operating in nearly the same years and economic conditions as Cal Water, the Commission should adopt the 2.8% factor for SGVWC's capital budget.

C. PFOS and PFOA Treatment

The Commission should remove $200,000 in 2022, $6.7 million in 2023, and $7 million in 2024 for the PFOS and PFOA treatment systems at Plants No. 1 and No. 11 from the capital budget and disallow costs for the treatment system construction work-in-progress ("CWIP") at Plant W6 and Plant No. 2 because there are no established applicable maximum contaminant levels ("MCLs") in place, because SGVWC should first attempt to fund treatment systems it chooses to install from public grants, and because the LA division has adequate supply capacity without installing most of the new treatment.

SGVWC has recorded about $3.6 million in CWIP for the treatment system at Plant W6 and about $3.5 million for the treatment at Plant No. 2,[101] and forecasts another $6.7 million and $7.6 million for its proposed treatment systems at Plant No. 1 and Plant No. 11 respectively.[102]

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[100] Attachment 7-4: Cal Water Response to DR SIB-037, Q.1.

[101] Attachment 7-5: SGVWC Response to DR AA9-001, Q.1.a

[102] SGVWC Exhibit SG-8, pp. 60 and 63.

There is no existing MCL for PFOS and PFOA that establishes at what level it is economically feasible to install treatment. MCL development for PFOS and PFOA is an ongoing scientific process. Neither the United States Environmental Protection Agency ("EPA") nor the California State Water Resources Control Board ("SWRCB") have released MCLs as of July 2022. If SGVWC's proposed long-term, multimillion dollar treatment systems are funded from customer rates before applicable MCLs are released, then customers may end up paying for treatment systems on wells that comply with the eventual MCLs. For example, SGVWC reports that it has detected PFOS and PFOA concentrations of up to 12 Parts Per Trillion ("ppt") at the wells at Plant No. 2.[103] If the EPA and SWRCB were to adopt PFOS and PFOA MCLs of 13 ppt or higher, then none of the wells at Plant No. 2 would exceed the applicable MCLs. It would be most reasonable for SGVWC to first attempt to fund its proposed treatment systems from government grants.

On June 15, 2022, the federal government of the United States announced that it was dedicating $1 billion for treatment systems to remove PFOS and PFOA from drinking water sources. This $1 billion is the first of a current total of $5 billion to be distributed by states to water systems as part of the Emerging Contaminants in Small or Disadvantaged Communities Grant program from 2022 to 2026.[104] Additionally, the State of California has set aside $100 million for technical and financial assistance to drinking water systems to address PFOS and PFOA from 2022 to 2024.[105] In recognition of these available funding programs for treatment systems, the Commission should not prematurely include costs for PFOS and PFOA treatment systems in rate base.

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[103] SGVWC Exhibit SG-8, p. 57, Table 5.

[104] Attachment 7-6 "Emerging Contaminants (EC) in Small or Disadvantaged Communities Grant (SDC)" United States EPA. https://www.epa.gov/dwcapacity/emerging-contaminants-ec-small-or-disadvantaged-communities-grant-sdc#applicants1

[105] Attachment 7-7: "Notice of Staff Workshop Per- and Polyfluoroalkyl Substances (PFAS) Funding" Revised June 16, 2022. SWRCB.

In addition, SGVWC has redundant source capacity in the LA division and can meet demands without supplying water above the PFOS or PFOA Notification Levels. As a result of PFAS contamination, SGVWC has currently taken Wells 1E, 11B, 11C, and the three wells at Plant No. 2 out of service.[106] In addition, SGVWC has not yet placed Well 1F into service after constructing it because of contamination. However, SGVWC has continued using several wells where it detected PFOS and PFOA by blending the water together with the production at other wells. In this way, SGVWC currently uses Wells 1B, 1D, 11A, and 11D.[107] As a result, SGVWC has enough source capacity to meet its high standard of firm supply capacity above the Maximum Day Demand and Fire Flow.

For example, in the Zone 1 West where all the affected wells serve, except those at Plants W1 and W6, SGVWC has a planned maximum day demand plus maximum fire flow of 19,648 gallons per minute ("gpm").[108] Even with the wells listed above currently out-of-service, the Zone 1 West has a supply capacity of 23,650 gpm, representing a 20% safety buffer. The table below summarizes the remaining capacity of the numerous sources of supply after removing all the wells which are out-of-service due to PFOS and PFOA above the Notification Level and that are not being blended with other sources:

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[106] Attachment 7-8: SGVWC Response to DR AA9-004, Attachment C.

[107] Attachment 7-8: SGVWC Response to DR AA9-004, Attachment C.

[108] SGVWC Exhibit SG-8, Attachment E, p. 8-3.

Table 7-3: Water Supply Analysis for Zone 1 West

	(A) Existing Supply Source	(B) Total Capacity[109] (gpm)	(C) Available Capacity (gpm)
1	Well 1B	1,533	1,533
2	Well 1D	2,604	2,604
3	Well 1E	3,215	Out of Service
4	Well 1F	2,500	Out of Service
5	Well 2D	2,500	Out of Service
6	Well 2E	2,500	Out of Service
7	Well 2F	2,160	Out of Service
8	Well 8B	992	992
9	Well 8C	1,342	1,342
10	Well 8D	1,920	1,920
11	Well 8E	2,704	2,704
12	Well 8F	3,107	3,107
13	Well 11A	2,219	2,219
14	Well 11B	1,800	Out of Service
15	Well 11C	977	Out of Service
16	Well 11D	1,710	1,710
17	Well G4A	1,019	1,019
18	Pump Station B27B1 Transfer	1,500	1,500
19	Pump Station B27B2 Transfer	1,500	1,500
20	Pump Station B27B3 Transfer	1,500	1,500
19	**Total**	**39,302**	**23,650**
20	**Is greater than MDD+FF[110] of 19,648?**	**Yes**	**Yes**

The Commission should also remove costs for the treatment system at Plant W6 because SGVWC should first attempt to recover funding for this project from government grants discussed above. Unlike the wells at Plants No. 1, 2, and 11, the wells at Plant W6 do not serve Zone 1 West. While the water supply analysis in Table 7-3

[109] SGVWC Exhibit SG-8, Attachment E, p. 8-3.

[110] MDD+FF is maximum day demand plus maximum fire flow demand.

above does not apply to the zone served by Plant W6, costs for the treatment system to remove PFOS and PFOA should be removed from rate base given that SGVWC could receive government grants for this system. In addition to the cost of acquiring and installing the treatment system, SGVWC includes an additional $21,691 in CWIP to support its application to the California government for funding for this same treatment system. Therefore, SGVWC has already begun the process of applying for government funding for this treatment system. For these reasons, the Commission should remove the cost estimates for PFOS and PFOA treatment systems.

D. Mains Projects

The Commission should remove the mains projects to connect Plant W1 to Plant W6 and to connect Plant B4 to Plant B6 from the capital budget in the LA division. The following table shows the comparison between SGVWC's proposed mains budget and Cal Advocates' recommended reductions of $1.7 million in 2022 for the Plant W1 to W6 mains project, and $1 million in 2023 for the Plant B4 to B6 mains project, as well as adjustments due to contingency and escalation.

Table 7-4: Mains Budget

	(A)	(B) 2022	(C) 2023	(D) 2024	(E) 2025	(F) Total
1	SGVWC	$11,325,000	$11,590,000	$12,610,000	$13,635,000	$49,160,000
2	Cal Advocates	$8,755,000	$8,730,000	$10,240,000	$10,135,000	$37,860,000
3	SGVWC > Cal Advocates	$2,570,000	$2,860,000	$2,370,000	$3,500,000	$11,300,000
4	Cal Advocates as % of SGVWC	77%	75%	81%	74%	77%

There is no need to install a pipeline to treat the supply from wells at Plant B4 to the Plant B6 treatment systems. SGVWC's own supply analysis shows that there is a water supply surplus in the zone that was served by the Plant B4 wells. The zone served

by Plant B4 had a 4,321-gpm supply surplus in 2021, and this is expected to increase to an 11,108-gpm surplus after SGVWC completes projects in the same zone by 2022.[111] This supply surplus exists even without the wells at Plant B4 in service. As a result, there is no need to bring the inactive wells at Plant B4 back into service.

Similarly, there is no need to install a pipeline to treat supply from the well at Plant W1 with treatment systems at Plant W6. The zone served by Plant W1 is also served by Plant W6. From January 2020 to July 2021, SGVWC was able to supply the zone served by Plants W1 and W6 by transferring water from other parts of the system.[112] Due to recent improvements at Plant W6, including an ultraviolet treatment system, this zone's supply capacity has increased to 4,816 gpm plus any flow that can be transferred to this zone. This is greater than the zone's 4,507-gpm demand.[113] SGVWC also plans to make a further 2,000 gpm of supply available to this zone as part of the Plant B28 project scheduled to be completed in 2022.[114] This interzonal transfer would make further investments in capacity for the zone that Plant W1 serves unnecessary.

Finally, the well at Plant W1 is out-of-service because of a detection of PFOS and PFOA above the current Notification Levels for each contaminant.[115] However, there is no guarantee that the MCL, when adopted, will be lower than the detected levels at Plant W1. It is premature to include a permanent pipeline investment in rate base before an applicable MCL has been released.

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[111] SGVWC Exhibit SG-8, Attachment E, p. 8-3, row "Zone 1 East Grouped Subtotal," columns "Supply Balance (gpm)" and "Proposed Well Capacity (gpm)."

[112] Attachment 7-9: SGVWC Response to DR AA9-004, Partial Response, Q.6.

[113] SGVWC Exhibit SG-8, Attachment E, p. 8-3, row "Zone 1 Whittier," column "Total Required Capacity."

[114] SGVWC Exhibit SG-8, Attachment E, p. 8-2.

[115] SGVWC Exhibit SG-8, p. 57.

E. Plant No. 7

The Commission should reduce the cost of the project at Plant No. 7 to $3.8 million to account for the correct amount from contributions and should forecast a completion date for the year 2024. The utility's requested $5.9 million in 2022 for the new reservoir should be denied.

SGVWC should collect a larger share of the reservoir No. 7 project from contributions in aid of construction. SGVWC states that 10% of the new reservoir storage will cover the existing storage deficiency in the zone. As a result, SGVWC plans to recover 10% of the cost as a contribution from the customer, a college, served by Plant No. 7.

SGVWC plans to build a second reservoir at Plant No. 7 for two reasons. First, SGVWC states it does not have enough fire storage capacity to supply the fire flow requirements of the college it serves. Second, SGVWC states it plans to temporarily remove the first reservoir from service to rehabilitate it and extend its useful life.[116] As a result, SGVWC plans to split the funding for the second reservoir between the customer served by Plant No. 7 and ratepayers at large. SGVWC's 10% funding from the customer contributions is based on the calculated storage deficit.

The Commission should use the fire flow storage requirement identified in SCVWC's Master Plan, not another study that would pass more costs on to ratepayers at large. SGVWC states that the 10% storage deficit is supported by an analysis performed by a consultant, Civiltec. However, SGVWC's Master Plan also states that its in-house analysis found a larger storage deficit. SGVWC did not include the Civiltec or the in-house analysis in its application. SGVWC only provided its Master Plan analysis, which shows a greater storage deficit than either the Civiltec or in-house analyses due to a fire flow requirement of 4,000 gpm.[117] The following table shows the calculation of the

[116] SGVWC Exhibit SG-8, pp. 61-63.

[117] SGVWC Exhibit SG-8, Attachment E, p. 8-9, fn. 4.

storage deficit in million gallons (MG) using the Master Plan's water storage requirement and Cal Advocates' adjustments to it:

Table 7-5: Plant No. 7 Service Area Storage Analysis

	(A)	(B) Operational Storage (MG)	(C) Emergency Storage (MG)	(D) Fire Storage (MG)	(E) Total Storage (MG)
1	Master Plan	0.05	0.09	0.96	**1.09**
2	Cal Advocates	0.02	0	0.96	**0.98**
3	Existing Plant No. 7 Storage				**0.75**
4	Deficit = Cal Advocates Total – Existing Plant No. 7 Storage				**0.23**

After making Cal Advocates' adjustments to SGVWC's Master Plan analysis,[118] the storage deficiency would be 38% of the planned storage of the new reservoir.[119] SGVWC should therefore estimate that 38% of the planned storage should come from contributions.

In addition, SGVWC should forecast the completion of this reservoir in mid-2024 which is a more realistic schedule than 2022. SGVWC plans to clear land, pave, grade, and build a second reservoir at the site all in 2022. However, when Cal Advocates visited the site of the proposed reservoir on March 30, 2022, SGVWC had not yet begun construction. Nor was the site cleared and prepared for this major construction. SGVWC has a pattern of not completing reservoirs for its LA division according to schedule such

[118] Cal Advocates uses an operational storage requirement of 4 hours multiplied by the difference between peak hour demand and maximum day demand and no emergency storage requirement because of SGVWC's investments in emergency generators at many well sites. See Chapter 7 of the Public Advocates Office Report on Results of Operation of the Fontana Division for a discussion of Cal Advocates' storage analysis.

[119] The planned storage of the new reservoir is 0.60 MG, and the existing storage deficit is 0.23 MG. Therefore, 0.23 of the 0.60 MG-capacity of the new reservoir, or 38%, will be addressing the existing storage deficit.

as those at Plants No. 13, 14, B14, and B15.[120] For these reasons, the Commission should move the completion schedule of the second reservoir at Plant No. 7 to mid-2024. Moving the completion schedule to 2024 would ensure that ratepayers do not pay for the new reservoir at Plant No. 7 before it is likely to be complete and providing them benefits.

F. Previously Authorized Repeated Projects

The Commission should remove $850,000 for the project at Plant No. 14 in 2023, $6 million for the projects at Plant B15 and M1 in 2024, and $12.7 million for the projects at Plant No. 13, B14, and W6 in 2025 from the capital budget. These projects include already authorized and funded but re-requested upgrades and replacements for reservoirs at Plants No. 13, 14, B14, B15, and booster stations at Plants M1 and W6. It is not reasonable to keep including these projects in rate base and in rates when ratepayers derive no benefit. Once these projects are completed and used and useful, the Commission, after its prudency and reasonableness review in a subsequent GRC, can include the reasonable costs for these projects in the rate base.

SGVWC identifies that it has not completed several projects that comprised the forecasted budget adopted by the Commission in the prior GRC, including projects for reservoirs, booster pumps, and a booster station.[121] The delay of the reservoirs at Plant No. 13, B14, and B15 occurred despite the Commission adopting and ratepayers funding in rates specific capital budgets for design and permitting two GRC cycles ago.[122] Further, in this GRC, SGVWC states that it will have to complete work on Plant No. 12

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[120] Only the new reservoir at Plant No. 14 will be complete by 2022 despite SGVWC forecasting reservoir completion for all these projects by 2022. See D.20-08-006, pp. 24-25 and 27-29.

[121] SGVWC Exhibit SG-8, p. 48, Table 4.

[122] Attachment 7-10: SGVWC A.19-01-001 Exhibit SG-7 Excerpt, p. 27.

and a related pipeline before it can begin, let alone complete, the reservoir replacement at Plant No. 13.[123]

Ratepayers should not be asked to fund projects twice before receiving any benefits. The Commission authorized increased rates based on SGVWC's testimony and forecast for capital projects in the 2019 GRC. Since rates for the test years are based on forecasts, ratepayers pay for projects even where a utility fails to complete a project within the forecasted time period. Even if the utility completes the project in the following GRC cycle, ratepayers still experience a gap between paying for costs and receiving benefits. Instead of raising rates again in anticipation of the same projects, the Commission should account for the completed plant additions in the next GRC after reviewing the reasonableness of the actual costs.

The Commission should review SGVWC's proposed repeated projects and remove costs for project items beyond the year 2022. Specifically, the Commission should adopt no more than the amounts in row 3 of the following table, which includes the project components that are scheduled to be in service by 2022 but adjusted for contingency and escalation:

Table 7-6: Repeated Project Cost Estimates

	(A)	(B) Plant No. 14	(C) Plant M1	(D) Plant B15	(E) Plant B14	(F) Plant No. 13	(G) Plant W6
1	New Schedule	2022-2023	2024	2022-2024	2022-2025	2025	2022-2025
2	SGVWC	$2,000,000	$200,000	$5,895,000	$6,225,000	$3,415,000	$3,075,000
3	Cal Advocates	$1,105,000	0	$135,000	$330,000	0	$210,000
2	SGVWC > Cal Advocates	$895,000	$200,000	$5,760,000	$5,895,000	$3,415,000	$2,865,000

[123] SGVWC Exhibit SG-8, p. 64.

G. Plant M4

The Commission should reduce SGVWC's cost estimate for the project at Plant M4 to $0 in 2024 and $1.8 million in 2025 because of SGVWC's plans to acquire and use the Hillside Reservoir instead of building a second reservoir. The utility's requested $450,000 in 2024 and $5.7 million in 2025 for two reservoirs and related site improvements to replace the existing reservoir should be denied.

SGVWC is currently pursuing an alternative to the proposed second reservoir and related improvements at Plant M4. According to SGVWC's testimony and filings in the City of Montebello Water System acquisition proceeding, one of the purported benefits of the acquisition is the elimination of the project at Plant M4.[124] In this GRC, SGVWC's master plan states that it may not need to complete the proposed Plant M4 project if it purchases the City of Montebello water system.[125] Following the acquisition, SGVWC plans to use the nearby Montebello reservoirs while removing SGVWC's existing Reservoir M4 from service for rehabilitation or replacement. As of July 2022, the Montebello acquisition is still under consideration. Nevertheless, SGVWC's proposal to forecast the Plant M4 project in this GRC, if adopted, would increase rates before knowing whether the project would be needed.

Regardless of the pending Montebello acquisition, the Commission should not forecast this uncertain project. Even if SGVWC does not acquire the City of Montebello water system, it can still cooperate with the City of Montebello to use the City's water system storage surplus. SGVWC and the City of Montebello have an existing agreement where Montebello benefits from the surplus well capacity of SGVWC infrastructure. Currently, the northern area of the Montebello water system does not have wells and it purchases its water supply through an interconnection with SGVWC.[126] SGVWC has

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[124] Attachment 7-11: SGVWC A.20-10-004 Opening Brief Excerpt, pp. 24-25.

[125] SGVWC Exhibit SG-8, Attachment E, p. 8-9.

[126] SGVWC Exhibit SG-6, p. 11.

stated that connecting with the Montebello water system is technically possible but depends on Montebello's authorization.[127] The zone served by Reservoir M4 is entirely within the City of Montebello.[128] Therefore, residents of Montebello, who own the City's water system but are within SGVWC's service area, would benefit from an agreement where SGVWC would temporarily use the Montebello surplus reservoir capacity while rehabilitating Reservoir M4. If the acquisition does not occur, SGVWC should still provide evidence that the City of Montebello denied such an agreement before committing to building a second reservoir at Plant M4.

In any case, the Commission should adopt a $1.8 million budget to rehabilitate the existing reservoir at Plant M4 in lieu of SGVWC's proposed project. Notwithstanding SGVWC's claim that the acquisition would eliminate the full $6.1 million estimate for this project, SGVWC will still need to rehabilitate the existing reservoir.

H. Meters

The Commission should reduce SGVWC's cost estimate for meters to conform to the previously decided 15-year schedule. Cal Advocates does not oppose SGVWC's proposal to purchase a new meter test bench.

SGVWC proposes to accelerate its installation schedule for its automated meter reading ("AMR") meters to a 6 to 8-year schedule.[129] SGVWC previously planned to install its AMR meters over a 15-year schedule. Over the first four years of this schedule, SGVWC has installed a total of 10,700 AMR meters.

Installing AMR meters over a 15-year period is reasonable and should be continued. Meters have a 15-year service life.[130] Replacing meters more aggressively means that existing meters are retired early. Although SGVWC may repurpose a few

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[127] Attachment 7-12: SGVWC A.20-10-004 Response to DR AA9-01 Excerpt, Q.2.e.

[128] Compare SGVWC Exhibit SG-8, Attachment E, p. ES-8, Figure ES.5, and p. 1-5, Figure 1.1.

[129] SGVWC Exhibit SG-9, p. 26.

[130] SGVWC Exhibit SG-9, p. 26.

mechanical meters, mathematically, the accelerated schedule's high replacement rate will result in thousands of meters being disposed of years before the end of their 15-year service life.

As stated by SGVWC, utilities are encouraged to *carefully* invest in technologies that benefit customers, lower costs, and advance conservation.[131] Spreading out the installation of meters according to the previously adopted replacement schedule would also allow SGVWC to have more time to react to unexpected AMR challenges. AMR technology is substantially different than mechanical meters because it relies on batteries.

The Commission should be aware that AMR has different risks than mechanical meters. Most prominently, in its 2018 and 2021 GRCs, Liberty Utilities (Park Water Company) and its affiliate, Liberty Utilities (Apple Valley Ranchos Water Company), faced unexpected premature failure of internal batteries in AMR meters. Although Liberty Utilities expected 20-year service lives, it found that its AMR meters were failing as they reached ten to twelve years. SGVWC's proposed AMR meter model likewise relies on a battery to function accurately.[132] SGVWC began its AMR installation four years ago and is therefore in the process of replacing mechanical meters, with a known 15-year lifecycle, with AMR meters. Since SGVWC's AMR meters are only a maximum of four years old, premature failure will likely not occur in this GRC cycle. However, if premature failure does occur in future GRC cycles, it will be more manageable if the AMR meters have a more distributed age. For these reasons, the Commission should base SGVWC's meters budget on the last adopted forecast of $794,000 in 2022,[133] and apply the escalation factor of 2.8% to each year as shown in row 2 of the table below:

[131] SGVWC Exhibit SG-9, p. 26.

[132] SGVWC Exhibit SG-8, Attachment D, Section "Account 346 – Meters," Enclosure 1, "A Product Sheet of Neptune Technology Group E-CODER®)R900i™," p. 2.

[133] D.20-08-006, p. 43.

Table 7-7: Meters Budget

	(A)	(B) 2022	(C) 2023	(D) 2024	(E) 2025	(F) Total
1	SGVWC	$1,485,000	$2,015,000[134]	$1,545,000	$1,576,000	$6,121,000
2	Cal Advocates	$795,000	$1,320,000	$840,000	$865,000	$3,820,000
3	SGVWC > Cal Advocates	$690,000	$695,000	$705,000	$711,000	$2,301,000
4	Cal Advocates as % of SGVWC	54%	66%	54%	55%	62%

I. Office Space Study

The Commission should remove $150,000 in 2022 and $150,000 in 2023 for SGVWC's proposed Office Space Study from the capital budget because SGVWC should instead include the study in rate base after SGVWC completes office space designed according to the study. SGVWC estimates $300,000 over 2022 and 2023 for this new study.[135] The Commission should also disallow the former Office Space Study that was completed in 2020 because it does not provide any ratepayer benefit.

SGVWC completed the first Office Space Study in 2020 but decided to abandon the recommended office space plans of that study due to the Covid-19 pandemic which began in early 2020. The settlement agreement adopted by the Commission in the prior GRC opened a memorandum account to track the return on the El Monte Motel property purchased by SGVWC to expand its office space. At the same time, the settlement agreement required the proposed Office Space Study to analyze alternatives to the Motel purchase.[136]

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[134] Includes an additional $500,000 for a meter test bench.

[135] SGVWC Exhibit SG-8, p. 89.

[136] D.20-08-006, p. 39.

In this GRC, SGVWC bases its proposal to close the memorandum account and include the $2.5 million El Monte Motel purchase in rate base because it is currently used and useful, but not because of the result of the 2020 study. In fact, SGVWC rejects the results of the 2020 study, stating that it "no longer applies to the current conditions of the ongoing pandemic and post-pandemic work life."[137] Cal Advocates does not oppose including the $2.5 million motel purchase in rate base and closing the memorandum account considering SGVWC's current use of the former motel property and its intention to defer construction of additional office space until after this GRC cycle.[138]

SGVWC includes the 2020 Office Space Planning Study in its CWIP balance in this GRC. Therefore, the Commission should exclude the previous Office Space Study when calculating the CWIP forecast. Cal Advocates calculates its CWIP forecast in the chapter on rate base.

SGVWC's newly proposed Office Space Study should be removed from the capital budget and instead be included in rate base when SGVWC completes office space following the study's design plans. The new Office Space Study should only be justified as Plant-in-Service when the office space itself is used and useful. Otherwise, the Office Space Study provides no benefits to ratepayers.

J. Vehicle Budget

The Commission should reduce SGVWC's vehicle budget to $77,000 for the year 2025 because one of SGVWC's vehicles proposed for replacement is not estimated to meet its replacement criteria until mid-2026. SGVWC proposed cost estimate of $304,000 for the LA Division's vehicle budget in 2025 should be denied.

According to Department of General Services ("DGS") replacement criteria specified below in Table 7-8, two of SGVWC's proposed vehicles are not recommended for replacement during the years covered in this GRC cycle.

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[137] SGVWC Exhibit SG-8, p. 89.

[138] SGVWC Exhibit SG-9, p. 38.

Table 7-8: DGS Vehicle Replacement Schedule Criteria (2008)[139]

Replacement Schedule Criteria
To assist agencies with determining replacement schedules and budgeting needs for state-owned vehicles, the following schedule for alternative fuel and gasoline fueled vehicles shall be used:

Authorized emergency vehicles as defined in Section 165 of the Vehicle Code, that are equipped with emergency lamps or lights described in Section 25252 of the Vehicle Code	100,000 miles
Sedans, station wagons, vans and light duty trucks or vehicles having a gross vehicle weight rating (GVWR) or 8500 pounds or less	120,000 miles
Heavy duty trucks or vehicles (Class 3 and under) having a gross vehicle weight rating (GVWR) of 8501 pounds or more	150,000 miles
4-wheel drive vehicles	150,000 miles

A state-owned vehicle may be disposed of or replaced when it is determined that it would be cost-effective to do so, regardless of age or mileage. All vehicles being disposed of require a Property Survey Report (STD. 152). An evaluation will be made by an Inspector of Automotive Equipment to determine whether a vehicle should be disposed of or can be safely and economically continued in service. The decision whether to retain, reutilize, or dispose of any vehicle not meeting the minimum replacement criteria shall be based on an inspection taking into account the following factors:

- Current mechanical condition.
- Previous maintenance and repair record.
- Extent of needed repairs and availability of parts and life expectancy of vehicle after repair.
- Current sale value.
- Cost and availability of replacement unit and accessories.
- Owning agency's ability to replace unit.

Vehicles meeting or exceeding the replacement schedule do not require an inspection.

- 4 -

As shown in Table 7-8 above, the mileage criteria for vehicle replacement are based on the (2008) DGS standard: (1) 120,000 miles for vehicles with a gross verhicle weight Rating ("GVWR") of up to 8,500 lbs, and (2) 150,000 miles for heavy-duty trucks, vehicles with a GVWR exceeding 8,500 lbs, or four-wheel drive vehicles.

In its proposed list of vehicle replacements, SGVWC follows the 2008 DGS replacement criteria except for three vehicles. Although DGS does not prohibit agencies from replacing vehicles following an inspection, SGVWC specifically states that it is replacing these vehicles because they have reached the mileage criteria.[140] Table 7-9 below shows two vehicles, including one located assigned to the LA Division and another

[139] SGVWC Exhibit SG-8, Attachment D, Section "Account 373 – Transportation Equipment," Enclosure 1, State of California Fleet Handbook -A guide to Fleet Policy from DGS, page 4.

[140] SGVWC Exhibit SG-8, Attachment D, Section "Account 373 – Transportation Equipment," p. 10 and 11 of 12, see "C-550 – Unit No. 640," and "Taurus – Unit No. 727 (for General Division)."

assigned to the General Division, that SGVWC proposes to replace but that would not meet DGS replacement criteria by mid-2026.

Table 7-9: Vehicles Not Meeting DGS Replacement Criteria

	(A) Proposed Year	(B) Division	(C) Project ID	(D) Vehicle ID	(E) Year/ Make/ Model of Existing Vehicle to be Replaced	(F) Applicable DGS Standard	(G) Estimated Mileage on 7/1/2026
1	2025	LA	373L	640	2009 GMC C550 w/utility body	150,000	139,526
2	2025	General	373G	727	2014 Ford Taurus	120,000	107,188

Vehicles that are not expected to reach the replacement mileage threshold between 2022 and mid-2026 under the existing DGS guidelines should be removed. The cost estimate for the identified vehicles should accordingly be removed from SGVWC's capital budget forecast.

K. Administrative Expense Transferred

The Commission should adopt SGVWC's proposed Administrative Expense Transferred of $4,039,630 for the Test Year 2023-2024 despite the adjusted capital budget to account for expenses transferred to projects that SGVWC will continue but that are not forecasted as Plant-in-Service in this GRC cycle.

Most of the Administrative Expense Transferred amount is comprised of capitalized labor costs. Cal Advocates recommends reductions in the amounts of capital projects but no reduction in the capitalized labor expenses. Cal Advocates' recommendations would not necessarily reduce the amount of typical supervisory and engineering needs for the capital projects that would eventually become part of the rate base. For example, Cal Advocates recommends removal of several capital projects that the Commission has authorized in the past, but SGVWC failed to complete within their respective timeframe and has requested them again in the current GRC. These past projects even though not included in this GRC rate cycle would still be active projects with SGVWC and would require supervisory and engineering needs which drive the

capitalized labor cost. Subsequently, on completion these capital projects would become part of the rate base on the Commission's approval. Therefore, it is reasonable that for the ratemaking purposes, the capital labor costs should not be reduced when the amount of capital projects is reduced.

IV. CONCLUSION

The Commission should remove contingency amounts in SGVWC's proposed projects, PFOS and PFOA treatment systems at Plants No. 1 and 11, mains projects between Plants B4 and B6 and W1 and W6, repeated projects at Plants No 13, 14, B14, B15, and M1, and the Office Space Study. The Commission should also adjust SGVWC's escalation, Plant No. 7 project, Plant M4 project, meter and vehicle budgets, and Administrative Expense Transferred.

Attachment 7-1: Cal Advocates Capital Budget by Plant Site and Account

	(A)	(B) 2022	(C) 2023	(D) 2024	(E) 2025	(F) Total
1	**Plant No. 1**					
2	Treatment Equipment	$0	$70,000			$70,000
3	**Plant No. 7**					
4	Reservoirs	$0	$0	$2,760,000	$795,000	$3,555,000
5	**Plant No. 11**					
6	Treatment Equipment		$390,000	$0		$390,000
7	Pumping Structures				$240,000	$240,000
8	**Plant No. 12**					
9	Pumping Structures		$180,000	$410,000		$590,000
10	Pumping Equipment			$1,020,000		$1,020,000
11	**Plant No. 13**					
12	Reservoirs				$0	$0
13	**Plant No. 14**					
14	Reservoirs	$1,105,000	$0			$1,105,000
15	**Plant B6**					
16	Treatment Structures			$90,000	$155,000	$245,000
17	**Plant B14**					
18	Reservoirs	$330,000			$0	$330,000
19	**Plant B15**					
20	Reservoirs	$135,000		$0		$135,000
21	**Plant B19**					
22	Land and Land Rights				$1,355,000	$1,355,000
23	Pumping Equipment				$725,000	$725,000
24	Reservoirs				$310,000	$310,000
25	**Plant B24**					
26	Treatment Structures	$1,550,000				$1,550,000
27	**Plant M1**					
28	Pumping Equipment			$0		$0
29	**Plant M2**					
30	Pumping Equipment		$654,000			$654,000
31	**Plant M3**					
32	Pumping Equipment	$50,000				$50,000
33	Reservoirs	$2,685,000				$2,685,000
34	**Plant M4**					
35	Land and Land Rights			$0		$0
36	Pumping Structures			$0	$0	$0
37	Pumping Equipment				$0	$0
38	Reservoirs				$1,800,000	$1,800,000
39	**Plant W6**					
40	Pumping Structures	$210,000			$0	$210,000
41	Pumping Equipment				$0	$0
42	**Annual Budgets**					
43	Pumping Equipment	$1,225,000	$1,320,000	$1,475,000	$1,645,000	$5,665,000
44	Reservoirs	$105,000	$105,000	$110,000	$110,000	$430,000
45	Mains	$8,755,000	$8,730,000	$10,240,000	$10,135,000	$37,860,000
46	Services	$3,480,000	$3,635,000	$3,840,000	$4,015,000	$14,970,000
47	Meters	$795,000	$1,320,000	$840,000	$865,000	$3,820,000
48	Fire Hydrants	$145,000	$225,000	$360,000	$510,000	$1,240,000
49	Structures and Improvements	$335,000	$355,000	$225,000	$250,000	$1,165,000
50	Office Equipment	$600,000	$680,000	$1,035,000	$690,000	$3,005,000
51	Transportation	$322,000	$268,000	$292,000	$77,000	$959,000
52	Communication	$440,000	$245,000	$260,000	$95,000	$1,040,000
53	Tools and Equipment	$45,000	$45,000	$45,000	$45,000	$180,000
54	**Total**	**$22,312,000**	**$18,222,000**	**$23,002,000**	**$23,817,000**	**$87,353,000**

Attachment 7-2: SGVWC Response to DR AA9-001, Q.3.

Tab “LA-2019” Columns “Total Cost” and “Contributed” Omitted due to Size (1 of 4)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
306	2019	7881L-16	ADDITIONAL WORK TO RECORD PARCEL MAP	PLANT B27	$7,373.69
306	2019	8620L-13	OBTAIN TITLE REPORTS AND EASEMENTS		$0.00
306	2019	8637L-6	OBTAIN TITLE REPORTS AND EASEMENTS		$0.00
306	2019	9265L-2	ACQUISITION OF RURBAN HOMES MUTUAL WATER COMPANY		$245,700.73
306 Total					$253,074.42
306.1	2019	9265L-1	ACQUISITION OF RURBAN HOMES MUTUAL WATER COMPANY		$4,813,530.45
306.1	2019	9346L-1	PURCHASE OF 16.7 ACRE FEET OF PRESCRIPTIVE MAIN		$342,350.00
306.1 Total					$5,155,880.45
315	2019	7599L-15	WELL 11D DRINKING WATER SOURCE ASSESSMENT	PLANT 11	$12,280.64
315	2019	7661L-20	DRINKING WATER SOURCE ASSESSMENT	PLANT 1	$3,068.20
315	2019	7661L-6	EQUIP WELL 1F	PLANT 1	$240,168.96
315	2019	7661L-7	INSTALL PIPING TO WELL 1F	PLANT 1	$236,591.32
315	2019	7880L-7	WELL B24C - ADDITIONAL WORK RELATED TO JOB 7880L-1	PLANT B24	$10,645.02
315	2019	9100L-1	WELL B5E REHABLITATION LABOR AND MATERIALS COSTS	PLANT B5	$138,148.12
315	2019	9265L-3	ACQUISITION OF RURBAN HOMES MUTUAL WATER COMPANY		$48,997.67
315 Total					$689,899.93
321	2019	7661L-25	ADDITIONAL WORK TO CONSTRUCT FENCE AND WALL	PLANT 1	$61,391.78
321	2019	9286L-1	INSTALL CHAIN LINK FENCE AND GATE AROUND RETENTION	PLANT 11	$20,472.10
321 Total					$81,863.88
324	2019	8200L-5	INSTALL AND PROGRAM SCADA SYSTEM	PLANT W6	$293,694.21
324	2019	8612L-1	WELL B24C - UPDATE SCADA PROGRAMMING	PLANT B24	$1,504.98
324	2019	8792L-1	PREPARE AND SUBMIT GRANT APPLICATIONS FOR AN	PLANT B24	$28,313.93
324	2019	8792L-2	DESIGN AND OBTAIN PERMITS FOR AN IN-CONDUIT	PLANT B24	$413,323.22
324	2019	8792L-3	CONSTRUCT AN IN-CONDUIT HYDROELECTRIC GENERATION	PLANT B24	$760,630.27
324	2019	8792L-4	LABOR COMPLIANCE MONITORING AND ENFORCEMENT FOR	PLANT B24	$6,639.60
324	2019	9017L-1	WATER PRODUCTION DATA MANAGEMENT SYSTEM		$120,752.19
324	2019	9031L-1	INSTALL WEATHER COVERS TO MOTORS FOR WELLS 8C & 8D	PLANT 8	$6,621.95
324	2019	9032L-1	INSTALL WEATHER MOTOR COVER TO WELL 11D	PLANT 11	$2,240.54
324	2019	9033L-1	INSTALL MOTOR COVER TO BOOSTERS G3B2 & G3B3	PLANT G3	$2,817.63
324	2019	9055L-2	REFURBISH MOTOR TO BOOSTER B6B4	PLANT B6	$25,783.01
324	2019	9091L-1	INSTALL 12" METER S/N 20042332-12 ON WELL W6C	PLANT W6	$4,994.62
324	2019	9100L-2	REPAIR 400HP MOTOR SN NO. K06-20051323-GT-01	PLANT B5	$12,602.46
324	2019	9116L-1	REPAIR 12" METER #20042332-12 TO WELL W6C	PLANT W6	$2,793.76
324	2019	9118L-1	INSTALL WEATHER COVER FOR MOTOR WELL 2F	PLANT 2	$2,652.17
324	2019	9159L-1	INSTALL FLOW METER TO WELL 1B	PLANT 1	$4,701.06
324	2019	9167L-1	INSTALL AIR CONDITIONING UNIT ON ROOF	PLANT B11	$7,565.82
324	2019	9271L-1	PURCHASE A SPARE 20" PROP ASSEMBLY WITH REGISTER &	PLANT 11	$6,640.26
324	2019	9275L-1	REPAIR 150HP MOTOR SERIAL NO.G10-BG75-ME6 WELL 8D	PLANT 8	$11,629.20
324	2019	9293L-1	INSTALL 125HP MOTOR S/N 09-77-139-0001 R 0002 TO	PLANT W6	$13,389.74
324	2019	9329L-1	PURCHASE AND INSTALL STARTER ON B12B3	PLANT B12	$3,874.41
324	2019	9369L-1	INSTALL NEW ELECTRICAL CONDUIT WIRE FOR WELLS 1B,	PLANT 1	$58,622.45
324	2019	9370L-1	REFURBISH 12" PROPELLER FLOW METER S/N 945023-12	PLANT 1	$2,900.06
324	2019	9371L-1	REPAIR 12" PROPELLER FLOW METER TO WELL 8C	PLANT 8	$2,915.99
324	2019	J324.00L	PUMPING EQUIPMENT		$7,801.07
324	2019		RCLS INV 18-10354 NRTHRP B11 9147L CIAC		($2,318.06)
324	2019		RCLS INV 19-02057 NRTHRP B11 9147L CIAC		($8,838.42)
324 Total					$1,794,248.12
331	2019	8200L-1	DESIGN TREATMENT FACILITY - TROJAN UVPHOX SYSTEM	PLANT W6	$280,445.52
331	2019	8372L-5	BUILDING UPDATES	PLANT 8	$104,927.47
331	2019	9315L-1	PROVIDE INSTALLATION OF CAMERAS, NETWORKING AND	PLANT B6	$51,744.20
331	2019	9330L-1	INSTALL ADDITIONAL EXTERIOR LIGHTING	PLANT B6	$46,717.37
331 Total					$483,834.56
332	2019	8200L-3	CONSTRUCT UV TREATMENT SYSTEM	PLANT W6	$2,288,715.21
332	2019	8200L-4	INSTALL ELECTRICAL SERVICE AND EQUIPMENT	PLANT W6	$528,403.36
332	2019	9209L-1	INSTALL CL7 CHLORINE ANALYZER	PLANT 2	$6,100.62
332	2019	9258L-1	PLANT B6 ABB BRINE DISCHARGE RECORDER	PLANT B6	$3,084.76
332	2019	9266L-1	REPLACE EXISTING ACID INJECTION EQUIPMENT	PLANT 8	$13,126.27
332	2019	9299L-1	PURCHASE 24" WATER SPECIALTIES METER HEAD ASSEMBLY	PLANT B6	$14,009.45
332	2019	9460L-5	INSTALL 1 - 1" SAMPLING STATION		$2,596.31
332	2019		RCLS INV 18-09290 NRTHRP B11 9084L CIAC		($5,615.38)
332	2019		RCLS INV 18-11371 WQA B6 8873L-1 CIAC		($108,104.76)
332 Total					$2,742,315.84
342	2019	7661L-2	CONSTRUCT RESERVOIR NO. 1 WEST	PLANT 1	$1,393,221.83
342	2019	7661L-21	INSTALL RESERVOIR WEST DRAIN PIPING	PLANT 1	$171,664.47
342	2019	7661L-3	INSTALL RESERVOIR PIPING	PLANT 1	$302,285.54
342	2019	8348L-4	SAMPLING AND TESTING FOR DDW PERMIT	PLANT G6	$4,840.76
342 Total					$1,872,012.60

Tab “LA-2019” Columns “Total Cost” and “Contributed” Omitted due to Size (2 of 4)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
343	2019	7734L-1	INSTALL 2,372' OF 12-3/4' GWBR		$1,590,537.06
343	2019	7938L-1	INSTALL 1083' OF 8 5/8" GWBR		$391,715.78
343	2019	8450L-1	INSTALL 298' 0F 8-5/8" WWBR		$0.00
343	2019	8483L-1	PURCHASE 1,580 FEET 6"PJKV FR.CITY OF MONTEBELLO		$63,570.00
343	2019	8555L-1	INSTALL 740' OF 8-5/8" GWBR		$269,639.65
343	2019	8565L-1	INSTALL 296' OF 6-5/8" GWBR		$102,585.93
343	2019	8566L-1	INSTALL 636' OF 8-5/8" WWBR		$202,234.07
343	2019	8598L-1	INSTALL 75' OF 2" YYYY		$1,493.62
343	2019	8620L-1	INSTALL 1170' OF 8-5/8" GWBR		$206,785.87
343	2019	8620L-7	INSTALL 80' OF 8-5/8" GWBR		$7,921.52
343	2019	8620L-9	INSTALL 95' OF 8-5/8" GWBR		$9,989.00
343	2019	8637L-1	INSTALL 2377' OF 17-3/8" GWBR		$0.00
343	2019	8783L-3	INSTALL 10' OF 4-1/2" GWBR PIPE		$22,450.32
343	2019	8852L-1	INSTALL 48' OF 4-1/2" GWBR PIPE		$13,057.75
343	2019	8863L-1	INSTALL 60' OF 12-3/4" GWBR PIPE		$70,070.13
343	2019	8863L-2	INSTALL 7'OF 8-5/8" GWBR PIPE		$11,082.25
343	2019	8863L-3	INSTALL 11' OF 6-5/8" GWBR PIPE		$34,031.70
343	2019	8971L-1	INSTALL 275' OF 12-3/4" GWBR PIPE		$84,669.55
343	2019	8980L-1	INSTALL 194' OF 8-5/8" GWBR PIPE		$0.00
343	2019	9020L-1	INSPECT PIPELINE BRIDGE CROSSINGS		$103,998.09
343	2019	9043L-1	INSTALL 1,191' OF 6-5/8" GWBR PIPE		$290,013.63
343	2019	9045L-1	INSTALL 2,741' OF 6-5/8" GWBR PIPE		$644,561.15
343	2019	9048L-3	INSTALL 954' OF 8 - 5/8" GWBR PIPE		$231,269.86
343	2019	9077L-1	INSTALL 5' OF 8-5/8" GWBR PIPE		$11,948.35
343	2019	9083L-1	INSTALL 187' OF 8-5/8" GWBR		$0.00
343	2019	9086L-1	INSTALL 16' OF 4-1/2" GWBR PIPE		$32,414.80
343	2019	9099L-1	INSTALL 29' - 8-5/8" GWBR PIPE		$62,520.49
343	2019	9102L-1	INSTALL 226' OF 8-5/8" GWBR PIPE		$174,742.04
343	2019	9120L-1	INSTALL 2,153' OF 6-5/8" GWBR		$379,027.85
343	2019	9122L-1	INSTALL 1059' OF 6-5/8" GWBR		$215,228.49
343	2019	9124L-1	INSTALL 898' OF 8-5/8" GWBR PIPE		$228,230.04
343	2019	9128L-1	INSTALL 1,595'OF 8-5/8" GWBR PIPE		$381,279.98
343	2019	9138L-2	INSTALL 14' OF 6-5/8" GWBR PIPE		$0.00
343	2019	9162L-1	INSTALL 10' OF 10-3/4" GWBR PIPE		$22,197.26
343	2019	9165L-1	INSTALL A OVERHAUL KIT FOR THE 6" CLA-VAL		$4,301.35
343	2019	9173L-1	INSTALL 1,710 OF 6-5/8" GWBR PIPE		$342,529.69
343	2019	9178L-1	INSTALL 283' OF 6-5/6" GWBR PIPE PHASE 1		$0.00
343	2019	9178L-7	INSTALL 670' OF 6-5/8" GWBR PIPE		$0.00
343	2019	9198L-4	ADDITIONAL CHARGES ASSOCIATED WITH JOB 9198L-1		$3,209.14
343	2019	9200L-1	INSTALL 5'- 6" BUTTERFLY VALVES & RELATED PIPING		$42,281.51
343	2019	9220L-1	INSTALL 4' OF 10-3/4" BUTTERFLY VALVE		$22,858.02
343	2019	9224L-1	INSTALL 5 L.F. OF 8-5/8" GWBR PIPE		$18,312.45
343	2019	9225L-1	INSTALL 8' OF 10-3/4" GWBR PIPE		$37,764.47
343	2019	9228L-1	INSTALL 439' OF 8-5/8" GWBR PIPE - PHASE 2		$659,662.61
343	2019	9249L-1	INSTALL 4 L.F. OF 8-5/8" GWBR PIPE		$12,934.85
343	2019	9250L-1	INSTALL 4 L.F. OF 4-1/2" GWBR PIPE		$11,553.21
343	2019	9251L-1	INSTALL 8 L.F. IF 4-1/2" GWBR PIPE		$18,793.65
343	2019	9252L-1	INSTALL 8' OF 6-5/8" GWBR PIPE		$28,113.48
343	2019	9296L-1	INSTALLED 10' - 6-5/8" GWBR PIPE		$21,480.81
343	2019	9302L-1	INSTALLED 5' OF 4-1/2" GWBR PIPE		$22,030.73
343	2019	9320L-1	INSTALL 4' OF 4-1/2" GWBR PIPE		$15,778.62
343	2019	9324L-1	INSTALL 6' OF 8-5/8" GWBR PIPE		$42,487.15
343	2019	9336L-1	INSTALL 5' OF 10-3/4" GWBR PIPE		$19,979.08
343	2019	9337L-1	REPAIR 6' OF 6-5/8" GWBR PIPE		$35,968.76
343	2019	9343L-1	INSTALL 3' OF 6-5/8" GWBR PIPE		$27,578.96
343	2019	9358L-1	INSTALL 5' OF 6-5/8" BUTTERFLY VALVE		$17,997.95
343	2019	9358L-2	INSTALL 5'OF 6-5/8" BUTTERFLY VALVE		$15,089.73
343	2019	9376L-1	INSTALL 14' OF 6-5/8" GWBR PIPE		$13,025.63
343	2019	9380L-1	INSTALL 8' OF 8-5/8" GWBR PIPE		$32,187.89
343	2019	9383L-1	INSTALL 47' OF 6-5/8" GWBR PIPE		$17,681.72
343	2019	9383L-3	INSTALL 3' OF 6-5/8" GWBR PIPE		$7,216.65
343	2019	9388L-1	INSTALL 3' OF 21-3/8" GWBR PIPE		$22,643.27
343	2019	9445L-1	INSTALL INTERCONNECTION WITH RURBAN MUTUAL WATER		$5,798.49
343	2019	9446L-3	INSTALL 1,100' OF 8-5/8" GWBR PIPE		$331,470.33
343	2019	9460L-1	INSTALL 3,240' OF 12-3/4" GWBR PIPE		$1,055,280.99
343	2019	9460L-3	INSTALL 1,315' OF 8-5/8" GWBR PIPE		$502,087.88
343	2019		PROP 84 GRANT INT-IRWM SO EL MNTE 8363LR		($125.00)
343 Total					$9,267,240.30

Tab “LA-2019” Columns “Total Cost” and “Contributed” Omitted due to Size (3 of 4)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
345	2019	5200L-39	NEW SERVICE INSTALLATIONS - 2019		$93,072.38
345	2019	7734L-3	INSTALL 15 - 1" COPPER SERVICES		$39,994.55
345	2019	7938L-2	INSTALL 12 - 1" SERVICES		$23,521.93
345	2019	8450L-3	INSTALL 1 - 4" MANIFOLD SERVICE W/ 3-2" METERS		$0.00
345	2019	8450L-4	INSTALL 1 - 1" COPPER LANDSCAPE SERVICE		$0.00
345	2019	8450L-7	INSTALL 1 - 4" MANIFOLD SERVICE WITH 3 - 2" METERS		$3,040.87
345	2019	8483L-3	ACQUIRE 5 - 1" SVCS FR.CITY OF MONTEBELLO @$98EACH		$490.00
345	2019	8530L-3	ADDITIONAL WORK ASSOCIATED WITH JOB 8530L-1		$1,106.60
345	2019	8555L-2	INSTALL 21 - 1" LONG SIDE COPPER DOMESTIC SVCS		$65,983.89
345	2019	8565L-2	INSTALL 5 - 1" PLASTIC DOMESTIC SERVICES		$7,054.29
345	2019	8566L-2	INSTALL 11 - 1" COPPER DOMESTIC SERVICES		$23,630.02
345	2019	8598L-2	INSTALL 1 - 1" SERVICE		$7,734.50
345	2019	8620L-12	INSTALL 2 - 1" COPPER LANDSCAPE SERVICES		$0.00
345	2019	8620L-4	INSTALL 71 - 1" COPPER DOMESTIC SERVICES		$48,644.53
345	2019	8637L-4	INSTALL 5 - 2" COPPER DOMESTIC SERVICES		$6,873.75
345	2019	8637L-5	INSTALL 4 - 2" COPPER LANDSCAPE SERVICES		$0.00
345	2019	8742L-2	INSTALL 6 - 1" DOMESTIC SERVICES		$0.00
345	2019	8742L-3	INSTALL 6 - 1" MUNICIPEX DOMESTIC SVC W/ 1" METER		$0.00
345	2019	8760L-1	INSTALL 2 - 1" LONG SIDE SERVICES		$103,615.91
345	2019	8783L-1	INSTALL 3 - 2" LONG SIDE PLASTIC SERVICES		$335,387.39
345	2019	8852L-2	INSTALL 1 - 1" COPPER DOMESTIC SERVICE		$2,888.57
345	2019	8863L-7	INSTALL 1 - 1" COPPER DOMESTIC SERVICE		$661.51
345	2019	8971L-3	INSTALL 1 - 6" MASTER METERS		$25,537.41
345	2019	8980L-3	INSTALL 1 - 1" PLASTIC DOMESTIC SERVICE W/1" METER		$492.76
345	2019	8994L-3	INSTALL 1 - 2" PLASTIC DOMESTIC SERVICE		$2,372.41
345	2019	8994L-4	INSTALL 1 - 1" PLASTIC LANDSCAPE SVC W/ 1" METER		$0.00
345	2019	9008L-3	INSTALL 4 - 2" MUNICIPEX DOMESTIC SVC W/ 1-1/2"MTR		$0.00
345	2019	9008L-4	INSTALL 1 - 2" MUNICIPEX LANDSCAPE SVC W/ 2" METER		$0.00
345	2019	9041L-1	INSTALL 23 - 1" PLASTIC DOMESTIC SERVICES		$233,588.38
345	2019	9043L-2	INSTALL 23 - 1" LONG SIDE PLASTIC DOMESTIC SVCS		$55,846.07
345	2019	9045L-2	INSTALL 37 - 1" SHORT SIDE PLASTIC DOMESTIC SVCS		$90,264.19
345	2019	9048L-1	INSTALL 17 - 1" LONG SIDE PLASTIC DOMESTIC SVCS		$90,244.98
345	2019	9079L-5	INSTALL 1 - 1" PLASTICE LANDSCAPE SVC W/ 1" METER		$0.00
345	2019	9083L-2	INSTALL 1 - 4" MASTER METER AND VAULT		$0.00
345	2019	9083L-4	INSTALL 1 - 2" PLASTIC DOMESTIC SERVICE		$0.00
345	2019	9083L-5	INSTALL 1 - 4" MANIFOLD SERVICE WITH 2 - 2" METERS		$0.00
345	2019	9120L-2	INSTALL 35 - 1" LONG SIDE PLASTIC DOMESTIC SVCS		$130,304.32
345	2019	9122L-2	INSTALL 18 - 1" SHORT SIDE DOMESTIC SERVICES		$25,358.29
345	2019	9124L-2	INSTALL 9 -1 " SHORT SIDE PLASTIC DOMESTIC SERVICE		$42,006.61
345	2019	9128L-2	INSTALL 22 - 1" SHORT SIDE PLASTIC DOMESTIC SVC		$38,227.19
345	2019	9132L-2	INSTALL 1 - 2" PLASTIC DOMESTIC SVC W/ 1-1/2" METR		$0.00
345	2019	9132L-3	INSTALL 1 - 1" PLASTIC LANDSCAPE SVC W/1" METER		$0.00
345	2019	9173L-2	INSTALL 10 - 1 " LONG SIDE MUNICIPEX DOMESTIC SVCS		$48,800.39
345	2019	9174L-3	INSTALL 1 - 4" SERVICE WITH 4" TURBINE METER		$0.00
345	2019	9174L-4	INSTALL 1 - 1" MUNICPEX DOMESTIC SVC W/ 3/4"METER		$1,092.01
345	2019	9174L-5	INSTALL 1 - 1" MUNICIPEX LANDSCAPE SERVICE		$0.00
345	2019	9178L-3	INSTALL 5 - 1" MUNICIPEX DOMESTIC SERVICES TO		$0.00
345	2019	9178L-4	INSTALL 1 - 1" MUNICIPEX LANDSCAPE SVC W/ 1"METER		$0.00
345	2019	9178L-6	INSTALL 3 - 1" MUNICIPEX DOMESTIC SERVICES		$0.00
345	2019	9178L-8	INSTALL 17 - 1" MUNICIPEX DOMESTIC SERVICE TO FIT		$0.00
345	2019	9228L-2	INSTALL 4 - 1" SHORT SIDE DOMESTIC SERVICES		$22,550.62
345	2019	9240L-1	INSTALL SERVICES - PLASTIC SERVICE REPLACEMENT		$642,548.42
345	2019	9240L-2	RETROFIT VAULTS - 2019		$60,361.62
345	2019	9247L-2	INSTALL 2- 1" MUNICIPEX DOMESTIC SVC W/ 1" METER		$0.00
345	2019	9253L-2	INSTALL 2 - 1" MUNICIPEX DOMESTIC SVC W/ 1" METER		$0.00
345	2019	9260L-2	INSTALL 9 - 1" MUNICIPEX DOMESTIC SERVICES		$0.00
345	2019	9261L-2	INSTALL 1 - 1" MUNICIPEX DOMESTIC SERVICE		$829.04
345	2019	9264L-2	INSTALL 1 - 1" SHORT SIDE SERVICES		$397.73
345	2019	9292L-2	INSTALL 1 - 2" MUNICIPEX DOMESTIC SVC W/ 1" METER		$2,711.01
345	2019	9292L-3	INSTALL 1 - 1" LANDSCAPE SERVICE		$0.00
345	2019	9295L-2	INSTALL 1 - 2" MUNICIPEX DOMESTIC SERVICE		$2,530.08
345	2019	9376L-2	INSTALL 1 - 1" DOMESTIC SERVICE		$864.63
345	2019	9446L-1	INSTALL 159 - 1" SERVICES		$3,093,994.30
345 Total					$5,374,623.15

Tab “LA-2019” Columns “Total Cost” and “Contributed” Omitted due to Size (4 of 4)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
345.1	2019	7861L-1	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE		$7,524.13
345.1	2019	8450L-6	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	8620L-2	INSTALL 5 - 4" DOUBLE DETECTOR CHECK VALVE		$0.00
345.1	2019	8637L-2	INSTALL 6 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	8971L-2	INSTALL 2 - 8" DOUBLE DETECTOR CHECK VALVE ASSMBLY		$0.00
345.1	2019	8980L-2	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	8994L-1	INSTALL 1 - 12" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9079L-2	INSTALL 2- 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9083L-3	INSTALL 1 - 8" DOUBLE DETECTOR CHECK VALVE ASSMBLY		$0.00
345.1	2019	9132L-1	INSTALL 1 - 8" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9138L-1	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9174L-1	INSTALL 2 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9238L-1	INSTALL 1-6" DOUBLE DETECTOR CHECK VALVE ASSEMBLY		$0.00
345.1	2019	9253L-1	INSTALL 1 - 6" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9260L-1	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9261L-1	INSTALL 1 - 8" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2019	9292L-1	INSTALL 1 - 6" DIAMETER DOUBLE DETECTOR CHECK		$0.00
345.1	2019	9295L-1	INSTALL 1 - 4" DIAMETER DOUBLE DETECTOR CHECK		$0.00
345.1	2019	9446L-2	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$23,041.62
345.1 Total					$30,565.75
346	2019	J346.00L	METERS		$674,358.06
346 Total					$674,358.06
348	2019	7938L-3	INSTALL 1 - 6" FIRE HYDRANT #4037E		$7,564.84
348	2019	8450L-2	INSTALL 1 - 6" FIRE HYDRANT #4013E		$0.00
348	2019	8483L-2	PURCHASE FR CITY OF MONTEBELLO 3 - 6" FH NO.3872E,		$1,440.00
348	2019	8555L-3	INSTALL 4 - 6" FIRE HYDRANT #4055E, #4056E, #4057E		$24,765.95
348	2019	8620L-10	INSTALL 1 - 6" FIRE HYDRANT #3939E		$5,451.50
348	2019	8620L-11	INSTALL 1 - 6" FIRE HYDRANT #3934E		$9,721.84
348	2019	8620L-3	INSTALL 3 - 6" FIRE HYDRANTS #3935E, 3937E, 3938E		$0.00
348	2019	8620L-8	INSTALL 1 - 6" FIRE HYDRANT #3936E		$5,588.02
348	2019	8637L-3	INSTALL 4 - 6" PRIVATE FIRE HYD SRVC CONNECTIONS		$0.00
348	2019	8742L-1	INSTALL 1 - 6" FIRE HYDRANT #4029E		$0.00
348	2019	8862L-1	INSTALL 1 - 6" FIRE HYDRANT #4015E		$0.00
348	2019	8971L-4	INSTALL 1 - 6" FIRE HYDRANT #4036E		$8,733.25
348	2019	8973L-1	INSTALL 1 - 6" FIRE HYDRANT #4045E		$0.00
348	2019	8994L-2	INSTALL 1 - 6" FIRE HYDRANT		$0.00
348	2019	9043L-3	INSTALL 2 - 6" FIRE HYDRANTS #4048E AND #4049E		$15,373.59
348	2019	9045L-3	INSTALL 3 - 6" FIRE HYDRANTS #4052E,4053E, 4054E		$25,648.14
348	2019	9048L-4	INSTALL 3 - 6" FIRE HYDRANTS #4019E,#4020E,& 4021E		$18,958.76
348	2019	9079L-3	INSTALL 2 - 6" FIRE HYDRANTS #4014E AND #4016E		$0.00
348	2019	9089L-1	INSTALL 1 - 6" FIRE HYDRANT #4018E		$0.00
348	2019	9120L-3	INSTALL 3 - 6" FIRE HYDRANTS #4022E,#4023E,#4024E		$20,534.45
348	2019	9122L-3	INSTALL 1 - 6" FIRE HYDRANT #4025E		$6,329.35
348	2019	9173L-3	INSTALL 2 - 6" FIRE HYDRANTS #4050E AND #4051E		$13,703.59
348	2019	9178L-2	INSTALL 2 - 6" FIRE HYDRANTS #4046E AND #4047E		$0.00
348	2019	9247L-1	INSTALL 1 - 6" FIRE HYDRANT #4037E		$0.00
348	2019	9460L-2	INSTALL 7 - 6" FIRE HYDRANT		$48,496.88
348	2019	9460L-4	INSTALL 6 - 6" FIRE HYDRANTS		$50,159.79
348 Total					$262,469.95
371	2019	8690L-2	SCADA SYSTEM - PERFORM CYBER SYSTEM EVALUATION		$54,145.94
371	2019	8945L-1	SURVEILLANCE - SAFETY AND SECURITY		$59,554.36
371	2019	9182L-1	REWIRE EXISTING GENERATOR SERVICING SCADA, PHONE		$130,413.60
371	2019	9284L-1	INSTALL SECURITY DOOR AT REAR ENTRANCE FIELD OFFCE		$6,928.81
371	2019	9316L-2	INSTALL KEY CARD DOOR ACCESS SYSTEM TO OPERATIONS		$26,107.39
371	2019	9394L-1	INSTALL ROOF TOP AIR CONDITIONER CONDENSING UNIT,		$18,677.35
371 Total					$295,827.45
372	2019	8848L-4	GIS SYSTEM IMPROVEMENTS AND UPDATES - 2019		$134,993.17
372	2019	9056L-1	SECURITY IMPROVEMENTS		$1,208.68
372	2019	9278L-1	2019 - LOS ANGELES DIVISION HYDRAULIC MODEL UPDATE		$6,966.43
372	2019	9314L-1	PURCHASE HARDWARE AND SOFTWARE FOR THE		$27,271.65
372	2019	9317L-1	PURCHASE HARDWARE & SOFTWARE FOR THE SURVEILLANCE		$26,790.84
372	2019	J372.00L	OFFICE FURNITURE & EQUIPMENT		$51,968.12
372 Total					$249,198.89
372.2	2019	J372.20L	REMOTE READING DEVICE		$6,462.50
372.2 Total					$6,462.50
373	2019	J373.00L	TRANSPORTATION EQUIPMENT		$246,320.07
373 Total					$246,320.07
376	2019	J376.00L	COMMUNICATION EQUIPMENT		$11,786.42
376 Total					$11,786.42
378	2019	J378.00L	TOOLS, SHOP & GARAGE EQUIPMENT		$32,441.75
378 Total					$32,441.75
Grand Total					$29,524,424.09

Tab “LA-2020” Columns “Total Cost” and “Contributed” Omitted due to Size (1 of 3)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
306	2020		B27 RAMONA BLVD, BALDWIN PARK 8134L ATLANTIS PRPRTIES		($679,142.00)
306 Total					($679,142.00)
306.1	2020	8507L-1	PURSUE FEDERAL AND STATE GRANT FUNDING FOR TAYLOR		$80,000.00
306.1	2020	9536L-1	PURCHASE 118..5AF WATER RIGHTS		$2,432,200.20
306.1 Total					$2,512,200.20
321	2020	7944L-6	INSTALL RETAINING WALL	PLANT 14	$100,565.69
321	2020	8915L-1	HILLSIDE STABILIZATION IMPROVEMENTS	PLANT B17	$375,927.32
321	2020		B7 NELSON/SUNSET AVE.,CITY INDUSTRY-CONDEM 6096L		($17,261.09)
321 Total					$459,231.92
324	2020	7661L-26	LIFT AND ROTATE DISCHARGE HEAD FOR WELL 1B TO	PLANT 1	$2,296.20
324	2020	7661L-27	RELOCATE SCADA ANTENNA FROM RESERVOIR TO BOOSTER	PLANT 1	$6,423.19
324	2020	8792L-2	DESIGN AND OBTAIN PERMITS FOR AN IN-CONDUIT	PLANT B24	($49,998.81)
324	2020	9226L-1	INSTALL ALLEN BRADLEY SOFT STARTERS TO WELLS 8B,	PLANT 8	$32,650.44
324	2020	9231L-1	REPAIR 20" DISCHARGE FLOW METER S/N#991359-20	PLANT 11	$5,766.18
324	2020	9347L-1	REPLACE SCADA PLC AND INSTALL SCADA ALARM	PLANT 1	$53,802.89
324	2020	9347L-2	REPLACE SCADA PLC AND INSTALL SCADA ALARM	PLANT 2	$54,350.66
324	2020	9347L-3	REPLACE SCADA PLC AND INSTALL SCADA ALARM	PLANT 11	$54,381.87
324	2020	9347L-4	REPLACE SCADA PLC AND INSTALL SCADA ALARM	PLANT G4	$54,487.74
324	2020	9347L-5	REPLACE SCADA PLC AND INSTALL SCADA ALARM	PLANT W1	$53,802.89
324	2020	9347L-6	INSTALL VARIOUS SCADA RESIDUAL ALARMS		$10,413.11
324	2020	9372L-1	REPLACE AIR CONDITIONING UNIT INSIDE DISTRIBUTION	PLANT B6	$9,708.45
324	2020	9386L-1	INSTALL 1 - 12" GATE VALVE	PLANT B11	($23,547.62)
324	2020	9396L-1	INSTALL SOFT STARTER TO BOOSTER #2	PLANT B5	$9,435.54
324	2020	9398L-1	INSTALL 1 - 20" BUTTERFLY VALVE	PLANT B7	$49,169.38
324	2020	9403L-1	REFURBISH WELLB5B MOTOR SN U12-307024833-001-GT-01	PLANT B5	$9,396.96
324	2020	9407L-1	PURCHASE AND INSTALL 6" CLA-VALVE	PLANT B4	$15,192.77
324	2020	9422L-1	REPLACE BOWL ASSEMBLIES ON BOOSTER PUMP B1 & B3	PLANT B1	$31,216.49
324	2020	9422L-2	REPLACE BOWL ASSEMBLIES ON BOOSTER PUMPS B1B2	PLANT B1	$16,271.92
324	2020	9427L-1	REPAIR 20" PROP ASSEMBLY	PLANT 2	$3,806.66
324	2020	9455L-1	REFURBISH S/N 11 82000161-008 R-02 TO WELL B11B	PLANT B11	$20,441.52
324	2020	9457L-1	REPAIR AUMA VALVE AND CALIBRATE	PLANT W1	$4,295.63
324	2020	9458L-1	REPLACE FLOW METER AT B6 BOOSTER PUMP	PLANT B6	$2,615.79
324	2020	9459L-1	INSTALL 20HP ALLEN BRADLEY VARIABLE FREQUENCY	PLANT 14	$7,189.08
324	2020	9466L-1	INSTALL ALLEN BRADLEY SOFT STARTER FOR WELL	PLANT B26	$8,680.60
324	2020	9475L-5	INSTALL SCADA PROGRAMMING	PLANT W6	$27,032.86
324	2020	9484L-1	REFURBISH 1 - 12" PROP ASSEMBLY AT PLANT B24 INLET	PLANT B24	$2,990.28
324	2020	9486L-1	INSTALL WELL PUMP FOR B26B	PLANT B26	$17,087.14
324	2020	9505L-1	REPLACE ALLEN BRADLEY SOFT STARTER FOR WELL 11B	PLANT 11	$9,355.31
324	2020	9516L-1	REFURBISH WELL B25A MOTOR SERIAL NO.488538	PLANT B25	$12,062.13
324	2020	9520L-1	INSTALL ELECTRICAL BREAKER AT WELL 1E	PLANT 1	$5,959.15
324	2020	9530L-1	PURCHASE HITACHI 200HP SUBMERSIBLE MOTOR FOR	PLANT 1	$49,145.65
324	2020	9539L-1	INSTALL STANDARD RETRO CONTROLLER AND SUBMERSIBLE PUMP	PLANT B5	$14,014.80
324	2020	9542L-1	INSTALL ADAPTIVE SECURITY PLUS SYSTEM TO UPGRADE		$2,868.82
324	2020	9585L-01	Refurbish air conditioning unit on pump house	PLANT B12	$4,893.38
324	2020	9609L-01	INSTALL SCADA ANTENNA TO NEW RESERVOIR	PLANT G6	$8,510.25
324	2020	J324.00L	PUMPING EQUIPMENT		$26,752.00
324	2020		B7 NELSON/SUNSET AVE.,CITY INDUSTRY-CONDEM 5831L		($9,880.70)
324 Total					$613,040.60
331	2020	8372L-10	CONSTRUCT STORM DRAIN	PLANT 8	$67,535.73
331	2020	8372L-11	PRECISE GRADING	PLANT 8	$44,809.03
331	2020	8372L-13	STREET IMPROVEMENTS	PLANT 8	$10,630.06
331	2020	8372L-4	CONSTRUCT FENCE AND WALL	PLANT 8	$701,594.60
331	2020	9470L-1	FURNISH AND INSTALL TWO SETS OF STEEL DOORS AT	PLANT B6	$7,558.72
331 Total					$832,128.14
332	2020	7879L-14	ADDITIONAL CHARGES TO CONSTRUCT NITRATE	PLANT B6	$61,582.00
332	2020	9219L-1	PURCHASE AND REPLACEMENT OF 24" BASKET STRAINER	PLANT B6	$139,419.20
332	2020	9266L-1	REPLACE EXISTING ACID INJECTION EQUIPMENT	PLANT 8	($12,454.89)
332	2020	9276L-1	INSTALL PH SENSORS AND CONTROLLERS	PLANT 8	$2,827.36
332	2020	9386L-2	REPAIR AIR STRIPPER BOOSTER PUMP	PLANT B11	$12,642.75
332	2020	9386L-3	REPAIR AIR STRIPPER CHECK VALVE	PLANT B11	$8,962.92
332	2020	9395L-1	INSTALL VARIABLE FREQUENCY DRIVE ON BLOWER #4 AT	PLANT B6	$15,979.63
332	2020	9436L-1	REPAIR 8" VENT PIPE ON THE BRINE MAKER FOR THE	PLANT B6	$6,813.49
332	2020	9443L-1	REPLACE MAGNETIC METER FOR GAC VESSELS PAIR 905	PLANT B5	$7,218.05
332	2020	9475L-2	DESIGN, PERMITTING AND RELATED WORK	PLANT W6	$83,206.26
332	2020	9475L-4	CONSTRUCT REPLACEMENT PIPING	PLANT W6	$268,016.49
332	2020	J332.00L	WATER TREATMENT EQUIPMENT		$2,113.10
332 Total					$596,326.36
342	2020	7661L-23	INSTALL RESERVOIR EAST DRAIN PIPING	PLANT 1	$33,635.50
342	2020	7944L-3	PERMITTING AND APPROVAL OF RESERVOIR CONSTRUCTION	PLANT 14	$447,664.87
342 Total					$481,300.37

Tab “LA-2020” Columns “Total Cost” and “Contributed” Omitted due to Size (2 of 3)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
343	2020	7733L-1	INSTALL 2525' OF 12-3/4" GWBR		$1,864,465.49
343	2020	8248L-1	INSTALL 5 OF 8- 5/8" GWBR PIPE		$24,314.08
343	2020	8451L-1	INSTALL 30' OF 6-5/8" GWBR		$7,252.61
343	2020	8575L-6	Additional work associated with 8575L-1		$23,428.38
343	2020	8760L-3	INSTALL 1 - 6" BUTTERFLY VALVE AND RELATED PIPING		$1,669.75
343	2020	9130L-1	INSTALL 1,660' OF 6-5/8" GWBR		$759,140.37
343	2020	9170L-1	INSTALL 1,305' OF 6-5/8" GWBR PIPE IN MILLET AVE		$684,575.47
343	2020	9171L-1	INSTALL 971' OF 6-5/8" GWBR PIPE		$325,463.78
343	2020	9181L-1	INSTALL 571' OF 6-5/8" GWBR PIPE		$122,555.73
343	2020	9190L-1	INSTALL 2,986' OF 6-5/6" GWBR MAIN		$832,250.01
343	2020	9193L-2	INSTALL 274' OF 8-5/8" GWBR PIPE		$0.00
343	2020	9214L-1	INSTALL 928'± 6-5/8" GWBR AND 5'- 8-5/8"BWBR PIPE		$214,187.87
343	2020	9241L-1	INSTALL 738' OF 8-5/8" GWBR PIPE		$198,042.23
343	2020	9289L-1	INSTALL 3' OF 10" GWBR TO 10" AC WATER MAIN		$3,216.16
343	2020	9339L-1	INSTALL 1 - 4" BUTTERFLY VALVE & 1 - 8" BUTTERLY		$17,139.68
343	2020	9339L-2	INSTALL 1 - 4" BUTTERFLY VALVE		$7,124.01
343	2020	9385L-1	INSTALL 4 OF 17-3/8" GWBR PIPE		$25,153.68
343	2020	9389L-1	REPAIR 10"COLLAR ON 10"AC PIPE3/4" PIPE		$8,102.34
343	2020	9410L-1	INSTALLED 4' OF 4-1/2" GWBR PIPE		$39,257.88
343	2020	9414L-1	INSTALL 4 - 12" PIPE AND 4" 90 DEGREE ELBOW		$28,227.42
343	2020	9420L-1	INSTALL 3' OF 12-3/4" GWBR PIPE		$36,493.49
343	2020	9438L-1	REMOVE AND REPLACE 1 - 4" TEE AND RELATED PIPING		$33,689.83
343	2020	9442L-1	INSTALL 1 - 3' of 6-5/8" GWBR PIPE		$6,250.01
343	2020	9454L-1	INSTALL 2 - 8" BUTTERFLY VALVES		$41,250.66
343	2020	9473L-1	INSTALL 2' - 6-5/8" GWBR		$13,293.04
343	2020	9479L-1	INSTALL 4' - 8-5/8" GWBR		$16,604.19
343	2020	9501L-1	INSTALLED 4' -8-5/8"GWBR		$16,000.31
343	2020	9535L-1	INSTALL 5' - 10-3/4" GWBR		$17,999.53
343	2020	8363LR-17	INSTALL AIR VACS		$2,577.21
343 Total					$5,369,725.21
345	2020	5200L-40	NEW SERVICE INSTALLATIONS - 2020		$224,491.76
345	2020	8367L-1	INSTALL 5 - 2" COPPER LANDSCAPE SERVICES		$0.00
345	2020	8451L-3	INSTALL 1 - 1" COPPER SERVICE WITH 3/4" METER		$853.96
345	2020	8783L-4	ADDITIONAL WORK RELATED TO JOB 8783L-1		$178,238.10
345	2020	9130L-2	INSTALL 70' OF 1" SHORT SIDE PLASTIC DOMESTIC SVC		$121,228.32
345	2020	9170L-2	INSTALL 33 - 1" MUNICPEX DOMESTIC SERVICES		$136,068.28
345	2020	9171L-2	INSTALL 18 - 1' MUNICIPEX DOMESTIC SERVICES		$36,679.15
345	2020	9181L-3	INSTALL 24 - 1" MUNICIPEX DOMESTIC SERVICES		$25,358.34
345	2020	9181L-4	INSTALL 1 - 2" SHORT SIDE SERVICE W/ 1-1/2" METER		$0.00
345	2020	9190L-2	INSTALL 40 - 1" LONG SIDE SERVICES		$152,120.79
345	2020	9193L-3	INSTALL 4" MASTER METER, VAULT & RELATED PIPING		$0.00
345	2020	9214L-2	INSTALL 16 - 1" SHORT SIDE AND 16-1" LONG SIDE SERVICES		$68,873.17
345	2020	9235L-1	INSTALL 26 - 1" MUNICIPEX DOMESTIC SERVICES		$0.00
345	2020	9235L-2	INSTALL 1 - 1" MUNICIPEX LANDSCAPE SERVICE		$0.00
345	2020	9241L-2	INSTALL 10 - 1" LONG SIDE MUNICIPEX DOMESTIC SVCS		$24,762.58
345	2020	9289L-2	INSTALL 1-1" SERVICE		$1,036.34
345	2020	9312L-1	INSTALL 1 - 4" MANIFOLD SERVICE WITH 3 - 2" METERS		$20,923.87
345	2020	9321L-3	INSTALL 1 - 2" DOMESTIC SERVICE		$4,797.66
345	2020	9322L-3	INSTALL 1 - 2" DOMESTIC SERVICES		$5,806.71
345	2020	9414L-2	INSTALL 1-1" SERVICE		$3,458.40
345	2020	9452L-1	INSTALL SERVICES - PLASTIC SERVICE REPLACEMENT		$485,229.48
345	2020	9452L-2	RETROFIT VAULTS - 2020		$56,368.98
345 Total					$1,546,295.89
345.1	2020	9193L-1	INSTALL 1 - 6" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1 Total					$0.00
346	2020	J346.00L	METERS		$924,053.89
346 Total					$924,053.89
348	2020	8613L-1	INSTALL 6' OF 6-5/8" GWBR PIPE & 6" GATE VALVE TO		$12,799.48
348	2020	9130L-3	INSTALL 3 - 6" FIRE HYDRANTS #4060E,#4061E,#4062E		$24,321.31
348	2020	9170L-3	INSTALL 3 - 6" FIRE HYDRANTS#4064E,4065E,4066E		$19,765.81
348	2020	9171L-3	INSTALL 1 - 6" FIRE HYDRANT #4075E		$7,010.82
348	2020	9181L-7	INSTALL 1 - 6" FIRE HYDRANT ON GALEMONT AVENUE		$8,058.45
348	2020	9190L-3	INSTALL 7 - 6" FIRE HYDRANTS		$45,011.64
348	2020	9193L-4	INSTALL 1 - 6" FIRE HYDRANT #4034E		$0.00
348	2020	9241L-3	INSTALL 1 - 6" FIRE HYDRANT		$6,436.29
348	2020	8363LR-16	INSTALL 1 - 6" FIRE HYDRANT		$9,332.46
348 Total					$132,736.26

Tab “LA-2020” Columns “Total Cost” and “Contributed” Omitted due to Size (3 of 3)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
371	2020	8372L-6	SECURITY IMPROVEMENTS	PLANT 8	$102,605.83
371	2020	8975L-4	SITE IMPROVEMENTS		$209,084.03
371	2020	8975L-5	INSTALL POWER		$46,682.01
371	2020	8975L-7	INSTALL SECURITY AND ACCESS CONTROL		$16,951.87
371	2020	9182L-2	INSTALL COVERS FOR ELECTRICAL CONDUITS FROM OLD		$54,646.00
371	2020	9185L-1	WHITTIER AND INDUSTRY COMMERCIAL BUILDING UPDATES		$1,078.94
371	2020	9526L-1	PURCHASE OUTSIDE FLOOD LIGHTS AND INSIDE LIGHT		$4,684.08
371 Total					$435,732.76
372	2020	8848L-5	GIS SYSTEM IMPROVEMENTS AND UPDATES - 2020		$96,380.59
372	2020	8975L-6	INSTALL DATA AND PHONE LINES		$42,646.64
372	2020	8997L-2	ADDITIONAL WORK TO COMPLETE UPDATE OF WATER MASTER		$34,518.93
372	2020	9096L-2	DEFINE AND PREPARE ASSET DATABASE		$12,094.57
372	2020	9168L-1	PROJECT DELIVERY SYSTEM-PRELIMINARY ASSESSMENT		$63,610.81
372	2020	9399L-1	REMODEL SECRETARIAL AREA FOR ADDIDITON OF CUBICLE		$3,419.46
372	2020	J372.00L	OFFICE FURNITURE & EQUIPMENT		$80,847.12
372 Total					$333,518.12
373	2020	J373.00L	TRANSPORTATION EQUIPMENT		$98,530.09
373 Total					$98,530.09
376	2020	8500L-4	ADVANCED CONFIGURATION OF ROUTINE WORK ORDER,		$10,800.42
376	2020	8500L-5	TECHNICAL SUPPORT SERVICES FOR FIELD SERVICE		$16,612.28
376	2020	J376.00L	COMMUNICATION EQUIPMENT		$838.40
376 Total					$28,251.10
378	2020	J378.00L	TOOLS, SHOP & GARAGE EQUIPMENT		$15,047.74
378 Total					$15,047.74
Grand Total					$13,698,976.65

Tab “LA-2021” Columns “Total Cost” and “Contributed” Omitted due to Size (1 of 1)

ACCOUNT	YEAR CLOSE	JOB NO	DESCRIPTION	SITE/ LOCATION	TOTAL COMPANY FUNDS
324	2021	9503L-2	Replace bowl assembly on booster pump G3B2	PLANT G3	$25,446.58
324	2021	9515L-1	INSTALL BOWL ASSEMBLY FOR WELL B11B	PLANT B11	$40,557.71
324	2021	9581L-01	Refurbish Hatachi submersible motor Serial No. 689096H	PLANT 13	$30,959.35
324	2021	9593L-01	Survey radio connection	PLANT M2	$3,507.92
324	2021	9594L-01	Survey radio connection	PLANT B20	$3,507.92
324	2021	9624L-01	Install Allen Bradley soft starter for 11B5	PLANT 11	$7,159.64
324	2021	9669L-03	Install two 200 HP 480V Allen Bradley SMC Flex Soft Starters	PLANT B4	$16,892.68
324 Total					$128,031.80
332	2021	9582L-01	Install 2" high density pipe to supply gas to 4 furnaces	PLANT B6	$15,355.47
332	2021	J332.00L	WATER TREATMENT EQUIPMENT		$2,968.70
332 Total					$18,324.17
342	2021	7661L-22	INSTALL RESERVOIR EAST PIPING	PLANT 1	$212,589.58
342	2021	7661L-29	Construct surface drainage structure	PLANT 1	$36,739.45
342 Total					$249,329.03
343	2021	8454L-1	WELD 37-3/8" GWBR PIPE		$21,297.65
343	2021	9246L-1	INSTALL 8" GATE VALVE TO FIRE SERVICE CONN L42354		$21,688.59
343	2021	9392L-1	RETROFIT PRODUCTION VALVES AT VARIOUS LOCATIONS		$65,141.67
343	2021	9473L-2	INSTALL 1 - 16" BUTTERFLY VALVE		$17,955.43
343	2021	9476L-1	INSTALL 1-4" BUTTERFLY VALVE		$4,676.08
343	2021	9497L-1	INSTALL 1 - 4" & 1-4" BUTTERFLY VALVES, 6"X6"X4"TEE		$14,619.45
343	2021	9504L-1	INSTALL 3' OF 6-5/8" GWBR PIPE		$11,102.75
343	2021	9508L-1	INSTALL 3' OF 8" GWBR PIPE		$11,131.78
343	2021	9509L-1	INSTALL 3 - 8" BUTTERFLY VALVES AND		$23,241.21
343	2021	9550L-1	INSTALL 1 - 6" BUTTERYFLY VALVE,4' OF 6-5/8" GWBR PIPE		$23,019.57
343	2021	9555L-1	INSTALL 14" OF 4-1/2" GWBR PIPE		$20,455.66
343	2021	9608L-01	INSTALL 18' of-4-1/2" GWBR PIPE		$31,022.02
343	2021	9613L-01	INSTALL 3' OF 8-5/8" GWBR PIPE		$10,813.89
343	2021	8906LR-1	OUTSIDE CONSULTING SERVICES - ON-SITE RETROFIT		$109,955.14
343 Total					$386,120.89
345	2021	5200L-40	NEW SERVICE INSTALLATIONS - 2020		$7,783.20
345	2021	9321L-4	INSTALL 1 - LANDSCAPE SERVICE		$0.00
345	2021	9322L-4	INSTALL 1 - LANDSCAPE SERVICE		$0.00
345	2021	9452L-1	INSTALL SERVICES - PLASTIC SERVICE REPLACEMENT		$218,672.48
345	2021	9452L-2	RETROFIT VAULTS - 2020		$13,571.75
345	2021	9508L-2	INSTALL 2 - 2" SERVICES		$10,770.11
345 Total					$250,797.54
345.1	2021	9145L-1	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1	2021	9321L-1	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSEMBLY		$0.00
345.1	2021	9322L-1	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0.00
345.1 Total					$0.00
346	2021	J346.00L	METERS		$875,698.66
346 Total					$875,698.66
348	2021	9181L-7	INSTALL 1 - 6" FIRE HYDRANT ON GALEMONT AVENUE		($8,058.45)
348	2021	9321L-2	INSTALL 1 - 6" FIRE HYDRANT #4077E		$0.00
348	2021	9322L-2	INSTALL 1 - 6" FIRE HYDRANT #4076E		$0.00
348	2021	9349L-1	INSTALL 1-6" FIRE HYDRANT #4044E		$20,703.63
348	2021	9521L-1	INSTALL 1 - 6" FIRE HYDRANT #4081E		$0.00
348 Total					$12,645.18
372	2021	8848L-5	GIS SYSTEM IMPROVEMENTS AND UPDATES - 2020		$13,716.21
372	2021	J372.00L	OFFICE FURNITURE & EQUIPMENT		$9,439.73
372 Total					$23,155.94
378	2021	J378.00L	TOOLS, SHOP & GARAGE EQUIPMENT		$19,974.67
378 Total					$19,974.67
Grand Total					$1,964,077.88

Attachment 7-3: SGVWC Response to DR AA9-002, Attachment 2

Attachment A

San Gabriel Valley Water Company
Acquisition of Rurban Homes Mutual Water Company's Water Rights in Main Basin, Land and Wells
(Updated for late posted transactions and overheads)

			Allocated Costs					
		Total	Water Rights 217.76/AF	Land	Wells	9446L-1 Distribution	9446L-2 Distribution	9446L-3 Distribution
Purchase price - Ticor Escrow closing dated 9/24/19		$5,000,000.00	$4,715,000.00	$237,000.00 [1]	$48,000.00	$0.00	$0.00	$0.00
	% Allocation	100%	94.30%	4.74%	0.96%	0.00%	0.00%	0.00%
Escrow closing cost		$2,885.29	$2,720.83	$136.76	$27.70	$0.00	$0.00	$0.00
Environmental Site Assessment		$3,700.00	$0.00	$3,700.00	$0.00	$0.00	$0.00	$0.00
Subtotal purchase price		$5,006,585.29	$4,717,720.83	$240,836.76	$48,027.70	$0.00	$0.00	$0.00
Services and distribution system - Rurban Mutual Water Company		$3,018,554.11	$0.00	$0.00	$0.00	$2,741,000.85	$20,409.80	$257,143.46
Subtotal purchase price and closing cost (Job 9265L-1)		$8,025,139.40	$4,717,720.83	$240,836.76	$48,027.70	$2,741,000.85	$20,409.80	$257,143.46
	% Allocation	100.00%	58.79%	3.00%	0.60%	34.16%	0.25%	3.20%
Additional direct costs relating to the acquisition:								
(1) Legal fees to Nossaman LLP (Job 9265L-1)		$18,469.50	$10,857.62	$554.28	$110.53	$6,308.29	$46.97	$591.80
(2) Consulting fees to The Monares Group : (Job 8482L-1)	$136,000.00	$136,000.00 [2]	$79,950.02	$4,081.40	$813.91	$46,451.05	$345.88	$4,357.74
(3) Other direct costs, Ticor Title and Notary Services		$530.00	$530.00	$0.00	$0.00	$0.00	$0.00	$0.00
(4) San Gabriel's employees payroll and fringe :	$7,607.12	$7,607.12	$4,471.98	$228.29	$45.53	$2,598.23	$19.35	$243.75
Subtotal additional direct costs		$162,606.62	$95,809.62	$4,863.97	$969.97	$55,357.56	$412.20	$5,193.30
Late posted transactions not on original allocation								
Inventory, stores expense, and transfers		$36,790.66	$0.00	$0.00	$0.00	($412.01)	$0.00	$37,202.67
Overheads		$332,198.49	$0.00	$0.00	$0.00	$298,047.89	$2,219.62	$31,930.98
Total acquisition costs		$8,556,735.17	$4,813,530.45	$245,700.73	$48,997.67	$3,093,994.29	$23,041.62	$331,470.41

[1] Based on comparative market analysis of land sales in El Monte
[2] Monares Group, $8,000 per month March 2018 - June 2019, $4,000 per month July - August 2019

Attachment 7-4: Cal Water Response to DR SIB-037

RESPONSE TO DATA REQUEST

2021 GENERAL RATE CASE, A.21-07-002

To:	**Public Advocates Office**		
	Brian Yu Project Coordinator	Phone: Email:	(213) 576-7075 byu@cpuc.ca.gov
	Suliman Ibrahim Utilities Engineer	Phone: Email:	(213) 266-4714 suliman.ibrahim@cpuc.ca.gov
	Marybelle Ang Attorney	Phone: Email:	(415) 696-7329 marybelle.ang@cpuc.ca.gov
	Caryn L. Mandelbaum Attorney	Phone: Email:	(213) 620-6456 caryn.mandelbaum@cpuc.ca.gov
From:	**California Water Service Company**		
	Greg Milleman Vice President, California Rates	Phone: Email:	(408) 367-8498 gmilleman@calwater.com
	Natalie D. Wales Director, Regulatory Policy & Compliance	Phone: Email:	(408) 367-8566 nwales@calwater.com
	Patrick Alexander General Rate Case Manager	Phone: Email:	(408) 367-8230 ext.78230 palexander@calwater.com

Date: **October 22, 2021** Re: **SIB-037** Subj: **Inflation Rate**	Request Received from CPUC: **October 15, 2021** Requested Due Date: **October 22, 2021**

Comments:

- **Full response attached.**
- **Response provided by Engineering.**
- **Does not contain confidential information.**

- **This response refers to the following attachments included separately:**
  - **Attachment #1 – CPUC Inflation Memos**

Data Requests and Responses

1. For most of its capital projects, Cal Water escalates costs using an annual inflation rate of 2.5%.

   a. Please explain how Cal Water decided on this 2.5% inflation rate for capital projects.
   Response: Cal Water follows the calculation methodology established in a 1991 agreement between the CPUC Water Division and the California Water Association, where inflation is a composite of 60% of the non-labor factors provided in the Public Advocate's monthly escalation memorandum and 40% of Compensation per Hour Index, also provided in that same memorandum. The annual change in Compensation per Hour is applicable to contracted services, while the non-labor factor is related to material and supply purchases.

   Cal Water first adopted this strategy as a three year average calculation in the 2015 GRC when the PowerPlan upgrade in 2014 made uniform escalation from a base year possible. In that GRC, the average was rounded from 2.3% to 2.5%, and this number has been evaluated each rate case since to confirm it is reasonable to continue assuming this inflation rate.

   b. Please provide support to substantiate Cal Water's response to question 1.a. above.
   Response: Attachment #1 includes 3 CPUC memoranda in May of the filing year for the 2015, 2018 and 2021 GRC respectively, with the relevant numbers highlighted. From the table below, it can be shown that 2.5% remains a reasonable inflation rate:

	Inflation Factor		Weighting Factor		Combined
Year	Labor	Non-Labor	Labor	Non-Labor	Inflation
2016	3.60%	1.60%	40.0%	60.0%	2.40%
2017	3.80%	1.40%	40.0%	60.0%	2.36%
2018	3.90%	1.20%	40.0%	60.0%	2.28%
2015 GRC Average	3.77%	1.40%	40.00%	60.00%	2.35%
2019	4.20%	1.40%	40.0%	60.0%	2.52%
2020	4.30%	1.70%	40.0%	60.0%	2.74%
2021	4.30%	1.50%	40.0%	60.0%	2.62%
2018 GRC Average	4.27%	1.53%	40.00%	60.00%	2.63%
2022	2.10%	4.80%	40.0%	60.0%	3.72%
2023	2.50%	3.70%	40.0%	60.0%	3.22%
2024	2.80%	2.90%	40.0%	60.0%	2.86%
2021 GRC Average	2.47%	3.80%	40.0%	60.0%	3.27%

Attachment 7-5: SGVWC Response to DR AA9-001, Q.1.a

"LA 2021.06 CWIP" Columns "Job No." and "2009 EXP" to "2018 EXP" Omitted due to Size (1 of 10)

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2021	Install split case pump for W6B3	PLANT W6			$87	$87
2021	Install split case pump for W6B1	PLANT W6			$138	$138
2020	Install booster electrical	PLANT W6		$41		$41
2020	Install booster piping	PLANT W6		$41		$41
2020	Install booster pump	PLANT W6		$41		$41
2020	Construct booster building modifications	PLANT W6		$41	$81	$122
2020	Design, Permitting and Related Work	PLANT W6		$779	$448	$1,226
2020	REFURBISH ELECTRICAL CONDUITS TO WELL C MOTOR FOR	PLANT W6		$130	$1,107	$1,236
2020	INSTALL ION EXCHANGE TREATMENT SYSTEM	PLANT W6		$1,383,850	$11,080	$1,394,930
2020	PROCURE ION EXCHANGE TREATMENT EQUIPMENT & RESIN	PLANT W6		$3,163,245	($924,890)	$2,238,356
2020	PROPOSITION 68 FUNDING APPLICATION FOR W6 PFOS &	PLANT W6		$21,691		$21,691
2019	OBTAIN DDW PERMIT FOR UV TREATMENT SYSTEM	PLANT W6	$64	$319	$174	$557
2017	PROCURE TROJAN UVPHOX SYSTEM EQUIPMENT	PLANT W6	$4,372,206	($652,656)	$47	$3,723,801
2021	Phase 3 - Improvements - Manage/Supervise/Inspect/Testing	PLANT M7			$26	$26
2021	Phase 1 - Construct Plant M7 Reservoirs East and West Piping	PLANT M7			$26	$26
2021	Phase 1 - Construct Plant M7 Reservoir East and West	PLANT M7			$26	$26
2021	Plant M7 - Land Acquisition	PLANT M7			$26	$26
2011	OBTAIN PERMITS	PLANT M4	$168,054	$0		$209,227
2011	ACQUIRE LAND PARCEL FOR NEW RESERVOIR	PLANT M4	$29	$0		$12,503
2018	FENCE AND WALL	PLANT M3		$996	$999	$1,995
2018	GRADING	PLANT M3	$32	$561	$51	$644
2018	INSTALL RESERVOIR M3 WEST PIPING	PLANT M3	$3,257	$0	$166	$3,423
2018	ABANDON 16" MAIN FROM LOS AMIGOS TO M3 PARCEL	PLANT M3			$94	$94
2018	INSTALL MAIN FROM LOS AMIGOS TO M3 PARCEL	PLANT M3	$13,557	$11,174	$7,203	$31,934
2018	CONSTRUCT RESERVOIR M3 WEST	PLANT M3	$13,416	$5,794	$18,188	$37,398
2020	INSTALL BOOSTER STATION PIPING	PLANT M3		$751	$1,103	$1,853
2020	CONSTRUCT BOOSTER BUILDING	PLANT M3		$3,245	$1,456	$4,702
2019	CONSTRUCT RESERVOIR M3 EAST	PLANT M3	$2,653	$4,193	$5,185	$12,031
2018	DESIGN, PERMITTING AND RELATED WORK	PLANT M3	$17,201	$26,312	$13,651	$57,526
2021	Plant M3 - Land Acquisition	PLANT M3			$26	$26
2021	Phase 2 - Construct Plant M3 Booster Station Piping, Cans	PLANT M3			$26	$26
2021	Phase 1 - Construct Plant M3 Reservoir (West) piping	PLANT M3			$26	$26
2021	Phase 1 - Construct Plant M3 Reservoir (West)	PLANT M3			$10,575	$10,575
2020	Prepare and submit grant applications	PLANT M2		$55,330		$55,330
2020	Install piping and fittings at effluent for M1B2	PLANT M1		$1,823		$1,823
2021	LIQUID PHASE GAC SYSTEM- OPERATION AND MAINTENANCE	PLANT G4			$20,293	$20,293
2021	Refurbish 75 HP USEM VSS Motor Serial No. 677120/X07X1600031	PLANT G3			$3,387	$3,387
2020	REPLACE BOWL ASSEMBLY ON BOOSTER PUMP G3B1	PLANT G3		$33,020	($3,387)	$29,633
2021	Install new piping from well to discharge line	PLANT B7			$3,873	$3,873
2019	ABANDON MAIN	PLANT B7			$3,644	$3,644
2021	Purchase spare chemical pump for Acid Injection System	PLANT B6			$2,001	$2,001
2021	Refurbish impeller and bearings for airstripper #4	PLANT B6			$29	$29
2021	Purchase and install Rosemount 8705 Flanged magnetic sensor	PLANT B6			$4,301	$4,301
2021	Purchase spare breaker 1600 am DigiTrip with LS feature trip	PLANT B6			$173	$173
2021	Replace Electrical Panel and install 1600 AMP breaker	PLANT B6			$123,845	$123,845
2021	Arc Flash Study	PLANT B6			$1,379	$1,379
2018	UV FLEX TREATMENT PILOT STUDY - OUTREACH	PLANT B6	$5,011	$0		$5,011
2018	UVFLEX TREATMENT PILOT STDY-MONITORING/PERFORMANCE	PLANT B6	$399	$62,942		$63,341
2018	UV FLEX TREATMENT PILOT STUDY - CONSTRUCTION/	PLANT B6	$125,961	$2,517,448	$4,754	$2,648,163
2018	UV FLEX TREATMENT PILOT STUDY - PLANNING/DESIGN/	PLANT B6	$132,482	$775	$136	$135,944
2018	UV FLEX TREATMENT PILOT STUDY-DIRECT PROJECT	PLANT B6	$98,620	$37,726	$6,929	$154,676
2018	B6 PERCHLORATE IX SYSTEM VESSEL SLURRY OUT PIPE	PLANT B6	$32	$20		$3,170
2018	INSTALL SECONDARY ONLINE CHLORINE RESIDUAL	PLANT B6	$0	$20		$20
2015	PLANT B6 - REMODEL EXISTING BOOSTER BUILDING	PLANT B6	$0	$9,625	$27,168	$74,503
2020	WATER TREATMENT PLANT - OPERATION AND	PLANT B6			($1,288)	($1,288)
2021	Refurbish Sulzer motor for B5B6	PLANT B5			$29	$29
2021	Install voltage regulator for B5 generator	PLANT B5			$29	$29
2021	Purchase2-Siemens 8" Mag 5100W w/Mag 5000 flow meter for GAC	PLANT B5			$10,233	$10,233
2021	Inspect and refurbish B5B motor no. K06-20051323-GT-01	PLANT B5			$87	$87
2021	Video log well and inspect B5B pump	PLANT B5			$116	$116
2021	Install Sulzer/ABS XFP submersible sump pump for sewage lift	PLANT B5			$12,049	$12,049
2018	CONSTRUCT PERCOLATION PIT	PLANT B5	$6,733	$8,170		$15,173
2020	WATER TREATMENT PLANT - OPERATION AND MAINTENANCE	PLANT B5			($670)	($670)
2020	Refurbish Well B4C	PLANT B4			$5,829	$5,829
2020	Refurbish Well B4B	PLANT B4			$6,367	$6,367
2020	Acquire B28 Land	PLANT B28		$237,961		$237,961
2021	Install pump and submersible motor B27B3	PLANT B27			$80	$80
2021	Install pump and submersible motor B27B2	PLANT B27			$93	$93
2021	Install pump and submersible motor for B27B1	PLANT B27			$67	$67
2020	VIDEO LOG WELL B26 AND INSPECT B26B PUMP	PLANT B26		$9,131		$9,131
2019	REFURBISH WELL B25A MOTOR S/N 488538	PLANT B25	$32	$545		$576
2020	PROPOSITION 68 FUNDING APPLICATION FOR B24 PFOS &	PLANT B24		$22,791		$22,791
2019	DESIGN PLANT B24 WELLHEAD TREATMENT SYSTEM	PLANT B24	$573	$6,439	$8,316	$15,328
2019	INSTALL NEW DISCHARGE PIPING FOR BOOSTER B19B3	PLANT B19	$1,045	$0		$1,045
2020	REMOVE ONE PINE TREE AND RELATED WORK	PLANT B17			($1,814)	($1,814)
2021	Install landscaping and irrigation	PLANT B17			$78,564	$78,564
2021	Install west resevoir piping	PLANT B15			$2,141	$2,141
2021	Construct west reservoir	PLANT B15			$6,704	$6,704
2021	Abandon main	PLANT B15			$17,306	$17,306

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YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2021	Site improvements	PLANT B15			$14,247	$14,247
2021	Refurbish existing reservoirs	PLANT B15			$14,852	$14,852
2021	Place asphalt pavement	PLANT B15			$2,151	$2,151
2021	Install drainage system	PLANT B15			$9,319	$9,319
2021	Construct fence	PLANT B15			$181,320	$181,320
2019	HILLSIDE STABILIZATION	PLANT B15	$373	$139		$513
2021	ABANDON 78' OF 6-5/8" FWBR 1981 JOB 4943L-1, 117'	PLANT B15			($17,306)	($17,306)
2021	Install piping	PLANT B14			$1,617	$1,617
2021	Construct reservoir	PLANT B14			$15,034	$15,034
2021	Permitting and related work	PLANT B14			$327,781	$327,781
2018	HILLSIDE STABILIZATION REPORT	PLANT B14	$3,928	$419		$4,347
2016	CONSTRUCT RESERVOIR	PLANT B14	($35,583)	$7,964	($10,652)	($2,689)
2016	PERMITTING AND RELATED WORK	PLANT B14	$117,713	$22,935	($315,280)	$2,689
2021	Install 200 HP U.S. Electrical Motor Serial No. C08-R488A-MA	PLANT B12		$18,272	$12,365	$30,637
2021	Purchase Tantung Premium Eff. 50 HP motor for airstripper	PLANT B11			$3,556	$3,556
2021	WATER TREATMENT PLANT - OPERATION AND MAINTENANC	PLANT B11			$36,322	$36,322
2021	Arc Flash Study	PLANT 8			$494	$494
2021	Gate security improvements	PLANT 8			$7,154	$7,154
2017	CONSTRUCT UV TREATMENT SYSTEM AT PLANT NO.8	PLANT 8	$189,844	$78,784	$1,746	$1,893,402
2017	PROCURE UV TREATMENT EQUIPMENT TO PLANT NO.8	PLANT 8	$444,195	($443,735)	$94	$2,531,714
2020	SITE IMPROVEMENTS	PLANT 8		$54,388	$177,369	$231,758
2021	LIQUID PHASE GAC SYSTEM- OPERATION AND MAINTENANCE	PLANT 8			$66,809	$66,809
2021	AIR STRIPPER O&M COSTS	PLANT 8			$24,381	$24,381
2020	Design, permitting and related work	PLANT 7			$38,139	$38,139
2017	PURSUE FEDERAL AND STATE GRANT FUNDING PLANT#7 FOR	PLANT 7	$30,000	$30,000	$15,000	$140,263
2012	ADDITIONAL RIO HONDO CLLGE RESERVOIR CONSTRUCTION	PLANT 7	$0	($120)		$1,128
2020	Rehabilitate well 2F	PLANT 2			$20,771	$20,771
2020	Rehabilitate well 2D	PLANT 2			$20,771	$20,771
2020	INSTALL SCADA PROGRAMMING	PLANT 2		$27,033		$27,033
2020	INSTALL TREATMENT PIPING	PLANT 2		$2,811		$2,811
2020	INSTALL ION EXCHANGE TREATMENT SYSTEM	PLANT 2		$10,865		$10,865
2020	DESIGN, PERMITTING AND RELATED WORK	PLANT 2		$1,477		$1,477
2020	PROCURE ION EXCHANGE TREATMENT EQUIPMENT AND RESIN	PLANT 2		$1,951,178		$1,951,178
2021	Disinfect 2 existing reservoirs to comply with monitoring	PLANT 2			$7,220	$7,220
2020	INSTALL 15' OF 12-3/4" GWBR PIPE	PLANT 2		$21,760	$7,946	$29,706
2020	ION EXCHANGE TREATMENT SYSTEM INSTALLATION	PLANT 2		$476,121	$137,069	$613,190
2020	DESIGN, PERMITTING AND RELATED WORK	PLANT 2		$75,994	$422	$76,416
2020	ION EXCHANGE TREATMENT EQUIPMENT AND RESIN	PLANT 2		$1,497	$927,056	$928,553
2020	TIE-OVER SYSTEM TO PLANT NO.2 TO RESERVOIR	PLANT 2		$12,654	$164	$12,819
2019	INSTALL DRAIN PIPING AND RELATED APPURTENANCES	PLANT 14	$20	$0		$20
2019	SITE IMPROVEMENTS	PLANT 14	$1,643	$14,281	$24,556	$40,480
2019	RETROFIT EXISTING RESERVOIR	PLANT 14	$3,308	$8,742	$16,599	$28,650
2019	INSTALL RESERVOIR PIPING	PLANT 14	$8,418	$1,581	$51	$10,050
2012	CONSTRUCT RESERVOIR	PLANT 14	($104,901)	$35,898	$20,400	$56,298
2019	INSTALL DRAIN PIPING AND RELATED APPURTENANCES	PLANT 13	$82	$0		$82
2019	INSTALL RESERVOIR PIPING	PLANT 13	$8,047	$98		$8,145
2019	CONTRUCT NEW RESERVOIR	PLANT 13	$14,648	$9,680	$1,456	$25,783
2016	PERMITTING AND RELATED WORK	PLANT 13	$50,947	$4,873	$141	$120,296
2012	RETROFIT EXISTING RESERVOIR 13A	PLANT 13	$0	$0		$12,479
2020	PURHASE & INSTALL 10" HITACHI SUBMERSIBLE MOTOR	PLANT 12		$45,089	$94	$45,183
2021	Install OEM condenser fan motor and fan blade for AC unit	PLANT 11			$1,215	$1,215
2021	Site improvements	PLANT 11			$5,102	$5,102
2021	Install electrical	PLANT 11			$147	$147
2021	Install security	PLANT 11			$80	$80
2021	Purchase and install gate and gate opener	PLANT 11			$109	$109
2020	DESIGN, PERMITTING AND RELATED WORK	PLANT 11		$41	$20	$61
2018	PACKED TOWER - INSTALL 3000 GPM BOOSTER PUMP	PLANT 11	$0	$0		$2,789
2019	RETAINING WALL AND RELATED IMPROVEMENTS	PLANT 11	$717	$4,939	$2,363	$8,019
2021	WATER TREATMENT PLANT - OPERATION AND MAINTENANCE	PLANT 11			$11,364	$11,364
2021	Refurbish AC compressor	PLANT 1			$5,156	$5,156
2021	Replace Byron Jackson sub. motor no. 14-5560-5-1 and pump	PLANT 1			$28	$28
2021	Video Log Well 1E	PLANT 1			$92,910	$92,910
2021	Video log Well & repair & replace pump equipment Well 1D1D	PLANT 1			$123,584	$123,584
2021	Pull, inspect and replace submersible motor from Well 1D	PLANT 1			$28	$28
2020	INSTALL TREATMENT PIPING	PLANT 1		$20		$20
2020	INSTALL ION EXCHANGE TREATMENT SYSTEM	PLANT 1		$20	$2,900	$2,920
2020	DESIGN. PERMITTING AND RELEATED WORK	PLANT 1		$3,219	$1,805	$5,024
2020	PROCURE ION EXCHANDE TREATMENT EQUIPMENT AND RESIN	PLANT 1		$20		$20
2018	CONSTRUCT WELL BUILDING FOR WELLS 1B,1D,1E AND	PLANT 1	$27,024	$126,912	$185,516	$339,563
2018	CONSTRUCT RESERVOIR NO. 1 EAST	PLANT 1	$23,371	$878,371	$13,274	$942,408
2010	OBTAIN PERMITS AND REGULATORY APPROVALS	PLANT 1				($6,189)
2008	RESERVIOR SITE PREPARATION	PLANT 1				$6,189
2005	UTILITY EXCAVATION WITHIN ROAD RIGHT OF WAY		$0	$0		$2,110
2005	IRRIGATION SERVICE		$0	$0		$773
2005	IRRIGATION SERVICE		$0	$0		$209
2005	IRRIGATION		$0	$0		$222
2004	IRRIGATION SERVICE		$0	$0		$720
2004	IRRIGATION SERVICE		$0	$0		$2,513
2004	2" IRRIGATION SERVICE		$0	$0		$486
2003	SERVICE INSTALLED 10/7/2003		$0	$0		$349

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YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2003	TO SERVICE REST AREA TO RIVER ENTRANCE		$0	$0		$246
2003	2" IRRIGATION SERVICE		$0	$0		$2,505
2002	IRRIGATION		$0	$0		$389
2002	IRRIGATION		$0	$0		$551
2002	IRRIGATION ?		$0	$0		$496
2002	IRRIGATION SERVICE		$0	$0		$281
2002	IRRIGATION SERVICE		$0	$0		$281
2001	IRRIGATION SERVICE		$0	$0		$5,904
2001	IRRIGATION SERVICE		$0	$0		$6,450
2001	IRRIGATION SERVICE		$0	$0		$2,450
2001	IRRIGATION SERVICE		$0	$0		$325
2001	1" IRRIGATION SERVICE		$0	$0		$653
2000	IRRIGATION SERVICE		$0	$0		$1,451
2000	IRRIGATION SERVICE		$0	$0		$2,973
2000	IRRIGATION SERVICE		$0	$0		$703
2000	IRRIGATION SERVICE		$0	$0		$118
2000	IRRIGATION SERVICE		$0	$0		$239
2000	IRRIGATION SERVICE		$0	$0		$262
2000	IRRIGATION SERVICE		$25	$22		$368
2000	IRRIGATION SERVICE		$0	$0		$337
2000	IRRIGATION SERVICE		$0	$0		$483
2000	IRRIGATION SERVICE		$0	$0		$343
2000	IRRIGATION SERVICE INSTALLED 12-15-99		$0	$0		$450
1998	IRRIGATION SERVICE - LONG TERM TEMP		$0	$0		$2,059
1998	IRRIGATION SERVICE - LONG TERM TEMP		$0	$0		$1,238
1998	IRRIGATION SERVICE - LONG TERM TEMP		$0	$0		$1,189
1997	EMERGENCY HOOK-UP		$0	$0		$1,231
1996	STANDBY CONNECTION		$200	$0		$8,136
1996	IRRIGATION		$0	$0		$521
1996	IRRIGATION SERVICE		$0	$0		$1,157
1996	LANDSCAPE - IRRIGATION SERVICE		$0	$0		$433
1996	IRRIGATION SERVICE		$0	$0		$1,766
1996	IRRIGATION SERVICE		$0	$0		$535
1996	IRRIGATION SERVICE		$0	$0		$196
1996	IRRIGATION SERVICE		$0	$0		$821
1996	IRRIGATION SERVICE		$0	$0		$292
1996	605 FREEWAY LANDSCAPING		$0	$0		$181
1996	LANDSCAPING		$0	$0		$603
1996	LANDSCAPING		$0	$0		$523
1996	LANDSCAPING		$0	$0		$586
1996	LANDSCAPING		$0	$0		$804
1996	LANDSCAPING SERVICE		$0	$0		$1,200
1996	LANDSCAPING SERVICE		$0	$0		$1,203
1996	IRRIGATION SERVICE		$0	$0		$323
1996	IRRIGATION		$0	$0		$282
1996	IRRIGATION SERVICE		$0	$0		$606
1996	LANDSCAPING		$0	$0		$284
1996	IRRIGATION SERVICE		$0	$0		$110
1996	IRRIGATION SERVICE		$0	$0		$130
1996	LANDSCAPE - IRRIGATION SERVICE		$0	$0		$215
1996	IRRIGATION SERVICE		$0	$2		$204
1996	IRRIGATION SERVICE		$0	$0		$140
1996	IRRIGATION SERVICE		$0	$0		$230
2021	STANDING WORK ORDER - LOS ANGELES			($0)	$7,600	$7,600
2016	STANDING WORK ORDER - LOS ANGELES RECYCLED		$0			($261,975)
2016	STANDING WORK ORDER - LOS ANGELES		$0			($75,000)
2021	CLEAR WIP TO 145				($189,870)	($189,870)
2021	Install 5-1" services				$1,494	$1,494
2021	Install 2-8" butterfly valves				$5,331	$5,331
2021	Install 2-1" services				$2,196	$2,196
2021	Install 1-6" Butterfly Valve - Installed 5' of 6-5/8" GWBR				$4,285	$4,285
2021	Install 1-16" butterfly valve				$5,478	$5,478
2021	Remove 6" Fire Hydrant No. 1627E				$234	$234
2021	Install 2-1" services				$4,540	$4,540
2021	Install 2-1" services				$6,396	$6,396
2021	Install 2-1" services				$3,427	$3,427
2021	Install 1-6" fire hydrant				$1,114	$1,114
2021	Install 1-2" landscape service with 1" meter				$306	$306
2021	Install 1-2" domestic service with 2" meter				$270	$270
2021	Install 1-6" double detector check valve assembly				$609	$609
2021	Install 1-12" butterfly valve				$22,528	$22,528
2021	Install 1-1" service				$6,062	$6,062
2021	2020 Montebello Consumer Confident Report				$219	$219
2021	Install 300' - 25-3/4" GWBR pie with 50'-42" casing				$4,658	$4,658
2021	Install 1-8" double detector check valve assembly				$3,204	$3,204
2021	Install 1-4" manifold service with 3-2" meters				$14,980	$14,980
2021	Install 1-6" fire hydrant				$15,587	$15,587
2021	Install 2-1" services				$12,865	$12,865
2021	Install 4'-4-1/2" GWBR pipe and 1-4" prv				$18,605	$18,605
2021	Install 4"x4"x1" meter vault				$5,904	$5,904

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YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2021	Remove 1-6" fire hydrant				$33	$33
2021	Install 1-6" fire hydrant on Pioneer Boulevard				$787	$787
2021	Install 575' +/- 8-5/8" GWBR pipe				$36	$36
2021	Install 1-6" fire hydrant on Washington Blvd				$707	$707
2021	Install 1-2" landscape service				$146	$146
2021	Install 1-4 domestic service				$73	$73
2021	Install 1-4" double detector check valve				$7,752	$7,752
2021	Install 1-1" domestic service				$73	$73
2021	Install install 1-8" double detector check valve assembly				$3,372	$3,372
2021	Install security Camera for Whittier Commercial Office				$2,414	$2,414
2021	Install security camera for Industry Commercial Office				$3,491	$3,491
2021	Install security camera for El Monte Commercial Office				$11,261	$11,261
2021	Install 1-3/4" fire service run and 6' X 4' vault				$12,625	$12,625
2021	Install 1-6" butterfly valve				$18,677	$18,677
2021	Replace Booster B motor				$23,914	$23,914
2021	Install 1-1" domestic service				$448	$448
2021	Install 1-6" double detector check valve assembly				$7,545	$7,545
2021	Replace vault for lids for pressure reducing valves				$743	$743
2021	2021 Replace Vault lids for PRV				$42,608	$42,608
2021	Install 1-6" butterfly valve on Townley Drive Main				$10,750	$10,750
2021	Install 1-1" service				$2,693	$2,693
2021	Install 1-6" fire hydrant				$219	$219
2021	Install 1-3" domestic service				$73	$73
2021	Install 1-4" domestic services				$404	$404
2021	Install 1-6" double detector check valve assembly				$2,206	$2,206
2021	Install 1-2" landscape service				$322	$322
2021	Install 1-2" domestic service				$627	$627
2021	Install 1-10" double detector check valve				$1,379	$1,379
2021	SCADA Technical Memorandum				$29	$29
2021	Walnut Grove Ave. at Alhambra Bridge Crossing Refurbishment				$1,329	$1,329
2021	Ramona Boulevard at San Gab. Channel Bridge Crossing Refurb.				$1,503	$1,503
2021	Garvey Ave. at Rio Hondo Bridge Crossing Refurbishment				$412	$412
2021	Turnbull Cyn at San Jose Creek Bridge Crossing Refurbishment				$167	$167
2021	7th Avenue at San Jose Creek Bridge Crossing Refurbishment				$1,725	$1,725
2021	Puente Avenue at Walnut Creek Bridge Crossing Refurbishment				$1,032	$1,032
2021	Big Dalton at Walnut Creek Bridge Crossing Refurbishment				$977	$977
2021	Dalewood Street a Big Dalton Bridge Crossing Refurbishment				$1,248	$1,248
2021	Francisquito Avenue at Walnut Creek Bridge Crossing Refurb.				$709	$709
2021	Vineland Ave. at Walnut Creek Birdge Crossing Refurb.				$4,100	$4,100
2020	Install services				$4,594	$4,594
2021	Repar Chlorine pump and survey system residuals				$1,531	$1,531
2020	Abandon Main				$33	$33
2020	Install services				$13,730	$13,730
2020	Abandon main				$50	$50
2020	Install services				$11,414	$11,414
2020	Abandon Main				$137	$137
2020	Install services				$3,828	$3,828
2020	Abandon Main				$453	$453
2020	Install services				$5,637	$5,637
2020	Abandon Main				$389	$389
2020	Install services				$7,842	$7,842
2020	Remove Fire Hydrant				$23	$23
2020	Abandon main				$183	$183
2020	Install 1-6" fire hydrant				$273	$273
2020	Install services				$4,694	$4,694
2020	Abandon Main				$246	$246
2020	Install services				$5,643	$5,643
2020	Abandon main				$553	$553
2020	Install services				$8,596	$8,596
2020	Install services				$2,729	$2,729
2020	Abandon Main				$560	$560
2020	Install services				$19,249	$19,249
2020	Abandon Main				$92	$92
2020	Install services				$2,249	$2,249
2020	Abandon main				$93	$93
2020	Install services				$6,388	$6,388
2020	Install services				$8,491	$8,491
2020	Install main (street grade separation)				$39,251	$39,251
2020	Inspect interior of various reservioirs				$46,900	$46,900
2020	Retrofit Vault lids at various locations				$1,500	$1,500
2020	Install 10-1" domestic services				$14,423	$14,423
2020	Install 1-6" fire hydrant				$21,346	$21,346
2020	Test and inspect fire pump for Hillside Reservoir				$14,405	$14,405
2020	Install 1-1" service				$2,936	$2,936
2020	Install services				$47	$47
2020	Install 600' +/- 8-5/8" GWBR pipe				$23,713	$23,713
2020	Install 1-6" fire hydrant				$196	$196
2020	Install services				$855	$855
2020	Install main				$10,587	$10,587
2020	Abandon main				$17	$17

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2020	Install services				$76	$76
2020	Install 390' +/- 12-3/4" GWBR pipe				$6,512	$6,512
2020	Remove fire hydrant 1093E				$38	$38
2020	Abandon main				$77	$77
2020	Install 1-6" fire hydrant				$201	$201
2020	Install services				$762	$762
2020	Install 550' +/- 6-5/8" GWBR pipe				$9,784	$9,784
2020	Install 6-6" fire hydrants				$151	$151
2020	Install 1" domestic services				$571	$571
2020	Install 2,280' +/- 6-5/8" GWBR pipe				$12,453	$12,453
2020	Install main				$47	$47
2020	Install 1-6" fire hydrant				$30	$30
2020	Refurbish air conditioning unit in meter shop				($1,068)	($1,068)
2020	Abandon main				$164	$164
2020	Install 1" domestic services				$588	$588
2020	Install 1,100' +/- 8-5/8" GWBR				$13,760	$13,760
2020	Remove fire hydrants 48W				$81	$81
2020	Abandon main				$114	$114
2020	Install 1-6" fire hydrants				$495	$495
2020	Install domestic services				$782	$782
2020	Install main				$18,838	$18,838
2020	Remove fire hydrants 395E & 396E				$81	$81
2020	Abandon main				$154	$154
2020	Install 2-6" fire hydrants				$784	$784
2020	Install 1" domestic services				$1,053	$1,053
2020	Install main				$15,455	$15,455
2020	Install 3-6" fire hydrants				$563	$563
2020	Install services				$351	$351
2020	Install main				$18,878	$18,878
2020	Install 3-6" fire hydrants			$46	$47	$93
2020	Install 1" domestic service			$46	$301	$347
2020	Install 1,000' +/- 6-5/8" GWBR			$46	$2,160	$2,205
2020	Abandon main				$17	$17
2020	Install 2-6" fire hydrants			$46	$29	$75
2020	Install domestic services			$46	$252	$298
2020	Install 1,050' +/- 6-5/8" GWBR pipe			$46	$4,925	$4,971
2020	Abandon main				$42	$42
2020	Install 2-6" fire hydrants			$46		$46
2020	Install services			$46		$46
2020	Install main			$46	$6,127	$6,173
2020	Abandon main				$33	$33
2020	Install 3-6" fire hydrant			$46	$59	$104
2020	Install services			$46	$59	$104
2020	Install main			$46	$10,326	$10,372
2020	REMOVE 4-4"FIRE HYDRANTS #319W,#320W,#322W&#323W				$42	$42
2020	ABANDON MAIN				$34	$34
2020	INSTALL 6-6" FIRE HYDRANTS			$46	$217	$262
2020	INSTALL 37-1" LONG SIDE & 21-1" SHORT SIDE SERVICES			$46	$941	$987
2020	INSTALL 2334' - 6-5/8" GWBR PIPE			$46	$17,910	$17,956
2020	Install 1-6" fire hydrant				$47	$47
2020	Install 1" domestic services			$46		$46
2020	Install 760' +/- 6-5/8" GWBR pipe			$46	$7,185	$7,230
2020	Refurbish 10" gate valve no. 659			$818	$18,960	$19,778
2020	Install 13-6" fire hydrants			$169		$169
2020	Install services			$169		$169
2020	Install 1,820' +/- 8-5/8' GWBR'			$4,766	$8,731	$13,497
2020	Install 5' +/- 6-5/8" GWBR			$12,408		$12,408
2020	Engineering Standard Drawings and Specifications Updates			$1,098	$2,196	$3,294
2020	Install 1-6" fire hydrant				($3,147)	($3,147)
2020	Replace 1-1" service				($1,639)	($1,639)
2021	Abandon 20' +/- 8" PHKN Job 4216E-2				$2,000	$2,000
2020	Install 89' +/- 8-5/8" GWBR			$667	$57,165	$57,832
2020	Abandon main				$322	$322
2020	Install 13-1" services			$23	$6,060	$6,083
2020	Abandon Main				$195	$195
2020	Install services			$23	$4,122	$4,145
2020	Install services			$23	$127	$150
2020	Abandon main				$82	$82
2020	Install 1650' +/- 8-5/8" GWBR			$23	$7,177	$7,200
2020	Install 650' +/- 12-3/4" GWBR			$46	$16,377	$16,423
2020	Abandon main				$875	$875
2020	Install 18-1" services				$2,614	$2,614
2020	Install 530' +/- 6-5/8" GWBR pipe			$23	$2,763	$2,786
2020	Install 10-1" services			$23		$23
2020	Install 325" +/- 6-5/8" GWBR			$15	$122	$137
2020	Install 2-6" fire hydrants			$63		$63
2020	Install 30-1" services			$143		$143
2020	Install main			$12,472	$229	$12,701
2020	Install 1-6" fire hydrant			$69		$69
2020	Install 22 - 1" services			$173		$173

"LA 2021.06 CWIP" Columns "Job No." and "2009 EXP" to "2018 EXP" Omitted due to Size (6 of 10)

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2020	Install main			$1,327	$21	$1,348
2020	Install services			$676		$676
2020	Install 753' +/- 8-5/8" GWBR			$12,832	$139	$12,971
2021	Demolish Well No. 3				$72	$72
2021	Demolish Well No. 2				$72	$72
2021	Demolish Well No. 1				$46	$46
2020	Replace 1-1" service				($1,958)	($1,958)
2020	Purchase City of Montebello System			$956,612	$125,521	$1,082,134
2020	Replace 1-6" fire hydrant				$30	$30
2020	Design, permitting and related work			$103,930		$103,930
2020	Install 1-6" butterfly valve			$11,968	$179	$12,147
2020	Install 1-1" landscape service			$286	$1,503	$1,789
2020	Install 1-1" domestic service			$424	$1,498	$1,922
2020	Install 1-8" double detector check valve			$8,159	$76,338	$84,497
2020	Safety retrofit for the reservoir				$367	$367
2020	Install 1,360' +/- 6" GWBR, 760' +/- 8"			$389	$2,575	$2,963
2020	Install 6,940' +/- GWBR pipe, 310' +/- 8" GWBR			$43		$43
2020	Recoat reservoir interior and exterior				$2,047	$2,047
2020	Retrofit Reservoir				$104	$104
2020	Recoat reservoir interior and exterior			$22	$1,651	$1,673
2020	Preparation of Funding Applications				$1,980	$1,980
2020	Install 1-6" butterfly valves			$5,141	$30	$5,171
2020	Install 2-6" butterfly valves			$4,457		$4,457
2020	Install 2-6" butterfly valves			$26,882		$26,882
2020	Install services			$209		$209
2020	Install 3,000' +/- 13-3/4" GWBR, 6,000' +/- 6-5/8"			$14,173	$6,431	$20,604
2020	Construct site improvements			$41		$41
2020	Replace 1-1" service				($16,850)	($16,850)
2020	Hydraulic Model - 2021			$3,108	$55,298	$58,406
2020	Master Plan - 2021			$11,666	$182,008	$193,673
2020	Remove fire hydrants			$37		$37
2020	Abandon main			$37		$37
2020	Install ?-6" fire hydrants			$52		$52
2020	Install services			$1,413	$2,981	$4,395
2020	Install main			$7,770	$6,491	$14,261
2020	Install 1-2" landscape service with 1-1/2" meter			$564	$3,208	$3,772
2020	Install 1-4" domestic service with 3" master meter			$1,242	$13,979	$15,220
2020	Install 1-4" double detector check valve assembly			$7,428	$34,119	$41,547
2021	2020 Montebello Consumer Confidence Report				($817)	($817)
2021	Demolish north and south wells and weld on lids				$6,260	$6,260
2020	INSTALL 1-1" SERVICE				($1,354)	($1,354)
2020	ABANDON 1,355' +/- 4" PJKN Job 1209W, 1,155' +/- 4" PJKN J				$158	$158
2020	INSTALL 6-6" FIRE HYDRANTS			$320	$170	$490
2020	INSTALL 79-1" SERVICES			$139	$932	$1,071
2020	INSTALL 2,295' +/- 6-5/8" GWBR			$12,522	$17,410	$29,932
2020	ON-CALL PROFESSIONAL SURVEY AND MAPPING SERVICES			$566	$68	$634
2020	Abandon Main				$511	$511
2020	Install 3-6" fire hydrants# 4093E, #4094E & #4095E			$638	$22,385	$23,023
2020	Install 85-1" services			$504	$43,152	$43,656
2020	Install 3,066' +/- 8-5/8" GWBR			$13,623	$164,251	$177,874
2020	WHITTIER NARROWS DAM MAIN REPLACEMEMT			$1,113	$348	$1,462
2020	INSTALL NEW MODULATING DAMPER, TEMPERATURE DUCT			$86		$86
2020	CITY OF MONTEBELLO CONVERSION PLAN (SOUTH SYSTEM				$17,351	$17,351
2020	HYDRAULIC MODELING REQUIRED FOR THE CITY OF			$25,509		$25,509
2020	INSTALL 1 - 1" DOMESTIC SERVICE WITH 1" METER			$1,075	$949	$2,024
2020	INSTALL 1 - 6" FIRE HYDRANT #4083E			$10,700	$38,296	$48,996
2020	Install 15LF of 12-3/4" GWBR pipe			$315	$3,258	$3,573
2020	REMOVE 2 - 8" DOUBLE DETECTOR CHECK VALVE ASSY				$2,148	$2,148
2020	INSTALL 1 - 6" FIRE HYDRANT			$1,790	$8,295	$10,085
2020	INSTALL 2 - 10" DOUBLE DETECTOR CHECK VALVE ASSY			$14,536	$84,927	$99,463
2020	REPAIR 6" WATER MAIN				$293	$293
2020	INSTALL 1 - 1" SERVICE			$3,921		$3,921
2020	INSTALL 5' OF 4-1/2" GWBR PIPE			$5,003	$29	$5,032
2020	REMOVE WEEDS AND DEBRIS AND SPRAY PLANTS				($28)	($28)
2020	TRIM 2 TREES AND REMOVE DEBRIS				($716)	($716)
2021	ABANDON 3' OF 8-5/8" FWBR 1982 JOB 4976L-1				($7,720)	($7,720)
2020	INSTALL INTERCONNECTIONS 1 - 2" SERVICE, METER,			$41		$41
2020	INSTALL INTERCONNECTIONS 1 - 2" SERVICE, METER,			$566		$566
2020	INSTALL 1 - 2" LANDSCAPE SERVICE			$577	$1,632	$2,210
2020	INSTALL 1 - 2" DOMESTIC SERVICE			$909	$4,298	$5,207
2020	INSTALL 1 - 6" DBL DETECTOR CHECK VALVE ASSEMBLY			$7,305	$36,248	$43,553
2021	Install 1-4" double detector check valve				$1,281	$1,281
2020	INSTALL 1 - 6" FIRE HYDRANT			$1,148	$781	$1,929
2020	INSTALL 1 - 2" LANDSCAPE SERVICE			$680	$814	$1,494
2020	INSTALL 1-4"DOMESTIC SERVICE W/3"METER			$7,509	$9,783	$17,291
2020	INSTALL 3' of 31-7/8" GWBR pipe and weld pipe to exist main			$44,176	$8,788	$52,964
2020	2020 - LOS ANGELES DIVISION HYDRAULIC MODEL UPDATE			$5,665	$28,380	$34,045
2020	INSTALL SERVICES			$20		$20
2020	INSTALL 660' OF 6-5/8" GWBR			$20	$148	$168
2020	INSTALL SERVICES			$39		$39

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2020	INSTALL 255' OF 6-5/8" GWBR PIPE			$4,144	$423	$4,567
2020	INSTALL SERVICES			$39		$39
2020	INSTALL 420' OF 4" GWBR PIPE			$9,989		$9,989
2020	INSTALL 1 - 10" BUTTERFLY VALVE			$3,355		$3,355
2020	INSTALL 1 - 8" BUTTERFLY VALVE & 1 - 6" BUTTERFLY			$2,171		$2,171
2020	INSTALL 1 - 10" BUTTERFLY VALVE			$2,171		$2,171
2020	INTALL 2 - 10" BUTTERFLY VALVES & 1- 8" BUTTERFLY			$2,844		$2,844
2020	INSTALL 1 - 6" BUTTERFLY VALVE			$8,371	($1,521)	$6,849
2020	INSTALL 1 - 6" BUTTERFLY VALVE			$8,982	($2,564)	$6,418
2020	INSTALL 1 - 8" BUTTERFLY VALVE			$21,785		$21,785
2020	INSTALL 3 - 4" BUTTERFLY VALVES, 1-6" BUTTERFLY			$32,639		$32,639
2020	INSTALL 1 - 6" BUTTERFLY VALVE			$9,704	$82	$9,786
2020	INSTALL 1 - 6" FIRE HYDRANT			$19,998	$42	$20,040
2020	Remove 1-6" Fire Hydrant				$689	$689
2020	Install 1-6" Fire Hydrant			$538	$11,419	$11,957
2020	RELOCATE 1 - 6" FIRE HYDRANT				$142	$142
2020	INSTALL LANDSCAPE SERVICE			$1,324	$3,454	$4,779
2020	INSTALL SERVICE			$2,442	$47,409	$49,851
2020	INSTALL FIRE SERVICE			$13,440	$91,331	$104,772
2018	INSTALL SERVICES				$75	$75
2020	INSTALL 36 - 1" DOMESTIC SERVICES			$39		$39
2020	INSTALL 2,752' OF 6-5/8" OF GWBR			$1,411	$15,216	$16,626
2020	INSTALL 1 - 6" FIRE HYDRANT			$118		$118
2020	INSTALL SERVICES			$118		$118
2020	INSTALL 2,800' OF 12-3/4" GWBR PIPE			$7,006	$799	$7,804
2020	Install 3-6" fire hydrants				$139	$139
2020	INSTALL SERVICES			$323		$323
2020	INSTALL MAIN			$4,672	$85	$4,756
2021	ABANDON 1,190' OF 6" PJKN 1954 JOB 1209W				$321	$321
2019	INSTALL 6 - 6" FIRE HYDRANTS			$482	$30,178	$30,660
2019	INSTALL 161 - 1" DOMESTIC SERVICES			$337	$11,674	$12,011
2019	INSTALL 1,190 OF 8-5/8" GWBR PIPE		$2,139	$23,265	$84,462	$109,866
2021	REMOVE 3 - 4" FIRE HYDRANTS #'S 235W, #232W & #3600E				$1,500	$1,500
2019	ABANDON 393' 6" PJKN 1954 JOB 1209W & 3182' of 4"PJGV,PJKN				$11,030	$11,030
2019	INSTALL 6 -6" F.H.'S #'S 4087E,4088E,4089E,4090E,4091E,4092E			$438	$57,787	$58,225
2019	INSTALL 94 - 1" DOMESTIC SERVICES			$347	$121,849	$122,196
2019	INSTALL 1274' OF 8-5/8" GWBR PIPE, 1996' of 6-5/8" GWBR		$3,087	$50,845	$438,739	$492,671
2019	REMOVE 1 - 8" SINGLE DETECTOR CHECK VALVE ASSEMBLY				$64	$64
2019	INSTALL 1 - 8" DBL DETECTOR CHECK VALVE ASSEMBLY		$363	$5,688	$965	$7,017
2019	PLANT B5 RELOCATION STUDIES		$13,318	$3,695		$17,014
2019	INSTALL 8 - 6" FIRE HYDRANTS		$70	$39		$109
2019	INSTALL 43 - 1" DOMESTIC SERVICES		$70	$39		$109
2019	INSTALL 1,615' OF 12-3/4" GWBR PIPE		$2,231	$2,008	$15,168	$19,406
2019	INSTALL 5 - 6" FIRE HYDRANTS		$38	$39		$77
2019	INSTALL 23 - 1" DOMESTIC SERVICES			$39		$39
2019	INSTALL 6,338' OF 6-5/8" GWBR PIPE		$2,125	$1,901	$15,125	$19,151
2019	INSTALL 6 - 6" FIRE HYDRANTS		$38	$39		$77
2019	INSTALL 33 - 1" DOMESTIC SERVICES WITH 1" METER		$38	$39		$77
2019	INSTALL 6,311' OF 25-3/8" GWBR PIPE		$2,234	$1,492	$15,288	$19,014
2020	RECONNECT 1 - 8" FIRE SERVICE CONN NO. L80702			$118		$118
2019	INSTALL 5 - 6" FIRE HYDRANTS		$54	$874		$927
2019	INSTALL 34 - 1" DOMESTIC SERVICES		$70	$905		$975
2019	INSTALL 3,117' OF 6-5/8" GWBR		$4,565	$15,346	$15,222	$35,133
2019	INSTALL 1 - 6" FIRE HYDRANT			$39		$39
2019	INSTALL 5 - 1" DOMESTIC SERVICES			$39		$39
2019	INSTALL 1,604' OF 6-6/8" GWBR		$2,585	$1,072	$15,217	$18,874
2019	INSTALL 1 - 2" LANDSCAPE SERVICE		$32	$2,680		$2,712
2019	INSTALL 1 - 2" DOMESTIC SERVICE		$32	$2,008		$2,040
2019	INSTALL 2 - 6" FIRE HYDRANTS #4079E and 4080E		$48	$18,533	$252	$18,833
2019	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$32	$2,001	$175	$2,207
2019	INSTALL 2 - 10" DOUBLE DETECTOR CHECK VALVE ASSEMBLIES		$411	$157,962	$10,671	$169,044
2020	SLIPLINE 1000' OF 6-5/8" GTBB 1935 JOB NO.8103L-7			$3,770		$3,770
2020	INSTALL 1 - 6" PRESSURE REDUCING VALVE			$79		$79
2019	INSTALL 33 - 1" DOMESTIC SERVICES		$38	$0		$38
2019	INSTALL 2695' OF 8-5/8" GWBR PIPE		$2,564	$4,950	$15,371	$22,885
2019	INSTALL 1 - 6" FIRE HYDRANT		$481	$0		$481
2019	INSTALL 48 -1" DOMESTIC SERVICES		$481	$1,059		$1,540
2019	INSTALL 1,630' OF 8-5/8" GWBR		$2,868	$3,833		$6,702
2019	INSTALL 1 - 2" DOMESTIC SERVICE			$3,015	$2,534	$5,549
2019	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY			$17,501	$89,548	$107,049
2019	INSTALL 1 - 4" BUTTERFLY VALVE - 6'-4-1/2" GWBR		$3,637	$1,258	($157)	$4,737
2019	INSTALL 1 - 1" LANDSCAPE SERVICE			$368	$36	$404
2019	INSTALL 2 - 2" LANDSCAPE SERVICE			$230		$230
2019	INSTALL 1 - 4" MANIFOLD SERVICE W/ 2 - 2 DOMESTIC			$356		$356
2019	INSTALL 2 - 6" FIRE HYDRANTS		$342	$1,435		$1,776
2019	INSTALL 1-10" DOUBLE DETECTOR CHECK VALVE ASSY		$2,046	$5,902		$7,948
2019	INSTALL 1-6" FIRE HYDRANT		$149	$999	$233	$1,381
2019	INSTALL 1-10" DOUBLE DETECTOR CHECK VALVE ASSEMBLY		$6,921	$15,551	$23,968	$46,440
2019	INSTALL 2 - 6" FIRE HYDRANTS		$593	$237		$830
2019	INSTALL SERVICES		$593	$277		$870

“LA 2021.06 CWIP” Columns “Job No.” and “2009 EXP” to “2018 EXP” Omitted due to Size (8 of 10)

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2019	INSTALL 3,987' OF 12-3/4" GWBR PIPE		$11,902	$2,885		$14,787
2019	ABANDON MAIN				$1,770	$1,770
2019	INSTALL 2-6" FIRE HYDRANTS		$138	$195	$291	$625
2019	INSTALL 44-1"SHORT SIDE & 18-1" LONG SIDE SERVICES		$207	$453	$2,328	$2,988
2019	INSTALL 2475' -8-5/8" GWBR ,275'-6-5/8" GWBR,15'-12-3/4"GWBR		$4,467	$7,038	$18,009	$29,514
2019	INSTALL 2 - 6" FIRE HYDRANTS #4100# and #4101E		$31	$256	$83	$370
2019	INSTALL 16-1" LONG & 11-1" SHORT SERVICES		$31	$167	$60	$259
2019	INSTALLED 949' OF 6-5/8" GWBR PIPE		$5,121	$2,651	$39,136	$46,907
2020	INSTALL 1 - 6" FIRE HYDRANT			$177		$177
2019	INSTALL SERVICES			$401		$401
2019	INSTALL 635' OF 6-5/8" GWBR PIPE		$3,464	$1,091		$4,555
2019	INSTALL 1 - 6" FIRE HYDRANT			$1,215		$1,215
2019	INSTALL SERVICES			$375		$375
2019	INSTALL 640' OF 6-5/8" GWBR PIPE		$4,770	$547		$5,318
2019	REMOVE 1 - 8" EXISTING SINGLE CHECK DETECTOR VALVE				$548	$548
2019	INSTALL 1 - 10" DBLE DETECTOR CHECK VALVE ASSMBLY		$5,289	$6,131	$2,166	$13,585
2019	INSTALL 8" X 4" TEE, 1-4" BUTTERFLY VALVE AND		$86	$0	$40	$126
2019	INSTALL 8" CROSS WITH 4 - 8" BUTTERFLY VALVE		$86	$3,518	$40	$3,644
2019	INSTALL 1 - 4" BUTTERFLY VALVE		$51,503	($3,453)	$40	$48,090
2019	INSTALL 1 - 8" DIAMETER MASTER METER, VAULT AND		$3,466	$1,642	$8,511	$13,619
2020	Install 500 +/- 8-5/8" GWBR pipe			$763	$254	$1,017
2019	REMOVE 1- 6" FIRE HYDRANT NO.3674E				$114	$114
2019	INSTALL 1 - 2" DOMESTIC SERVICE			$529	$36	$565
2019	INSTALL 1 - 6" FIRE HYDRANT		$295	$550	$315	$1,159
2019	REMOVE 1 - 8" EXISTING SINGLE CHECK DETECTOR VALVE		$199	$1,930		$2,130
2019	INSTALL 1 - 12" DOUBLE DETECTOR CHECK VALVE ASSY		$10,619	$20,026	$1,374	$32,018
2019	DEVELOP A RISK AND RESILLIENCE ASSESSMENT AND		$69,588	$89,746	$7,318	$166,653
2019	PERFORM HYDRAULIC MODEL		$4,313	$1,035	$36	$5,384
2021	REMOVE 1 - 8" FIRE SERVICE (L76758)				($1,441)	($1,441)
2020	Install 1-6" fire hydrant			$178	$1,056	$1,234
2020	Install 1,565' +/- 8-5/8" GWBR			$222	$3,281	$3,503
2019	INSTALL 1 - 1" LANDSCAPE SERVICE			$329	$358	$687
2019	INSTALL 1 - 4" DIAMETE MASTER METER, VAULT AND			$453	$548	$1,001
2019	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY			$1,224	$1,162	$2,386
2019	PERFORM HYDRAULIC MODEL STUDY		$9,527	$1,138	$15,045	$25,710
2019	ABANDON 37' OF 2" JLEK 1995 JOB 6235L-1				$36	$36
2019	INSTALL METER AND VAULT ON EXISTING 8"DOUBLE		$279	$48,536		$48,815
2019	INSTALL 2 - 1" LANDSCAPE SERVICES W/1" METERS			$1,814		$1,814
2019	INSTALL 2-2" DOMESTIC SERVICES			$6,872		$6,872
2019	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$12,130	$157,828		$169,958
2020	REMOVE 1 - 8" SINGLE DETECTOR CHECK VALVE ASSEMBLY			$1,748	$2,145	$3,893
2020	INSTALL 1 - 8" DBL DETECTOR CHECK VALVE ASSEMBLY			$7,449	$96,411	$103,860
2019	REMOVE 1 - 2" EXISTING SERVICE				$66	$66
2019	INSTALL 1 - 4" SERVICE		$14,349	$43,766	$7,890	$66,005
2019	INSTALL 1 - 1" LANDSCAPE SERVICE			$416	$109	$525
2019	INSTALL 24 - 1" DOMESTIC SERVICES			$19,055	$1,421	$20,477
2019	INSTALL MAIN			$2,790		$2,790
2019	INSTALL 1 - 6" FIRE HYDRANT # 4078E		$1,746	$33,993	$93	$35,832
2019	2019 - LOS ANGELES DIVISION OFFICE SPACE		$112,160	$164,699		$276,859
2019	REMOVE 2 UTILITY VAULTS AND RELATED PIPING				$16,030	$16,030
2019	INSTALL 2 UTILITY VAULTS AND RELATED PIPING		$8,621	$1,952	$81,915	$92,488
2019	SCADA REPLACEMENTS		$30	$0		$30
2019	INSTALL 2-6" FIRE HYDRANTS			$489	$165	$654
2019	INSTALL 16-1" LONG & 13-1" SHORT MUNICIPEX DOMESTIC SERVICES			$165	$60	$226
2019	INSTALL 1010' OF 6-5/8" GWBR PIPE		$4,921	$3,779	$44,971	$53,672
2019	ABANDONED 800' OF 4" PJKN 1958 JOB 1782E				$4,013	$4,013
2019	INSTALL 1 - 6" FIRE HYDRANT #4096E		$220	$102	$10,925	$11,247
2019	INSTALL 19-1"MUNICIPEX DOMESTIC SERVICES		$133	$393	$28,531	$29,057
2019	INSTALLED 554' OF 8-5/8" GWBR PIPE		$5,238	$1,703	$92,419	$99,360
2019	ABANDON 755' OF 4" PJKN 1954 JOB 1205E				$38	$38
2019	INSTALL 1 - 6" FIRE HYDRANT		$74	$0	$271	$345
2019	INSTALL 24-1" MUNICIPEX DOMESTIC SERVICES		$430	$230	$252	$912
2019	INSTALL 755' OF 8-5/8" GWBR PIPE		$5,784	$823	$5,129	$11,736
2019	INSTALL 6" MAIN		$51,769	$0		$51,769
2018	INSTALL MAIN		$8,901	$0		$9,601
2021	Phase 2 - Booster Stations - Manage/Supervise./Inspect/Test				$26	$26
2021	Phase 1 - Reservoirs - Manage/Supervise/Inspect/Testing				$26	$26
2021	Water Trans., and Dist. Mains - Manage/Supervise/Inspect/Te				$38	$38
2019	Phase 3 - Improvements - Engineering and Plan Check		$5,751	$5,458	$3,781	$14,990
2019	Phase 2 - Booster Stations - Engineering Plan Check		$10,099	$8,169	$31,809	$50,076
2018	PHASE 1 - PLANT M3 - RESERVOIRS - ENG & PLAN CHECK		$21,448	$10,409	$57,664	$89,522
2021	Install Fire Hydrants				$26	$26
2021	Install Services				$701	$701
2021	Construct Distribution Mains Phase A and B				$26	$26
2021	Construct Transmission Mains Phase A and B				$26	$26
2021	Town Center Easement - Land Acquisition				$23	$23
2021	Lincoln Site - Land Acquisition				$23	$23
2018	WATER TRANSMISSION & DISTRIBUTION MAINS - ENG & PLAN CHECK		$26,655	$59,758	$298,670	$385,446
2018	ABANDON MAIN				($34)	($34)
2018	ABANDON MAIN				($33)	($33)

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2018	ABANDON MAIN				($17)	($17)
2018	REMOVE FIRE HYDRANTS 395E & 396E				($38)	($38)
2018	ABANDON MAIN				($111)	($111)
2021	ADJUST 2 - 1" EXISTING SERVICES				$55	$55
2018	INSTALL 2 - 6" FIRE HYDRANTS		$0	$0		$59
2018	INSTALL 1' MUNICPEX DOMESTIC SERVICE		$0	$0		$88
2018	INSTALL 660' OF 6-5/8" GWBR PIPE IN SCHMIDT RD		$2,624	$0		$13,380
2018	INSTALL 1 - 6" FIRE HYDRANT		$0	$0	$360	$390
2018	INSTALL 15-1" LONG & 20-1" SHORT MUNICIPEX DOMESTIC SERVICE		$0	$0	$344	$373
2018	INSTALL 700' OF 6-5/8" GWBR PIPE		$153	$75	$17,640	$25,443
2018	INSTALL 4 - 6" FIRE HYDRANTS				$252	$252
2018	INSTALL 30-1" LONG SIDE & 24-1" SHORT SIDE DOMESTIC SERVICES				$451	$451
2018	INSTALL 1620' OF 6-5/8" GWBR PIPE		$1,711	$849	$62,133	$72,201
2018	REMOVE FIRE HYDRANT 48W				($38)	($38)
2018	ABANDON MAIN				($72)	($72)
2018	ABANDON 1,100' OF 4" HLBA 1948 JOB 654E				($121)	($121)
2018	REMOVE 2-4" FIRE HYDRANTS #489E & #528E				$1,200	$1,200
2018	ABANDONED 1885' OF 4" PJKN JOB 1269E&JOB 1294E				$3,696	$3,696
2018	INSTALL 2 - 6" FIRE HYDRANTS #4084E & #4085E		$0	$138	$17,094	$17,378
2018	INSTALL 27-1"LONG & 25-1" SHT MUNIPEX DOMESTIC SERVICES		$146	$181	$86,059	$86,620
2018	INSTALL 1,845' OF 6-5/8" GWBR PIPE IN BIG DALTON		$1,323	$10,991	$427,808	$452,542
2021	REMOVE 1 - 6" METER, VAULT AND RELATED PIPING				($2,640)	($2,640)
2019	REPLACE 6" METER, VAULT AND RELATED PIPING				($67,489)	($67,489)
2018	INSTALL BOOSTER PIPING		$32	$0		$32
2018	CONSTRUCT BOOSTER ENCLOSURE			$201		$201
2018	CONSTRUCT BOOSTER ENCLOSURE		$0	$670		$2,761
2018	INSTALL 1 - 6" FIRE HYDRANT		$38	$0		$17,643
2018	INSTALL PLASTIC DOMESTIC SERVICES		$0	$0		$29
2018	INSTALL MAIN		$692	$413		$9,732
2018	REMOVE FIRE HYDRANT 1093E				($38)	($38)
2018	ABANON MAIN				($77)	($77)
2018	INSTALL 600' OF 6-5/8" GWBR PIPE		$1,730	$0		$5,024
2018	ABANDON MAIN				($17)	($17)
2018	PLANNING/DESIGN COSTS - BOOSTER STATION LAND		$1,390	$1,260	$1,210	$4,311
2018	PLANNING/DESIGN COSTS - BLEND CONTROLS-IN KIND SVC		$2,454	$664		$3,988
2018	PLANNING/DESIGN COSTS-BLEND PIPELINE-IN KIND SVC		$10,888	$17,976	$10,080	$41,873
2018	PLANNING/DESIGN COSTS - BLEND PIPELINE		$41,878	$34,908	$12,047	$88,833
2018	ADMIN COSTS - BOOSTER STATION		$568	$0		$568
2018	ADMIN COSTS - BOOSTER STATION PUMP STRUCTURE		$1,058	$0		$1,058
2018	ADMIN COSTS - BOOSTER STATION LAND		$1,002	$0		$1,002
2018	ADMIN COSTS - BLEND CONTROLS		$428	$0		$428
2018	CONSTRUCTION/IMPLEMENTATION - BOOSTER STATION				$306	$306
2018	CONSTRUCTION IMPLEMENTATION - BLEND PIPELINE			$313	$867	$1,180
2018	PLANNING/DESIGN COSTS - BOOSTER STATION PUMPS			$1,799		$1,799
2018	PLANNING/DESIGN COSTS - BOOSTER STATION PUMP		$64,646	($49,277)		$15,368
2018	PLANNING/DESIGN COSTS - BOOSTER STATION LAND		$12,559	$260		$12,819
2018	PLANNING/DESIGN COSTS - BOOSTER STATION PUMPS		$36,075	$83,931	$17,667	$137,993
2018	PLANNING/DESIGN COSTS - BOOSTER STATION PUMP		$35,323	$85,004	$20,438	$141,134
2018	ADMIN COSTS - BLEND PIPELINE		$19,393	$6,826	$2,428	$33,878
2018	INSTALL 1 - 6 FIRE HYDRANT		$96	$0		$1,422
2018	PROPOSAL FR NLINE ENERGY PROVIDES A WATER-ENERGY		$64	$0		$48,975
2018	INSTALL 2 - 8" DOUBLE DETECTOR CHECK VALVE ASSY		$150	$138		$18,951
2021	Install SCADA network cables to computer at the the trailer				$1,476	$1,476
2017	INSTALL 1 - 6" FIRE HYDRANT		$415	$0		$807
2020	Water Storage Assessment			$24,250		$24,250
2018	INSTALL 1 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0	$5,181	$3,061	$8,320
2017	INSTALL 1-6" DOUBLE DETECTOR CHECK VALVE ASSY		$1,042	$6,999	$177	$23,606
2017	ON-CALL PROFESSIONAL SURVEY SERVICES		($353)	$614		$4,227
2017	INSTALL 1 - 6" FIRE HYDRANT		$0	$0		$3,410
2017	INSTALL 1 - 6" FIRE HYDRANT		$0	$41		$12,270
2016	INSTALL 1 - 6" FIRE HYDRANT		$38	$0		$4,652
2016	PICO RIVERA RECYCLED WATER PIPELINE IMPROVEMENT		$0	$0		$1,339
2016	PREPARE PROJECT REPORT FOR SUBMITTAL OF PROP 1		$0	$1,385		$14,379
2016	ABANDON MAIN				($93)	($93)
2016	ABANDON MAIN				($92)	($92)
2020	ABANDON MAIN				($875)	($875)
2016	ABANDON MAIN				($560)	($560)
2016	ABANDON MAIN				($553)	($553)
2016	ABANDON MAIN				($246)	($246)
2016	ABANDON MAINS				($389)	($389)
2018	ABANDON MAIN				$323	$323
2016	INSTALL SERVICES		$2,149	$83	$71	$5,579
2016	ABANDON MAIN				($453)	($453)
2018	ABANDON MAIN				$197	$197
2016	INSTALL SERVICES		$1,218	$3,323	$315	$9,827
2016	ABANDON MAIN				($137)	($137)
2017	ABANDON MAIN				($50)	($50)
2017	ABANDON MAIN				($33)	($33)
2016	REMOVE FIRE HYDRANT				($23)	($23)
2016	ABANDON MAIN				($183)	($183)

“LA 2021.06 CWIP” Columns “Job No.” and “2009 EXP” to “2018 EXP” Omitted due to Size (10 of 10)

YR STARTED	DESCRIPTION	PLANT SITE	2019 EXP	2020 EXP	2021 (thru Jun) EXP	TOTAL EXP
2016	ABANDON MAIN				($322)	($322)
2017	ABANDON MAIN				($195)	($195)
2016	ABANDON MAIN				($82)	($82)
2016	INSTALL SERVICES AND DOWNSTREAMS		$0	$0		$110
2016	INSTALL 120' OF 2" JLEK		$0	$0	$148	$3,286
2016	INSTALL 1' 8" GATE VALVE TO 8" FIRE SERVICE		$0	$4,426		$16,061
2016	INSTALL 2 - 10" DOUBLE DETECTOR CHECK VALVE ASSY		$0	$0		$6,371
2015	INSTALL 770' OF 12-3/4" GWBR		$0	$0		$100
2015	INSTALL 450' OF 12-3/4" GWBR		$0	$0		$23,109
2015	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE ASSY		$40	$0		$2,360
2015	OUTSIDE CONSULTING SERVICES - PURSUE FEDERAL AND		$0	$0		$13,971
2015	INSTALL 2,298' OF 12-3/4" GWBR					$75,000
2019	INSTALL 1 - 1" SERVICE WITH 1 - 5/8" METER		$473	$0		$473
2019	INSTALL 1 - 2" SERVICE WITH 1 - 2" METER		$1,951	$0		$1,951
2019	INSTALL 1 - 2" SERVICE WITH 1-5/8" METER		$20	$0		$20
2017	SLURRY SEAL STREETS PER CITY OF SOUTH EL MONTE					$261,975
2013	INSTALL SCADA RTU AND RADIO SYSTEM FOR CONNECTION					$30
2013	INSTALL 1 - 6" FIRE HYDRANT		$0	$0		$14,790
2012	INSPECT INTERIOR OF RESERVOIRS		$48	$0		$156,006
2012	INSTALL 1 - 4" DOUBLE DETECTOR CHECK VALVE		$0	$0		$19,294
2015	INSTALL 94' OF 12-3/4" GWBR ACROSS PUENTE AVE.		$32	$0	$36,579	$64,880
2011	INSTALL SERVICES		$0	$0		$8,038
2011	INSTALL 870' OF 8-5/8"GWBR-MOUNTAIN VIEW S/ELLIOTT		$0	$0		$21,687
2018	PERMITTING AND RELATED WORK			$579		$579
2010	INSTALL 1 - 6" FIRE HYDRANT		$0	$0		$4,158
2007	PREPARE WATER SUPPLY ASSESSMENT		$0	$0		$32,048
2007	PROVIDE RECYCLED AND DOMESTIC SERVICE TO GRANT REA		$4,591	($4,548)		$42,667
2007	INSTALL 1 - 8" DOUBLE DETECTOR CK VALVE ASSEMBLY		$0	$0		$13,404
2007	INSTALL 1 - 2" COPPER SERVICE		$0	$0		$1,256
2007	INSTALL 1 - 8" DOUBLE DETECTOR CK VALVE ASSEMBLY		$0	($0)		$13,375
1998	MATERIAL RECONCILIATION (MCKINNEY CONSTRUCTION)				($141)	($141)
2021	MATERIAL RECONCILIATION (ROBERT BRKICH CORP)				($1,484)	($1,484)
2020	2020 - PERFORM MAINTENANCE AND REPAIRS WITHIN				$15,892	$15,892
2021	COST OF REMOVAL/ABANDON - SERVICES			$0	$1,000	$1,000
						$31,391,724

Attachment 7-6 "Emerging Contaminants (EC) in Small or Disadvantaged Communities Grant (SDC)" United States EPA.

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Building the Capacity of Drinking Water Systems

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Emerging Contaminants (EC) in Small or Disadvantaged Communities Grant (SDC)

As part of a government-wide effort to confront PFAS pollution, EPA has invited states and territories <https://epa.gov/system/files/documents/2022-06/bil_emerging_govs%206-15%20final_sample_1.pdf> to apply for $1 billion – the first of $5 billion in Bipartisan Infrastructure Law grant funding – to address PFAS and other emerging contaminants in drinking water, specifically in small or disadvantaged communities.

- Background

- Available Funding
- Eligible Applicants
- Eligible Projects
- Timeline
- How to apply
- Contact Information

EPA Announces Availability of $5 billion to address emerging contaminants in drinking water

WASHINGTON (June 15, 2022)—As part of a government-wide effort to confront PFAS pollution, EPA is making available $1 billion in grant funding through President Biden's Bipartisan Infrastructure Law to help communities that are on the frontlines of PFAS contamination to reduce PFAS in drinking water in communities facing disproportionate impacts. EPA is making $1 billion available in FY2022 and a total of $5 billion for fiscal years 2022-2026.

The goal of the *Emerging Contaminants in Small or Disadvantaged Communities* grant program is to have states, territories, and tribes prioritize grant funding in small or disadvantaged communities to focus exclusively on addressing ECs in drinking water, including PFAS. Emerging contaminants such as compounds like per- and polyfluoroalkyl substances (PFAS), pharmaceuticals and personal care products, and unregulated contaminants such as manganese, perchlorate, and 1,4 dioxane. Funding will be provided to participating states and territories to benefit small or disadvantaged communities in scoping, planning, testing and remediating emerging contaminants in drinking and source water.

Background

The goal of the *Emerging Contaminants in Small or Disadvantaged Communities* grant program is for states to provide grants to public water systems in small or disadvantaged communities to address emerging contaminants, including PFAS. Grants will be awarded non-competitively to states, territories, and tribes. For the purposes of this grant program, the term "state" is used to describe the fifty states and Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands.

This grant focuses on projects in which the primary purpose is to address the challenges of PFAS in drinking water, whether it is found in the public water system or in source water. Projects that address any contaminant listed in any of EPA's Contaminant Candidate Lists <https://epa.gov/ccl> are also eligible. To continue the use of the funds to maximize public health protection, EPA also encourages states to address perchlorate and contaminants that have higher levels of health concerns in small and disadvantaged communities.

Available Funding

BIL provides $50 billion to EPA's water programs. Of that amount, $5 billion is appropriated to the EC grant program. The agency is announcing a Letter of Intent (LOI) period whereby states and territories seeking grant funding are to submit LOI correspondence to EPA. EPA will use this information to allocate funds according to a formula and administer the grant accordingly.

EC grant program annual appropriation: $5 billion for FY2022-2026.

- $1,000,000,000 for fiscal year 2022;
- $1,000,000,000 for fiscal year 2023;
- $1,000,000,000 for fiscal year 2024;
- $1,000,000,000 for fiscal year 2025; and
- $1,000,000,000 for fiscal year 2026.

There is no cost-share/match applicable for the funding made available under this grant program.

Eligible Applicants

Established as a noncompetitive grant program, eligibility to apply for and receive funds is limited to the fifty states and Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands and tribes within the U.S. Please see below for information on the tribal grant program.

States are to use this funding to make grants to eligible emerging contaminant projects and/or activities in small or disadvantaged communities. The target beneficiaries are the eligible recipients for this grant, communities as described in section 1459A of the Safe Drinking Water Act (SDWA):

- **"Disadvantaged Community"** is one determined by the state to be disadvantaged under the affordability criteria established by the state under section 1452(d)(3) of the Safe Drinking Water Act or may become a disadvantaged community as a result of carrying out a project or activity under the grant program. As with the Drinking Water State Revolving Fund program, each state has statutory discretion to set its own criteria.
- **"Small Community"** is one that has a population of less than 10,000 individuals that the Administrator determines does not have the capacity to incur debt sufficient to finance a project or activity under the grant program. This is a statutory definition.

EPA will distribute the national tribal allotment of 2% of the appropriations, estimated at $20M in FY22 funding, through the Grant Program as an allocation to regions based upon the Drinking Water Infrastructure Grants Tribal Set Aside Program (DWIG-TSA) allocation formula. Regional offices will develop the procedures and schedule for annual selection of projects and activities, obligation of funds, or distribution of grants.

Eligible Projects

States, territories and tribes will be able to apply for funding through the *Emerging Contaminants in Small or Disadvantaged Communities* grant program later this year. Eligible activities include:

- Efforts to address emerging contaminants in drinking water that would benefit a small or disadvantaged community on a per household basis;
- Technical assistance to evaluate emerging contaminant problems;
- Programs to provide household water-quality testing, including testing for unregulated contaminants;
- Local contractor training;
- Activities necessary and appropriate for a state to respond to an emerging contaminant; and
- Installing centralized water treatment to address emerging contaminants at a small or disadvantaged community water system.

These projects specifically address the requirements under which these funds can be awarded. It is anticipated that emerging contaminants projects and activities will also support addressing the Agency's Strategic Plan <https://epa.gov/system/files/documents/2022-03/fy-2022-2026-epa-strategic-plan.pdf> priorities. Moreover, the program anticipates targeting resources to communities most in need of assistance to ensure that no community is left behind with unsafe, inadequate water and engage residents and community stakeholders in disadvantaged and small communities towards improving public health.

Timeline

In June 2022, EPA invites states and territories to participate in the program and submit a letter of intent (LOI) to participate to receive an allotments. States and territories have up to 60 days to submit a LOI before final distribution allotments are provided under the grant program. In late Summer of 2022, the Grant Program will release documentation to assist states and territories in the development and implementation of their respective programs and project awards. States and territories are anticipated to collaborate with the EPA regional offices on draft projects and workplans for approval prior to applying for grant funding in Grants.gov EXIT <https://www.grants.gov> and receiving awards. EPA will continue to provide additional resources to states and territories as the grant program moves forward, including communication on technical assistance and other topics relating to emerging contaminants.

When reviewing the draft workplans, EPA Regions must be able to determine that activities conform to all applicable requirements of the grant. Participating states must submit their final application package to the Grants.gov EXIT <https://www.grants.gov> website. Participating states are encouraged to submit applications as soon as possible. Funding is anticipated to begin awarded to the states and territories as early as FY23. EPA Regional offices are the primary points of contact to approve grant applications and award funding.

How to Apply

EPA Regions will initiate contact with states to inform them of the program and the application process. States should then contact their EPA Regional representative to submit applications via Grants.gov EXIT <https://www.grants.gov>.

States that intend to pursue grant program funding to address emerging contaminants must submit a Letter of Intent (pdf) <https://epa.gov/system/files/documents/2022-06/loi_sample%20template_june%202022.pdf> to participate indicating the lead agency charged with the state's oversight and responsibility for receipt and actions pertaining to the grant program. EPA will use this information to allocate funds according to a formula and administer the grant accordingly.

1. **Letter to the governor**: EPA has invited states and territories <https://epa.gov/system/files/documents/2022-06/bil_emerging_govs%206-15%20final_sample_1.pdf>to participate in the program.
2. **Notice of Intent to Participate**: States and territories must submit a LOI to initiate participation in the Program no later than the deadline of August 15, 2022. EPA will reach out to any states that have not responded to the announcement or submitted an LOI.
3. **Submission of the LOI**: The LOI can be submitted by email to WIINDrinkingWaterGrants@epa.gov. The Notice must be from an official within the governor's office, the director of the designated agency, or other authorized officials.
4. **Review of the LOI**: The EPA Office of Ground Water and Drinking Water (OGWDW) will forward a copy of the LOI to the appropriate EPA Regional Office for record. Regions will work with the states as necessary to resolve any identified issues.

Contact Information

Agency Contact: Yvonne Gonzalez, gonzalez.yvonne@epa.gov

For general information on any of the WIIN grants,
please contact WIINDrinkingWaterGrants@epa.gov

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About Asset Management <https://epa.gov/dwcapacity/about-asset-management>

Contact Us <https://epa.gov/dwcapacity/forms/contact-us-about-building-capacity-drinking-water-systems> to ask a question, provide feedback, or report a problem.

LAST UPDATED ON JULY 14, 2022

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Attachment 7-7: "Notice of Staff Workshop Per- and Polyfluoroalkyl Substances (PFAS) Funding" Revised June 16, 2022

REVISED WITH INFORMATION REGARDING NEW APPROACH FOR BOARD CONSIDERATION

~~NOTICE OF STAFF WORKSHOP~~

Per- and Polyfluoroalkyl Substances (PFAS) Funding

NOTICE IS HEREBY GIVEN that State Water Resources Control Board (State Water Board or Board) staff ~~will hold~~ held a staff workshop to provide an overview of the proposed implementation plan for Per- and Polyfluoroalkyl Substances (PFAS) Funding appropriated in the 2021/22 State Budget (PFAS General Fund allocation). This funding is available for technical and financial assistance to drinking water systems.

~~**Wednesday, March 30, 2022**~~
~~**9:00 a.m.**~~
~~**Remote Participation Only**~~

NOTICE IS ADDITIONALLY HEREBY GIVEN the approach for administration of the PFAS General Fund allocation is planned for consideration by the State Water Board as part of the adoption processes for: (1) the 2022/2023 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP), and (2) the Safe and Affordable Drinking Water Fund Expenditure Plan (FEP). Staff anticipate drafts of the DWSRF IUP and the FEP will be released for public comment in the Summer of 2022. ~~that State Water Board consideration of a resolution to formally delegate authorities for administration of the PFAS General Fund allocation is scheduled to occur at the June 21, 2022 Board Meeting. The anticipated date, time, and location of the Board Meeting are provided below:~~

~~**State Water Board Meeting**~~
~~**Tuesday, June 21, 2022 – 9:30 a.m.**~~

~~Please access the following page for more information about the State Water Board Meeting and Agenda process: http://www.waterboards.ca.gov/board_info/calendar~~

WORKSHOP FORMAT
This workshop ~~will~~ provided an overview of the PFAS funding available, and proposed projects that may be considered for funding. Members of the public ~~are~~ were invited to listen to the proposals and provide comments or feedback.

~~You can join the meeting online using Zoom or by phone:~~

- ~~To join online, use the following link: bit.ly/PFASWorkshop.~~
- ~~To join by phone, call 1 (669) 900-9128 and use meeting ID # 933 2570 5706.~~

~~LANGUAGE SERVICES~~
~~To request language interpretation or sign language services, please submit your request at least four business days before the meeting (by March 24) by contacting Marina Perez at (916) 322-4265.~~

~~SERVICIO DE INTERPRETACIÓN DE IDIOMAS~~
~~Para solicitar el servicio de interpretación de idiomas o en el lenguaje de señas, comuníquese a más tardar el 24 de marzo con Marina Pérez al número telefónico (916) 322-4265.~~

BACKGROUND
The Budget Act of 2021 appropriates $30 million from the General Fund to the State Water Resources Control Board (State Water Board) for technical and financial assistance to drinking water systems to address PFAS. A budget addendum includes another $50 million for fiscal year (FY) 2022/23 and $20 million for FY 2023/24. New federal allocations include funding for Emerging Contaminants which may include PFAS, the funding approach for which will be outlined in the DWSRF IUP. Due to the synergies between this funding and the PFAS General Fund allocation, authorities to administer the PFAS General Fund allocation will be addressed in the DWSRF IUP, rather than as part of a separate resolution. Additionally, the FEP will address funding from the PFAS General Fund allocation directed toward small, disadvantaged communities.

CONTACT INFORMATON
If you have questions about this notice, email ~~Alisha.Oloughlin@waterboards.ca.gov.~~Matthew.Pavelchik@waterboards.ca.gov.

If you would like to stay informed about the above events, any future public meetings, and other new information regarding PFAS funding, please visit the State Water Board website to sign up for email updates. Under the Financial Assistance category, check the box titled 'Per-and Polyfluoroalkyl Substances (PFAS) Funding'.

June 16, 2022
Date

ORIGINAL SIGNATURE ON FILE
Jeanine Townsend
Clerk to the Board

Attachment 7-8: SGVWC Response to DR AA9-004, Attachment C

Item	(A) Well	(B) Date Removed from Service	(C) Date Returned to Service	(D) Reason for Return
1	1B	N/A	N/A	Well 1B is operated on a temporary basis in accordance with an interim blend plan, which may be approved by DDW and included on the operating permit amendment for the treatment system at Plant No. 2.
2	1E	N/A	N/A	Well 1E is operated on a temporary basis in accordance with an interim blend plan, which may be approved by DDW and included on the operating permit amendment for the treatment system at Plant No. 2.
3	1F	N/A	TBD	Well 1F is not yet permitted. DDW requires that treatment be installed and permitted before Well 1F may be placed in service.
4	2D	January 2020	TBD	San Gabriel plans to return Well 2D to service when DDW issues a permit amendment to operate the new PFAS Removal Treatment System at Plant No. 2.
5	2E	January 2020	TBD	San Gabriel plans to return Well 2E to service when DDW issues a permit amendment to operate the new PFAS Removal Treatment System at Plant No. 2.
6	2F	January 2020	TBD	San Gabriel plans to return Well 2F to service when DDW issues a permit amendment to operate the new PFAS Removal Treatment System at Plant No. 2.
7	8B	N/A	N/A	San Gabriel is required by the South El Monte Operable Unit to operate two wells at Plant No. 8. San Gabriel operates Well 8B with a cleaner well and blends the water in the on-site reservoirs to reduce concentrations of PFAS below the Notification Level.
8	8D	N/A	N/A	Well 8D is operated with either Well 8B or Well 8C to achieve a blend that reduces concentrations of PFAS below the Notification Level.
9	11B	October 2019	TBD	Well 11B cannot be utilized due to San Gabriel being unable to reduce concentrations of PFAS by blending.
10	11C	October 2019	TBD	Well 11C cannot be utilized due to San Gabriel being unable to reduce concentrations of PFAS by blending.
11	11D	N/A	N/A	Well 11D utilized on an as needed basis to blend with the cleaner Well 11A whenever Well 11A is required to meet demands.
12	W1C	July 2019	TBD	Well W1C remains out of service due PFAS contamination. Samples from the well also contain concentrations of manganese that require treatment prior to placing the well back in service.
13	W6C	January 2020	July 2021	Well W6C was returned to service when DDW issued the permit amendment for San Gabriel to operate the AOUV Treatment System and the PFAS Treatment System.
14	W6D	January 2020	July 2021	Well W6D was returned to service when DDW issued the permit amendment for San Gabriel to operate the AOUV Treatment System and the PFAS Treatment System.

Attachment 7-9: SGVWC Response to DR AA9-004

SAN GABRIEL VALLEY WATER COMPANY

April 19, 2022

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: **Partial Response to Data Request No. AA9-004 (LA Wells and Treatment)**

Dear Mr. Aslam:

In response to your data request dated April 12, 2022, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 4:
Referring to its Application ("A.") 20-10-004, Exhibit SG-3, Attachment A, SGVWC showed the Central Basin production from wells at Plant W6 and the water transferred from SGVWC wells in the Main San Gabriel Basin through the "W8 Import." In the current application, A.22-01-003, Exhibit SG-8, Attachment E, Appendix H, Table 2, SGVWC refers to "W8" as the "PR valve at W1."

a. Confirm whether "W8" refers to a pressure reducing valve at Plant W1.
b. Explain whether SGVWC can transfer water through "W8" from the available supply in both the "Zone 1 West Grouped" and "Zone 1 East Grouped" pressure zones as categorized in the table on page 8-3 of Exhibit SG-8, Attachment E?

RESPONSE NO. 4:
a. Plant W8 refers to the pressure reducing valve at Plant W1, which transfers water to the Plant W1 from water produced from the Main San Gabriel Basin in an adjacent area of Zone 1 West, as shown on Figure 6.2a of Attachment E to Exhibit SG-8.
b. No, the Plant W8 pressure reducing valve is a one-way pressure regulating valve that enables San Gabriel to transfer water from the Main San Gabriel Basin to San Gabriel's Plant W1 reservoirs and customers located in Zone 1 Whittier, as shown on Figure 6.2a of Attachment E to Exhibit SG-8.

RESPONDING WITNESS: Yucelen

11142 GARVEY AVENUE • P.O. BOX 6010 • EL MONTE, CALIFORNIA 91734-2010 • (626) 448-6183 • Fax (626) 448-5530

REQUEST NO. 5:
During the Public Advocates Office's visit of the LA Division sites on March 29, 2022, SGVWC referred to a water transfer from the "Baldwin Park" areas to the "El Monte" areas of the LA Division.

a. Is it hydraulically feasible, with the existing booster pump stations and pipelines, for SGVWC to transfer water from Zone 1 East to Zone 1 West? Explain why or why not.

b. What is the total capacity, in gallons per minute, of the feasible water transfer from Zone 1 East to Zone 1 West?

RESPONSE NO. 5:
a. Yes, San Gabriel operates a booster pump station at Plant B27 that is configured to boost water from Zone 1 East to the Zone 1 West water distribution system in order to meet the demands of customers in Zone 1 West, as shown in Figure 6.2 of Attachment E to Exhibit SG-8.

b. The total design capacity of the Plant B27 booster station is 4,500 GPM, and the firm capacity is 3,981 GPM, as shown in Table 6.6 in Attachment E to Exhibit SG-8.

RESPONDING WITNESS: Yucelen

REQUEST NO. 6:
During the Public Advocates Office's visit on March 29, 2022, staff from the Public Advocates Office noted that the ion exchange treatment system intended to remove PFOS and PFOA at Plant No. 2 was incomplete.

From the time when SGVWC first placed wells at Plants No. 1, No. 2, No. 11, and W6 out of service due to concentrations of PFOS or PFOA, to April 2022, has SGVWC met annual Maximum Day Demands for the Zone 1 West and Zone 1 Whittier? If yes, explain how SGVWC has met the annual Maximum Day Demands.

RESPONSE NO. 6:
Yes, San Gabriel was able to meet Maximum Day Demands in Zone 1 West and Zone 1 Whittier by utilizing higher-cost water produced from the Main San Gabriel Basin, while San Gabriel's contaminated Central Basin wells at Plant W6 were temporarily out of service and unavailable for regular use. With a replenishment assessment of approximately $1,000 per acre-foot, water produced from the Main San Gabriel Basin is more than double the cost of water produced from Central Basin. In Zone 1 West, San Gabriel prepared interim blend plans in order to keep some of its wells in service on a temporary basis by utilizing its water storage reservoirs for blending purposes. The interim blend plans were prepared by San Gabriel and sent to the State of California Water Resources Control Board Division of Drinking Water District 22 ("DDW") for review. The

blend plans enable San Gabriel to produce water from contaminated wells and then blend the contaminated water in existing water storage reservoirs with water produced from a cleaner well, in order to meet Title 22 drinking water quality requirements. Blending is feasible on a short-term, temporary basis and is not intended as a long-term solution because DDW does not recognize blending as a Best Available Technology to remove PFOS and PFOA. While San Gabriel was unable to produce water from the Central Basin wells at Plants W1 and W6 at a lower cost, San Gabriel was forced to rely on the higher cost water deliveries from water produced from the Main San Gabriel Basin to meet the Maximum Day Demand in Zone 1 Whittier.

RESPONDING WITNESS: Yucelen

REQUEST NO. 7:
During the Public Advocates Office's visit on March 29, 2022, staff from the Public Advocates Office visited the Central Control Operator Room for the LA Division system. Staff from the Public Advocates Office asked SGVWC's staff how long it takes to start wells and begin filling reservoirs when water in those reservoirs drops below a specific level. SGVWC's staff stated that it took "about a minute" to start wells and added that wells start-up when water levels in reservoirs drop to a "set point."

a. Confirm the number of minutes it takes SGVWC's LA Division wells and treatment systems to start-up and begin filling reservoirs when switched-on.
b. Explain whether SGVWC's LA Division system is configured to automatically switch-on wells and treatment systems when water levels in reservoirs fall to specific "set points."
c. Explain what a "set point" is and how SGVWC determined appropriate "set points" for the LA Division system.
d. Explain what investments SGVWC has made to sense water levels in reservoirs and to enable wells and treatment systems to automatically switch-on.

RESPONSE NO. 7:
a. The well reaches full capacity approximately 1-3 minutes after the operator toggles a switch to turn on the well. The operator is essentially able to toggle the switch that sends an electronic signal to a well in order to start the well. However, the well requires a 30 second-to-one minute delay as the signal reaches the well and its soft-starter prepares to power up the well. The soft-starter is needed to reduce stress on the well pump and gradually power up the well to its full capacity, and the well pump spins faster and faster until it reaches full speed. When the well reaches its full flow capacity and pressure head, the water it produces flows through the existing treatment processes. The well may also be switched off after it is no longer needed to produce because the operator also has the ability to toggle the switch back and turn the well off.

b. Generally, a well is configured to start automatically after the water level in a reservoir reaches a set point. If the well requires treatment, once the well is

operating at its full capacity, the water it produces flows through the treatment system and into a water storage reservoir. The set points that result in the start-up of a well help San Gabriel to ensure that its water sources remain full. Conversely, as the reservoir reaches its usable capacity, the well is configured to shut down after the water level in the reservoir reaches a set point that indicates the reservoir is full, and then the water produced from wells is no longer necessary. The well shutdown set points help San Gabriel safeguard against water loss and avoid overflowing its reservoirs after they are filled. Wherever hydraulically possible, San Gabriel fills reservoirs to their usable capacity, and then relies on these reservoirs as sources of clean, safe drinking water for San Gabriel's customers before the well is set to power on again.

c. San Gabriel's water production, treatment, storage, and distribution facilities have various set points that limit the operations of water facilities to preset conditions. The set points include minimum and maximum water system pressures and reservoir water levels. Set points aid San Gabriel's operations staff and help them operate the system. According to the hydraulic design of the water system and its facilities, San Gabriel determines set points for each type of asset that prevent water storage reservoirs from overflowing or draining, and water distribution systems from running dry. The set points enable automation to occur within the water system. In many cases, the set point will send a signal to turn on or shut off another asset. For example, in response to 7.b above, San Gabriel determines two or three set points for a water storage reservoir, a low water level and a high water level. Some reservoirs have a maximum limit above the high limit. When the water reaches a low level and the corresponding set point in the SCADA system, depending on the configuration of the set points of the reservoir, boosters from a nearby plant site can be signaled to start so that the water storage reservoir is refilled, a well is turned on to fill the reservoir, or a valve is opened to fill the reservoir from the system. When the water storage reservoir reaches the maximum level corresponding to the maximum set point, a signal can be sent via the SCADA system to shut all of the facilities that fill the reservoir off because the water system facilities could be malfunctioning and causing the reservoir to overflow. All of the set points are adjustable by the operator and have a manual override that the operator can engage the water system operations directly.

d. San Gabriel has invested in SCADA equipment, including programmable logic controllers, remote terminal units, signal wires, and radio signal antennae and towers, together with related programming, for its water production, treatment, and storage facilities. These investments enable water system facilities to communicate status information regarding water levels in reservoirs to the central control facility. Each water facility set point has a tag that associates the information with the point in the water system where that information applies. San Gabriel has installed programmable logic controllers at each of its reservoir sites that communicate information about the water level to Central Control operators at the Los Angeles division office complex. The SCADA set points that signal wells to power up have built-in delays, and the wells are equipped with soft-starters, to

avoid stressing the motor and pump components from a sudden current or voltage surge associated with the initial charging of the capacitors and transformers upon well start-up. San Gabriel has also installed radio communication devices so that information about the status of reservoirs and wells is communicated to the central control system. As stated in response to Request 7.b above, when wells that require treatment systems are powered up and reach their full capacity, water produced by those wells flows through the treatment systems and into water storage reservoirs, which function as sources of clean, safe drinking water for San Gabriel's customers.

RESPONDING WITNESS: Yucelen

REQUEST NO. 8:
Referring to SGVWC's Exhibit SG-8, Attachment E, page 6-2, SGVWC summarizes the facilities of the LA Division by plant site. In the rightmost column, SGVWC shows whether the plant site has a "backup" generator also known as an emergency generator. During the Public Advocates Office's visit to the Fontana Division on March 28, 2022, SGVWC discussed that it plans to install additional permanent emergency generators to its plant sites in the future.

Explain whether SGVWC has plans to add permanent emergency generators to its plant sites that currently do not have emergency generators in the LA Division.

RESPONSE NO. 8:
Yes, as stated in Exhibit SG-8 and its Attachment C, San Gabriel is planning to install emergency generators at Plants M3, M7, and M8. Generators are required at these plant sites because booster stations being constructed at those sites are required to distribute water from the proposed water storage reservoirs to San Gabriel's future customers residing in the Montebello Hills Residential Development. San Gabriel's customers will need to rely on those boosters for their drinking water. In the event of either a planned or an unexpected power outage, San Gabriel will need the boosters to remain in operation until permanent power is restored. Without a stand-by emergency generator at those sites, the boosters would not have the power to operate, and the water distribution system would not have the capacity to meet customer demands.

In addition to San Gabriel's Plants M3, M7, and M8, San Gabriel has other sites where emergency generators are also necessary. Plant G3 is the only source of water for the reservoirs at Plant G6, and customers serviced by the reservoirs and boosters at Plant G6 rely on the Plant G3 booster station as a supply of water. San Gabriel has experienced unexpected power outages at Plant G3. Customers residing in the higher elevations surrounding Plant G6 rely also on the booster station at Plant G6 to provide water pressure. Additionally, customers residing in the higher elevation neighborhood surrounding Plant M4 rely on booster pumps at Plant M4 for water pressure. While San Gabriel needs to install emergency generators and Plants G3, G6, and M4, for budgeting

purposes, San Gabriel deferred the installation of emergency generators at those sites until a future General Rate Case cycle.

RESPONDING WITNESS: Yucelen

Please call me at (626) 448-6183 with any questions regarding this information.

Sincerely,

/s/ Joel M Reiker

Joel M. Reiker
Vice President, Regulatory Affairs
Cc: Anthony Andrade (anthony.andrade@cpuc.ca.gov)

/encl

Attachment 7-10: A.19-01-001 Exhibit SG-7 Excerpt

Application No._____

Exhibit No._____SG-7_____

Witness_____

Date_____

SAN GABRIEL VALLEY WATER COMPANY

PREPARED TESTIMONY OF

MATT Y. YUCELEN, P.E.

January 2019

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construction material, labor, equipment and fuel cost estimates for each improvement. Finally, San Gabriel included a contingency to account for additional unanticipated costs resulting from permitting and construction. Therefore, cost estimates for proposed facilities are generally higher in this GRC than those in the previous GRC.

Q. IS SAN GABRIEL REQUESTING ANY PLANT PROJECTS AGAIN THAT WERE AUTHORIZED IN THE COMPANY'S PREVIOUS GRC BUT NOT BUILT?

A. Yes. San Gabriel is requesting projects authorized for completion in the previous GRC cycle (2016 through 2019). The projects being requested again are currently in process and scheduled to be completed in 2019, as authorized by the CPUC. Although the projects are scheduled to be completed on time, they are requested again because of the overlap between the previous and the current GRC cycles in 2019. These projects are listed in Table 3 on Page 27, along with the adopted budget from the previous GRC, the requested budget for additional items, and the budgeted amount for items being requested again in this GRC.

Q. WHAT ARE THE REASONS WHY SAN GABRIEL DEFERRED PROJECTS AUTHORIZED IN THE PREVIOUS GRC TO THIS GRC CYCLE?

A. Nearly all of the projects authorized in the previous GRC that were not built and being requested again, are currently in process and scheduled to be completed in 2019. Some of the projects could not start until the lengthy permitting process was completed, which San Gabriel undertakes to secure project approval from agencies with jurisdiction. This process can require up to a year or longer. For example, Plant No. 1 was not built because San Gabriel was not issued a Conditional Use Permit ("CUP") with the City of El Monte to drill the

replacement well, build the second reservoir, install drainage improvements, and landscape the site until March 2017. The Plant No. 1 project is currently under construction. Demolition was completed later in 2017, and the drilling of replacement Well 1F was completed in early 2018. San Gabriel is currently waiting for the well pump to be delivered and will complete the pump installation and well electrical work in December 2018. San Gabriel has also completed the grading work and construction of fence and wall, site improvements, street improvements and landscaping. The west water storage reservoir is currently under construction and will be completed in early 2019. Following completion of the west reservoir, San Gabriel will install the piping, Supervisory Control and Data Acquisition ("SCADA"), demolish and replace the east reservoir and complete the construction of the well buildings. San Gabriel needed to adjust the budget amounts as a result of bids received by contractors. The remaining work items, including the new reservoir, the demolition of the existing reservoir, the replacement reservoir, piping and well buildings at Plant No. 1, will be completed in 2019 on a total budget of $3,830,000.

Design, permitting and related work for Plants No. 13 and No. 14 are currently in process to be completed in 2019. San Gabriel made many attempts to work with the Home Owners Association ("HOA") for the Spyglass Hills Community to secure an easement to develop the new reservoir site on land adjacent to the existing Plant No. 14. However, the HOA declined to provide a needed easement to access the property. As a result, San Gabriel decided to construct a smaller reservoir at the existing Plant No. 14 site. The completion of the Plant No. 13 project is dependent on having the additional reservoir at Plant No. 14. San Gabriel has retained a consultant to complete the design for both the Plant No. 13 and 14 projects. The consultant is currently working to complete

Table 3 - Los Angeles County Division Plant Projects Authorized, Not Built and Requested Again

Plant	Item Description	Adopted Budget Per Item 2016-2019	Total Adopted Budget 2016-2019	Item Request Again To Be Constructed in 2019	Budget Per Item Requested Again to Be Constructed in 2019	Total Budget for Items Requested Again 2019	Additional Requested Items 2019-2022	Additional Requested Budget Per Item 2019-2022	Total Requested Budget for Additional Items 2019-2022	Grand Total Requested Budget 2019-2022
No.1	Well Buildings	$ 580,000	$ 2,730,000	Well Buildings	$ 650,000	$ 3,780,000	SCADA	$ 90,000	$ 90,000	$ 3,830,000
	Well TF Piping	$ 50,000		Well TF Piping	$ 100,000					
	Construct West Reservoir	$ 1,050,000		Construct West Reservoir	$ 1,500,000					
	West Reservoir Piping	$ 110,000		West Reservoir Piping	$ 150,000					
	Demolish Existing Reservoir	$ 100,000		Demolish Existing Reservoir	$ 130,000					
	Construct East Reservoir	$ 720,000		Construct East Reservoir	$ 1,100,000					
	East Reservoir Piping	$ 120,000		East Reservoir Piping	$ 150,000					
No.13	Design, Permitting and Related Work	$ 320,000	$ 320,000	Design, Permitting and Related Work	$ 320,000	$ 320,000	Fence and Wall	$ 200,000	$ 2,000,000	$ 2,320,000
							SCADA	$ 50,000		
							Grading	$ 100,000		
							Site Improvements	$ 200,000		
							Demolish Existing Reservoir	$ 100,000		
							Construct New Reservoir	$ 1,250,000		
							Reservoir Piping	$ 100,000		
No.14	Design, Permitting and Related Work	$ 355,000	$ 355,000	Design, Permitting and Related Work	$ 355,000	$ 355,000	Fence and Retaining Wall	$ 350,000	$ 2,030,000	$ 2,385,000
							SCADA	$ 50,000		
							Site Improvements	$ 100,000		
							Construct East Reservoir	$ 450,000		
							East Reservoir Piping	$ 80,000		
							Retrofit Existing Reservoir	$ 1,000,000		
B14	Design, Permitting and Related Work	$ 360,000	$ 360,000	Design, Permitting and Related Work	$ 360,000	$ 360,000	Retaining Wall	$ 1,300,000	$ 5,050,000	$ 5,410,000
							Grading	$ 350,000		
							SCADA	$ 90,000		
							Site Work	$ 250,000		
							Construct New Reservoir	$ 2,000,000		
							Retrofit Existing Reservoir	$ 1,000,000		
							Reservoir Piping	$ 100,000		
B15*	Design, Permitting and Related Work	$ 110,000	$ 415,000	Design, Permitting and Related Work	$ 150,000	$ 850,000	Demolish West Reservoir	$ 100,000	$ 2,840,000	$ 3,690,000
	Fence	$ 25,000		Fence*	$ 200,000		Construct East Reservoir	$ 1,300,000		
	Retaining Wall	$ 190,000		Retaining Wall*	$ 250,000		East Reservoir Piping	$ 20,000		
	Grading	$ 60,000		Grading*	$ 100,000		Construct West Reservoir	$ 1,100,000		
	Site Improvements	$ 30,000		Site Improvement*	$ 150,000		West Reservoir Piping	$ 20,000		
							Storm Drain	$ 150,000		
							SCADA	$ 50,000		
							Demo East Reservoir	$ 100,000		
B17	Retaining Wall/Hillside Stabilization	$ 275,000	$ 275,000	Hillside Stabilization	$ 350,000	$ 350,000			$	$ 350,000
W6	UV Treatment Structures	$ 1,110,000	$ 3,210,000	UV Treatment Structures	$ 3,750,000	$ 7,550,000	Booster Station Building	$ 1,000,000	$ 2,780,000	$ 10,330,000
							Design, Permitting and Related Work	$ 130,000		
							Site Improvements	$ 200,000		
	UV Treatment Equipment	$ 4,100,000		UV Treatment Equipment	$ 3,800,000		Booster Pump	$ 260,000		
							Booster Piping	$ 260,000		
							Booster Electrical	$ 810,000		
							SCADA	$ 100,000		

* Portions of projects are phased for construction in 2020 through 2022. Remaining portions of projects are scheduled for completion in 2019 as authorized by the Commission.

1

complete the permitting process and prepare shovel-ready designs for the new reservoirs and related site improvements by early 2019.

The design, permitting and related work for the Plant B14 reservoir construction and slope stabilization project is currently in design and scheduled to be completed in 2019. San Gabriel prepared preliminary design plans and submitted them to Los Angeles County for a permit in the third quarter of 2016. Due to the complexity of the project and topography of the hillside, San Gabriel retained a consultant with expertise in structural design in 2018 to complete the design and permitting work in 2019 and have shovel-ready plans prepared for building the improvements starting in 2020.

The Plant B15 slope stabilization improvements are currently in design. However, if constructed, the improvements might need to be removed or could even be damaged during the replacement of the old Plant B15 reservoirs. Therefore, San Gabriel has scheduled the completion of the slope stabilization, fencing, wall and site improvements at Plant B15 to occur after the replacement of the two reservoirs.

The Plant B17 hillside stabilization project is currently in design. San Gabriel has retained a consultant to complete the hillside stabilization improvement design, which will be completed and ready for construction in 2019.

The Plant W6 UV treatment system project is currently under construction and scheduled to be completed during the first quarter of 2019. San Gabriel retained an environmental planning consultant in mid-2017 to process the project through Los Angeles County for California Environmental Quality Act ("CEQA") compliance. After numerous correspondences and meetings, Los Angeles County declined to act as the Lead Agency with respect to CEQA and issue a CEQA compliance determination for the project. San Gabriel's consultant

Attachment 7-11: SGVWC A.20-10-004 Joint Opening Brief Excerpt

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
04/11/22
04:59 PM
A2010004

Application of SAN GABRIEL VALLEY WATER COMPANY (U337W) for an Order Authorizing the Purchase of the City of Montebello's Water System Assets and related Approvals.	Application 20-10-004 (Filed October 2, 2020)

JOINT OPENING BRIEF OF SAN GABRIEL VALLEY WATER COMPANY AND THE CITY OF MONTEBELLO

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Attorneys for SAN GABRIEL VALLEY WATER COMPANY

April 11, 2022

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water system outages.[81] In its report, Cal Advocates ignores these operational needs and benefits and recklessly concludes that San Gabriel can simply bypass its water storage reservoirs during catastrophic events and emergencies.[82]

Cal Advocates also improperly calculates the potential cost-saving benefits of the additional water storage from the City's reservoirs that will be realized by San Gabriel's existing Los Angeles division customers. In addition to misunderstanding the operations of San Gabriel's system, as outlined above, Cal Advocates also makes the following errors in calculating the purported cost savings:

- First, Cal Advocates is incorrect in its assertion that in San Gabriel's last General Rate Case ("GRC") application, the Company requested only 2.5 acres of land to construct an 8.3 MG reservoir to reduce existing deficits.[83] The fact is, in addition to San Gabriel's request for funding to acquire 2.5 acres for the construction of an 8.3 MG reservoir for Zone 1 East, San Gabriel also requested funding for 2.5 acres to construct a 7.9 MG reservoir for Zone 1 West to reduce existing storage deficits.[84] Therefore, the avoided cost if the Proposed Transaction is approved will be greater than anticipated by Cal Advocates.

- Second, Cal Advocates underestimates the substantial cost even for a single reservoir to be constructed, which is detailed in Mr. DiPrimio's Rebuttal Testimony.[85] The total estimated cost for acquiring and developing the land and constructing a 5.6 MG reservoir and related improvements would be approximately $21 million, not $12 million as Cal Advocates materially underestimates.[86]

- Lastly, Cal Advocates disregards the fact that San Gabriel requested the Plant M4 project in a prior GRC, which included constructing an additional water storage reservoir at Plant M4, and which now requires approximately $6.1 million to complete in 2025.[87] When the Los Angeles County division and City water systems are interconnected, additional

[81] *Id.*, p. 9.
[82] *Id.* The technical flaws of Cal Advocates' analysis of San Gabriel's reservoir storage needs are fully detailed in Mr. DiPrimio's Rebuttal Testimony. *Id.*, pp. 9-15.
[83] *Id.*, p. 15.
[84] *Id.*
[85] *Id.*, pp. 15-16.
[86] *Id.*
[87] *Id.*, pp. 16-17.

> water storage will no longer be necessary at Plant M4 because the City's Hillside Reservoir operates at nearly the same hydraulic grade as the Plant M4 reservoir.[88] Cal Advocates fails to count this avoided cost in the cost savings of acquiring additional reservoir capacity.

In summary, the total cost of completing the Plant M4 project and acquiring the land for and constructing the equivalent 5.6 MG in water storage would be more than $27 million, which will be realized as savings to San Gabriel's customers once the two systems are fully integrated.[89] Thus, the purchase price of $15,857,000 is well under the actual cost savings to customers of $27 million relating to the avoidance of storage facilities construction alone.

V. CONCLUSION

In conclusion, San Gabriel respectfully urges the Commission to reject the arguments made by Cal Advocates in this proceeding against the Application. San Gabriel's RCNLD analysis was accepted by the City as a fair basis for valuing its municipal water system and has not been effectively challenged by Cal Advocates. That RCNLD analysis provides a fully sufficient basis for determining the fair market value of those assets for inclusion in San Gabriel's rate base.

Accordingly, The Commission should approve the terms and conditions of the Proposed Transaction by which San Gabriel seeks to acquire the City's water system assets and to lease its water rights, authorize San Gabriel to extend its L.A. County division service area to include all customers currently served by the City's water system, authorize San Gabriel to place its tariff schedules for L.A. County division customers into effect in the newly acquired service area as required by Government Code § 37420.5(a)(6), authorize San Gabriel to include the entire fair market value of the City's water system assets of $15,857,000 into rate base, in accordance with

[88] *Id.*
[89] *Id.*, p. 17.

Attachment 7-12: SGVWC A.20-10-004 Response to DR AA9-01 Excerpt

SAN GABRIEL VALLEY WATER COMPANY

December 14, 2020

Edward Scher
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: **RESPONSE to Data Request No. AA9-01 (Reservoirs)**

Dear Mr. Scher:

In response to your data request dated November 30, 2020, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:
In its Application, page 19, San Gabriel states that integrating the City's water system assets into the L.A. County division would allow San Gabriel to forgo an estimated $12 million in capital costs after accounting for the purchase price of the City's northern service area reservoirs. In its Application's Exhibit SG-2, page 29, lines 1-4, San Gabriel states that the $12 million estimate also accounts for the cost of San Gabriel's planned reservoir improvements.

In pages 23-24 of its Application, San Gabriel estimates a "$22 million or more" cost to purchase reservoir sites and construct 5.6 million gallons ("MG") in storage capacity.

a. Please explain and provide all assumptions supporting San Gabriel's "$22 million or more" cost estimate to purchase reservoir sites and construct 5.6 MG in storage capacity.

b. Please explain and provide all assumptions supporting San Gabriel $12 million cost estimate after accounting for the cost of the City's northern service area reservoirs.

c. Please provide San Gabriel's calculations showing the $12 million and $22 million cost estimates in Microsoft Excel format with accessible formulas.

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replacement cost of the two northern reservoirs ($7.67 million) and the estimated cost to refurbish the northern reservoirs ($1.4 million), with an additional $1.2 million contingency to reflect uncertainties related to repair work, as shown below:

Estimated Cost to Purchase Sites and Construct 6.6 million gallons (MG) of storage capacity:	$22.27 million
Depreciated Replacement Cost Northern Reservoirs:	($7.67 million)
Estimated Cost to Refurbish Northern Reservoirs	($1.4 million)
Additional Contingency to Address Uncertainties Related to Repair Work	($1.2 million)
	$12.0 million

c. Please see the responses to parts a and b above.

Responding Witness: Robert J. DiPrimio

REQUEST NO. 2:
In its Application's Exhibit SG-2, page 30, lines 1-7, San Gabriel states that its existing L.A. County division customers would have access to the City's northern reservoirs after San Gabriel makes "minimal improvements to the existing interconnections" between the water systems.

a. What interconnections currently exist between the City's and San Gabriel's water systems?

b. Please list and explain all work, including the installation of pipeline, that San Gabriel would do to complete the "minimal improvements to the existing interconnections."

c. How much does San Gabriel estimate that these improvements would cost? List the cost or estimated cost of each specific improvement.

d. Does San Gabriel include the costs for these improvements in its Capital Improvement Plan?

e. Can San Gabriel make these "minimal improvements to the existing interconnections" without purchasing the City's water system? If not, please explain why not.

RESPONSE NO. 2:
a. San Gabriel currently maintains two existing interconnections with the City of Montebello's water system. As discussed in **EXHIBIT SG-2** (DiPrimio), at page 5, lines

20 - 27 and page 6, lines 1 - 3, San Gabriel supplies the City through its 12-inch interconnection in the Los Angeles County division at Plant M6, located at Westmoreland Drive, east of Perry Avenue. This interconnection is a one-way interconnection and consists of a 50-foot segment of 12-inch main and a check valve. The second interconnection is located at Montebello Boulevard, east of The Shops at Montebello mall. This interconnection consists of a 30-foot segment of 8-inch steel pipe and an 8-inch pressure reducing valve. The interconnection functions as a one-way interconnection from the City to San Gabriel, and acts as an emergency water supply source to the Double Tree Hotel in the event the pressure on San Gabriel's side of the interconnection were to fall below approximately 50 pounds per square inch.

b. In the near-term, San Gabriel would convert the existing interconnection at Plant M6 from a one-way interconnection to a two-way interconnection. At Plant M6, San Gabriel simply needs to remove the check valve and replace it with a normally-open mainline valve. The second interconnection will remain and continue to function as a stand-by source of water to the Double Tree Hotel in the event of a water system emergency.

   In addition to the minimal improvements to the existing Plant M6 interconnection, in the long-term San Gabriel is also planning to install five additional interconnection improvements to the existing water system. These minimal improvements are essentially tie-in's between the City's and San Gabriel's water systems that include short segments of piping, fittings and main line valves that connect the two water systems together, further integrating the water systems. The tie-ins will add redundancy and further improve the circulation within the integrated water system. These long-term improvements are planned at locations between the two water systems where mains currently owned by both the City and San Gabriel exist, and where operating water pressures in both systems are similar.

c. The planned conversion of the Plant M6 interconnection to a two-way interconnection is anticipated to cost approximately $10,000. Please refer to **\AA9-01 ATTACHMENT 5.xlsx** for the cost estimate in Excel format, and **\AA9-01 ATTACHMENT 6.pdf** for an exhibit showing the location of the Plant M6 improvement.

   The minimal improvements required in order to tie-in the City's water system with San Gabriel's water system over the long-term are estimated to cost a total of approximately $150,000. The specific tie-ins, along with their estimated costs, are listed below:

   - 8-inch tie-in at Germain Drive and Vail Avenue ($20,000) – Refer to **\AA9-01 ATTACHMENT 7.xlsx** for the cost estimate, and **\AA9-01 ATTACHMENT 8.pdf** for an exhibit showing the location.

- 12-inch tie-in at Maple Avenue and Germain Drive ($70,000) – Refer to **\AA9-01 ATTACHMENT 9.xlsx** for the cost estimate, and **\AA9-01 ATTACHMENT 10.pdf** for an exhibit showing the location.

- 12-inch tie-in at Via Campo ($20,000) – Refer to **\AA9-01 ATTACHMENT 11.xlsx** for the cost estimate, and **\AA9-01 ATTACHMENT 12.pdf** for an exhibit showing the location.

- 8-inch tie-in at the La Merced Tract ($20,000) – Refer to **\AA9-01 ATTACHMENT 13.xlsx** for the cost estimate, and **\AA9-01 ATTACHMENT 14.pdf** for the exhibit.

- 8-inch tie-in at the Veterans Tract ($20,000) – Refer to **\AA9-01 ATTACHMENT 15.xlsx** for the cost estimate, and **\AA9-01 ATTACHMENT 16.pdf** for the exhibit.

d. Yes. The costs are accounted for in the 10-year Capital Improvement Program ("CIP") of $12.1 million prepared by San Gabriel. San Gabriel is planning to improve the circulation and water supply connectivity to the City's system by installing these tie-ins within the main rehabilitation and replacement budget of $3,000,000, which is Item No. 9 in the CIP. San Gabriel will also make tie-ins to the Veterans and La Merced Tracts when the backyard mains and services are replaced for those areas within the budget of $4,000,000, which is Item No. 7 in the CIP.

e. Although it is technically possible to add the interconnections and other such improvements connecting the two separately owned water systems together, the City has not authorized San Gabriel to do so. As explained in the responses to Request Nos. 2.b and 2.d, above, the purpose of such tie-ins is, in part, to improve circulation within the integrated water system. Connecting two separately owned water systems for the purpose of improving circulation within those separately owned systems would not be practicable, as it would be difficult to control and measure the flow of water, and determine the direct and indirect benefits and costs derived between the City and San Gabriel under such circumstances.

Responding Witness: Robert J. DiPrimio

CHAPTER 8 DEPRECIATION

I. INTRODUCTION

This chapter discusses Cal Advocates' recommended depreciation reserve and expense for the LA division's utility plant-in-service during the years 2022 to 2025. Cal Advocates uses the recommended depreciation reserve in this chapter as part of the total calculation of rate base in the chapter on rate base.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt Cal Advocates' adjusted depreciation reserve and expense budget shown in rows 2 of the tables below:

Table 8-1: Depreciation Reserve

	(A) Description	(B) 2022	(C) 2023	(D) 2024	(E) 2025
1	SGVWC[141]	$132,715,393	$141,202,014	$150,810,823	$161,412,094
2	**Cal Advocates**	**$132,616,238**	**$140,791,304**	**$149,863,114**	**$159,590,033**
3	SGVWC > Cal Advocates	$99,155	$410,710	$6,026,710	$11,120,676
4	Cal Advocates as % of SGVWC	99.9%	99.7%	99.4%	98.9%

III. ANALYSIS

The difference in Cal Advocates' and SGVWC's differences to depreciation reserve and depreciation expense forecast result from the adjustments to the capital budget explained in the chapters on utility plant-in-service and the general office.

[141] SGVWC Workpapers, file "GRCWorkpapers – 2022," tab "P2," row 191, "Average Balance."

Table 8-2: Depreciation Expense

	(A) Description	(B) 2022	(C) 2023	(D) 2024	(E) 2025
1	SGVWC[142]	$7,694,918	$8,550,299	$9,409,710	$10,370,429
2	**Cal Advocates**	**$7,504,474**	**$8,144,685**	**$8,786,807**	**$9,316,057**
3	SGVWC > Cal Advocates	$190,444	$405,614	$622,903	$1,054,372
4	Cal Advocates as % of SGVWC	97.5%	95.3%	93.4%	89.8%

IV. CONCLUSION

The Commission should adopt Cal Advocates' depreciation reserve and expense forecast.

[142] SGVWC Workpapers, file "GRCWorkpapers – 2022," tab "P2," row 163, "Amount to Depr. Expense."

CHAPTER 9 HISTORIC RATE BASE

I. INTRODUCTION

This chapter presents the analysis and recommendations of Cal Advocates regarding completed projects included in SGVWC's proposed rate base for the Los Angeles division.

II. SUMMARY OF RECOMMENDATIONS

Cal Advocates recommends an overall reduction of $581,785.80 to the rate base for SGVWC's Los Angeles division.

A. Used and Useful Rate Base

Cal Advocates recommends a reduction of $461,002.20 to the rate base for SGVWC's Los Angeles division for projects and assets currently included in rate base, but not providing service to ratepayers.

B. Early Retirements Rate Base

Cal Advocates recommends a reduction of $120,784 to the rate base for SGVWC's Los Angeles division for projects and assets retired significantly earlier than standard practice. The net book value ("NBV") at the time of retirement should be removed from rate base so that ratepayers do not continue to provide a return on these extraordinary retirements in perpetuity.

III. ANALYSIS

A. Projects/Assets- Used and Useful

SGVWC has proposed that ratepayers fund $461,002 for assets that are currently included in the rate base but are not providing any service in the Los Angeles division. SGVWC is currently receiving a return of the original cost of these assets through estimated depreciation expense and a return on these assets through the authorized rate of return. This is unjust and unreasonable. Ratepayers should not be responsible to pay for

projects that have been completed but from which they derive no benefit or to pay for projects that were planned but the utility placed on hold or cancelled. Therefore, a rate base adjustment is necessary to ensure that ratepayers pay only for assets from which they derive direct benefit.

If projects are currently not in use or were designed but not built, with no expected restoration date, Cal Advocates recommends that the current NBV be deducted from plant in service. Cal Advocates requested and received from SGVWC a list of projects and assets that were recorded to plant accounts from 2011 to 2015 and remained in the plant in service accounts as of the filing of the application.[143] Cal Advocates analyzed projects included in this list with a current net book value of $70,000 or above and where the utility identified no plan to restore service or no expected restoration date.[144] These assets accounted for 3 projects of those on the list provided by SGVWC and can be found in table 9.1 below. However, in the Minimum Data Requirements, SGVWC stated that there were no items in the Los Angeles division from the last five years and the proposed test year that were in plant-in-service and were not used and useful.[145]

Since these projects are not expected to provide ratepayer benefits in this GRC cycle, an adjustment is warranted to decrease the rate base.

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[143] Attachment 9-1 (ATTACHMENTS A&B – Book Values in response to DR CHA-002 Historic Rate Base).

[144] Attachment 9-2 (Attachment A.1 – Status-Rev in response to DR CHA-007 Historic Rate Base).

[145] EXHIBIT SG-5 EXHIBIT SG-6 (Reiker) APPENDIX A (MDRs) SECTION II Testimony Requirements – D. Rate Base

Table 9.1 – Used and Useful – Los Angeles Division

Asset Group	Description	Status	Date Added to Plant Account[146]	Plan to Restore Service	Expected Restoration Date	Current NBV[147]
Land	Land Parcel No. 260 purchased with the Rurban Homes Mutual Water Company acquisition	N/A	December 31, 2019	N/A	N/A	$245,701.73
Treatment Plant	Replace packing material in air stripper	In Use until 2014, Not Currently in Use	July 31, 2014	No	N/A	$111,015.48
Treatment Plant	Design Ion Exchange Treatment Facility	Completed 2015	December 31, 2015	N/A	N/A	$104,285.02
Total						**$461,002.20**

B. Projects/Assets – Early Retirement

SGVWC has effectively included $120,784 in its rate base for assets that were retired early. This is consistent with standard ratemaking for normal retirements. However, these particular retirements were not normal as more than half of the estimated useful life existed at the time of retirement for these assets.

Assets are depreciated in ratemaking depending on their estimated useful life. For a typical retirement, a project is fully depreciated when retired at the end of its useful life.

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[146] Attachment 9-3 (CHA-025 (Response) and CHA-025 ATTACHMENT 3 in response to DR CHA-025 Historic Rate Base).

[147] Attachment 9-4 (ATTACHMENTS A & B - Book Values in response to DR CHA-002 Historic Rate Base and CHA-014 (Response) in response to DR CHA-014 Historic Rate Base).

The Commission's Standard Practice U-4-W ("SP U-4-W"), "Determining of Straight-Line Remaining Life Depreciation Accruals", states "a basic depreciation object is that of recovering the original cost of fixed capital (less estimated net salvage) over the useful life of the property."[148] When the straight-line depreciation method is used, a retired asset should ideally be fully depreciated at the end of its useful life. On the other hand, early retirements are when projects are retired from service earlier than expected and have a net book value ("NBV") at the time of retirement. This indicates that they did not meet the estimated service life because they were not fully depreciated at the time of retirement.

Through discovery and analysis, Cal Advocated identified numerous examples of assets retired extraordinarily early by SGVWC. Furthermore, some of these prematurely retired assets were also replaced with more expensive replacements, meaning ratepayers paid more than once for the same asset, once for the unused yet remaining life of the retired asset, and a second time on the replacement. Ratepayers should not be responsible for assets that failed significantly earlier than their reasonably estimated useful life and should not be charged multiple times for a project that will only provide them benefit once.

The standard ratemaking for utility retirements does not recognize a loss when an item is retired early but rather passes the cost on to ratepayers. It is assumed that the cost of assets that retire slightly before their estimated useful life offsets assets that last longer than their useful lives. However, both the Commission's Standard Practice and industry guidance provided by independent accounting firms recognize that adjustments to the standard process are necessary for extraordinary retirements.

For example, the Los Angeles division placed a meter into service in 2017 at original cost of $120. The meter had an expected service life of 50 years and an anticipated retirement in 2067. However, SGVWC retired this meter in 2020 with a NBV at retirement of $112.80. The asset lasted three years (or just 6%) of its reasonably expected 50-year life. To retire this asset, SGVWC followed standard practice by removing the original cost

[148] Standard Practice U-4-W Determination of Straight-Line Remaining Life Depreciation Accruals.

of $120 from its plant account and removing $120 from the accumulated depreciation reserve. Because the asset had only been depreciated for three years, the depreciation reserve had accumulated only $7.20 (or 3 years multiplied by the original cost $120 divided by the estimated life of fifty years). By removing $120 from the depreciation reserve the net balance in the reserve for this asset is a negative $112.80 (or $7.20 minus $120). Because plant accounts are added to rate base and the accumulated depreciation reserve is subtracted, the net effect on rate base in a permanent addition of $112.80 (or the original cost in the plant account of $120 minus the plant removal of $120 minus the negative $112.80).

By contrast, an asset that was fully depreciated (i.e., survived at least through its estimated useful life) would have no impact upon rate base as the $120 subtracted from the depreciation reserve would have offset the $120 of depreciation that had been accumulated. Although the standard practice for retirements assumes assets are fully depreciated at the time of retirement (or may be found reasonable if an asset retiring slightly early is offset with assets that last longer than expected), an asset that fails with 94% of its estimated remaining useful life is clearly extraordinary and requires an adjustment. To fairly account for this extraordinary retirement, $112.80 would have to be added to the depreciation reserve to counteract the under accumulation in the depreciation reserve resulting from the early retirement.

Rate base should be evaluated on an ongoing basis and adjusted to exclude projects and assets that do not provide service or benefit ratepayers. General Rate Cases often focus on evaluating projects that the utility proposes to add to rate base. However, attention should also be given to ensuring that existing rate base items continue to provide customer benefit. Standard Practice U-4-W notes that "Instances of extraordinary obsolescence such as the unexpected early retirement . . . may require some form of an adjustment."[149]

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[149] Standard Practice for Determination of Straight-Line Remaining Life Depreciation Accruals.

Here, the rate base should be adjusted to account for significantly premature equipment and infrastructure retirements. Assets that retire significantly faster than the anticipated depreciation rate can be classified as extraordinary retirements. Additionally, according to Price Waterhouse Cooper, "a gain or loss should be considered in cases where abnormal or extraordinary retirements have occurred."[150] In this GRC, Cal Advocates has identified extraordinary retirements as those assets retired with 50% or more of their expected useful life remaining.

After receiving a list of assets that were retired from service between January 1, 2019, and December 31, 2021, Cal Advocates analyzed the assets that were retired within a year after being added to the plant account and those that had more than 50% of the original cost left in the NBV at retirement.[151] These assets, excluding those with clerical errors, can be found in attachment 9.2 below. A detailed breakdown of the assets can be found in attachment 1-6, which also includes the expected and actual retirement date of the asset, the date added to service, the NBV at retirement, and the remaining life at retirement as a percentage of the expected life. Of the 137 assets sampled, 73 were replaced with other assets.[152] When looking at projects for the services asset group that had a NBV of 50% of more at retirement, the sampling criteria resulted in 180 assets. Instead of sampling all 180 services that met the criteria, due to such a large population, Cal Advocates examined ten services that had the largest NBV at retirement.

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[150] Price Waterhouse Coopers Questions and Answers Interpretations for the Utility Industry Accounting for Property, Plant and Equipment, Asset Retirement Obligations and Depreciation.

[151] Attachment 9-5 (ATTACHMENT D – Retirements – LA in response to DR CHA-002 Historic Rate Base).

[152] Attachment 9-7 (CHA-011 ATTACHMENT B in response to DR CHA-011 Historic Rate Base, CHA-011 ATTACHMENT A in response to DR CHA-011 Historic Rate Base, CHA-023 ATTACHMENT 2 in response to DR CHA-023 Historic Rate Base, CHA-019 ATTACHMENT 1.b in response to DR CHA-019 Historic Rate Base, CHA-021 ATTACHMENT 2.b in response to CHA-021 Historic Rate Base, CHA-010 ATTACHMENT B in response to DR CHA-10 Historic Rate Base, CHA-021 ATTACHMENT 1 in response to CHA-021 Historic Rate Base, and CHA-009 ATTACHMENT C - Retirements – LA in response to DR CHA-009 Historic Rate Base).

Table 9.2– Early Retirements – Los Angeles Division

Asset Group	Description	Retirement Date	Original Retirement Date	NBV at Retirement
Meters	MULTIPLE WATER METERS	Multiple Dates	Multiple Dates	$16,255.20
Mains	MULTIPLE GWBR PIPELINES	Multiple Dates	Multiple Dates	$16,229.80
Pumping Equipment	Motor S/N 1182000161-008 R-02 to Well B11B	July 21, 2021	July 31, 2047	$19,691.30
Services	MULTIPLE WATER SERVICE LATERALS	Multiple Dates	Multiple Dates	$50,365.10
Tools and Equipment	MULTIPLE ASSETS	September 30, 2019	December 31, 2029	$1,795.60
Transportation Equipment	MULTIPLE EQUIPMENT	December 31, 2020	Multiple Dates	$16,446.60
TOTAL				**$120,783.60**

*The install date was the only date that was available from SGVWC. Date of 12/31 was used to calculate Retired Age as % of Expected Life.

Several of these prematurely retired assets from Table 9.2 above were also replaced by similar assets, meaning ratepayers paid more than once for the same asset. For example, the Los Angeles division placed a meter into service in 2018 at an original cost of $720. The meter was retired early in 2021 after three years in service. SGVWC then replaced this meter with another new meter. The net effect is that ratepayers are forced to pay rates for both the meter that was retired early and its replacement. As a result, a reduction to the rate base is warranted.

Making an adjustment for an extraordinary retirement also aligns with the Commission's role as a substitute for competition because in a competitive environment,

an early retired asset would be recognized as a loss on the undepreciated asset value. Allowing SGVWC to profit from extraordinary retirements is inconsistent with the Commission's role as a replacement for competition.

The Commission should increase SGVWC' depreciation reserve by $120,783 to account for the extraordinarily early retired projects identified above.

IV. CONCLUSION

Cal Advocates recommends a rate base reduction of $581,785.80 to exclude and account for projects that are not used-and-useful or where extraordinarily early retirements occurred. This adjustment is reasonable because ratepayer should not be burdened with the cost of assets that fail prematurely or provide no benefit.

Additionally, assets that are no longer in use and useful must be reported by utilities. Nevertheless, SGVWC claimed in its MDR that no items from the last five years or the planned test year in its Los Angeles division were included in the rate base that were not used and useful. The Commission should instruct SGWVC to report planned assets that are in the rate base but were not deployed because the utility chose to postpone or abandon the project in succeeding GRCs, as well as extraordinary retirements.

Attachment 9-1: (ATTACHMENTS A&B – Book Values D – Retirements – LA in response to DR CHA-002 Historic Rate Base Question # 1)

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
	Location	Description				
Treatment Plant	B6	Site grading for Nitrate Treatment Facility	331L	$ 143,241.62	13.02%	$ 124,591.56
Treatment Plant	B6	Site improvements for Nitrate Treatment Facilty	331L	$ 117,931.44	13.02%	$ 102,576.77
Treatment Plant	B6	Install landscaping for Nitrate Treatment System Facility	331L	$ 73,959.71	13.02%	$ 64,330.16
Treatment Plant	B6	Install concrete pad for chemical vat for Nitrate Treatment System	331L	$ 5,269.40	13.02%	$ 4,583.32
Treatment Plant	B6	Construct fence and wall for Nitrate Treatment System Facility	331L	$ 169,484.13	13.02%	$ 147,417.30
Treatment Plant	B6	Street improvements	331L	$ 144,606.65	13.02%	$ 125,778.86
Treatment Plant	B6	Install roll-up steel door	331L	$ 4,625.37	17.36%	$ 3,822.41
Wells	B24	Well B24C Piping	315L	$ 34,948.84	19.08%	$ 28,280.60
Wells	No. 11	Well Development Pit	315L	$ 17,488.30	19.08%	$ 14,151.53
Wells	B4	Wells B4B and B4C - Remove spool and pipe stand and install 4-12" blind flanges	315L	$ 1,626.36	19.08%	$ 1,316.05
Wells	B5	Wells B5A and B4C - Remove spool and pipe stand and install 4-12" blind flanges	315L	$ 1,556.11	19.08%	$ 1,259.20
Wells	W1	Well W1E - Remove spool and pipe stand and install 1-12" blind flange	315L	$ 850.52	19.08%	$ 688.24
Wells	W6	Well W6B - Remove spool and pipe stand and install 2-8" blind flanges	315L	$ 533.74	19.08%	$ 431.90
Wells	Well No. 3	Acquire Champion Mutual Well No. 3	315L	$ 10,849.41	19.08%	$ 8,779.34
Treatment Plant	B6	Install SCADA programming for Nitrate Treatment System	332L	$ 67,151.62	20.04%	$ 53,694.44
Treatment Plant	B6	Plant B6 - Install electrical for Nitrate Treatment System	332L	$ 566,336.29	20.04%	$ 452,842.50
Treatment Plant	B6	Install 2 chlorine pumps	332L	$ 8,731.72	20.04%	$ 6,981.88
Treatment Plant	G4	Install chlorine pump	332L	$ 1,790.83	20.04%	$ 1,431.95
Treatment Plant	No. 8	Air Stripper 8B2 - install variable frequency drive	332L	$ 14,082.26	20.04%	$ 11,260.18
Treatment Plant	W6	Install CL-17 Chlorine Analyzer	332L	$ 4,002.31	20.04%	$ 3,200.25
Treatment Plant	B6	Construct Nitrate Ion Exchange Treatment System	332L	$ 2,897,094.61	20.04%	$ 2,316,516.85
Treatment Plant	B6	Design Nitrate Treatment Facility	332L	$ 578,385.54	20.04%	$ 462,477.08
Treatment Plant	B6	Install water connection for Nitrate Treatment System	332L	$ 28,851.83	20.04%	$ 23,069.92
Treatment Plant	B6	Start-up Costs for Ion Exchange TreatmentSystem	332L	$ 1,196,892.48	20.04%	$ 957,035.23
Treatment Plant	No. 1	Install chlorine pump	332L	$ 1,632.30	20.04%	$ 1,305.19
Treatment Plant	No. 11	Install 2 chlorine pumps	332L	$ 7,752.15	20.04%	$ 6,198.62
Treatment Plant	No. 8	Design Ion ExchangeTreatment Facility	332L	$ 130,421.48	20.04%	$ 104,285.02
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,717.69	20.04%	$ 2,972.66

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	B12	Install 200 HP motor on booster B12B3	324L	$ 17,602.35	22.02%	$ 13,726.31
Pumps	B12	Booster B12B2 - Install soft starter	324L	$ 4,993.62	22.02%	$ 3,894.02
Pumps	B14	Booster B14B2 - Install soft starter	324L	$ 3,751.83	22.02%	$ 2,925.68
Pumps	B24	Equip Well B24C	324L	$ 126,940.00	22.02%	$ 98,987.81
Pumps	B24	Well B24C Electrical	324L	$ 29,341.48	22.02%	$ 22,880.49
Pumps	B26	Install 1-2" air relief valve and related piping	324L	$ 494.58	22.02%	$ 385.67
Pumps	B5	Install bowl assembly on booster B5B3	324L	$ 18,637.92	22.02%	$ 14,533.85
Pumps	B6	Install 2-2" air relief valves and related piping	324L	$ 386.83	22.02%	$ 301.65
Pumps	G6	Booster G6B3 - Install variable frequency drive	324L	$ 3,471.92	22.02%	$ 2,707.40
Pumps	No. 1	Install 1-2" and 1-1" air relief valves and related piping	324L	$ 577.34	22.02%	$ 450.21
Pumps	No. 11	Install 2-2" air relief valves and related piping	324L	$ 838.20	22.02%	$ 653.63
Pumps	No. 12	Install 1-16" and 1-18" butterfly valve on inlet and discharge lines	324L	$ 32,685.07	22.02%	$ 25,487.82
Pumps	No. 14	Booster 14B2- Install variable frequency drive	324L	$ 4,855.17	22.02%	$ 3,786.06
Pumps	No. 8	Install 3-2" air relief valves and related piping	324L	$ 1,218.52	22.02%	$ 950.20
Pumps	W6	Install 50'± 12-3/4" GWBR	324L	$ 39,690.50	22.02%	$ 30,950.65
Pumps	W6	Install 12" mainline meter	324L	$ 11,341.75	22.02%	$ 8,844.30
Pumps	W6	Install new pump on booster W6B4	324L	$ 15,486.38	22.02%	$ 12,076.28
Pumps	W6	Install 1-2" air relief valve and related piping	324L	$ 418.49	22.02%	$ 326.34
Wells	B24	Drill Well B24C	315L	$ 1,112,000.38	22.02%	$ 867,137.90
Pumps	B14	Provide additional wiring for emergency generator	324L	$ 29,901.19	22.02%	$ 23,316.95
Pumps	B25	Install 1-2" air relief valve and related piping	324L	$ 440.45	22.02%	$ 343.46
Pumps	B5	Well B5B - Install bowl assembly	324L	$ 37,863.09	22.02%	$ 29,525.64
Pumps	B5	Well B5E - Install column, shaft and air line	324L	$ 8,041.85	22.02%	$ 6,271.03
Pumps	B5	Install 2-2" air relief valves and related piping	324L	$ 819.35	22.02%	$ 638.93
Pumps	No. 1	Install bowl assembly on Booster 1B5	324L	$ 18,760.68	22.02%	$ 14,629.58
Pumps	No. 2	Install 2-2" air relief valves and related piping	324L	$ 815.19	22.02%	$ 635.69
Pumps	W1	Install 2-1" air relief valves and related piping	324L	$ 349.50	22.02%	$ 272.54
Pumps	W6	Well W6C - install bowl assembly	324L	$ 43,640.36	22.02%	$ 34,030.75
Treatment Plant	B11	Replace packing material in air stripper	332L	$ 142,491.95	23.38%	$ 109,177.33

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Treatment Plant	B11	Well B11B Air stripping tower booster -Install VFD drive	332L	$ 16,165.88	23.38%	$ 12,386.30
Treatment Plant	B6	UV boosters 2, 4 and 5 - Install bowl assemblies and UV booster 3 - Install headshaft and bearings	332L	$ 37,308.82	23.38%	$ 28,586.02
Treatment Plant	B6	Install bowl assembly on UV booster No. 1	332L	$ 10,786.42	23.38%	$ 8,264.56
Treatment Plant	B6	Install new VFD on Air stripping tower blower motor #1 and #2	332L	$ 14,007.88	23.38%	$ 10,732.84
Treatment Plant	B7	Replace packing material in air stripper	332L	$ 144,891.00	23.38%	$ 111,015.48
Treatment Plant	No. 8	Install variable frequency drives and 400 AMP breakers to tower boosters 1 & 2	332L	$ 48,345.77	23.38%	$ 37,042.53
Treatment Plant	No. 8	Install 150 HP motor on air stripper booster and related appurtenances	332L	$ 841.65	23.38%	$ 644.87
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,822.97	23.38%	$ 2,929.16
Pumps	B14	Install air conditioner unit	324L	$ 9,480.38	25.69%	$ 7,044.87
Pumps	B14	Install new starter, breaker and related electrical B14B4	324L	$ 33,997.27	25.69%	$ 25,263.37
Pumps	B17	Install auma valve electric operator	324L	$ 3,653.60	25.69%	$ 2,714.99
Pumps	B18	Install 50 HP motor and bowl assembly to booster B18B3	324L	$ 39,258.21	25.69%	$ 29,172.78
Pumps	B18	Install telemetry	324L	$ 5,257.15	25.69%	$ 3,906.59
Pumps	B18	Install pump can and piping	324L	$ 28,169.84	25.69%	$ 20,933.01
Pumps	B25	Install wall mounted air conditioning unit	324L	$ 1,259.14	25.69%	$ 935.67
Pumps	B5	Well B5E - Install 400 HP motor	324L	$ 38,925.97	25.69%	$ 28,925.89
Pumps	B5	Well B5E - Install column, tube and shaft	324L	$ 9,582.16	25.69%	$ 7,120.50
Pumps	B5	Well B5B- Install 40' of column, tube and shaft	324L	$ 12,059.61	25.69%	$ 8,961.50
Pumps	B5	B5 - Install bowl assemblies to boosters B5B5 and B5B6	324L	$ 37,117.84	25.69%	$ 27,582.27
Pumps	B7	Well B7C - Install motor and bowl assembly	324L	$ 52,634.54	25.69%	$ 39,112.73
Pumps	B7	Well B7C - Install electrical	324L	$ 4,823.78	25.69%	$ 3,584.55
Pumps	G3	Booster G3B3 - Install bowl assembly	324L	$ 12,321.03	25.69%	$ 9,155.76
Pumps	G4	Install two bowl assemblies to boosterGB4B1 and G4B2 and two motors and booster piping	324L	$ 80,866.80	25.69%	$ 60,092.12
Pumps	G6	Install intrusion alarm	324L	$ 4,507.48	25.69%	$ 3,349.51
Pumps	M1	Install air conditioning unit	324L	$ 1,259.14	25.69%	$ 935.67
Pumps	M1	Install 2-50 HP motors to boosters M1B1 & M1B2	324L	$ 15,180.26	25.69%	$ 11,280.45
Pumps	M1	Install bowl assemblies to boosters M1B1 & M1B2	324L	$ 22,664.68	25.69%	$ 16,842.12
Pumps	M1	Install electrical	324L	$ 51,633.15	25.69%	$ 38,368.59
Pumps	No. 1	Install motor and bowl assembly to booster 1B1	324L	$ 45,191.68	25.69%	$ 33,581.94

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	No. 12	Upgrade RTU program to accommodate new telemetry equipment	324L	$ 3,764.25	25.69%	$ 2,797.21
Pumps	No. 12	Install cla-valve and auma actuator & related piping	324L	$ 145,268.11	25.69%	$ 107,948.73
Pumps	No. 12	Install 2-16" butterfly valves & related piping	324L	$ 27,882.55	25.69%	$ 20,719.52
Pumps	No. 12	Install motors and bowl assembly to booster 12B1 and 12B2	324L	$ 109,812.58	25.69%	$ 81,601.73
Pumps	No. 2	Booster 2B4 -Install bowl assembly	324L	$ 16,013.91	25.69%	$ 11,899.94
Pumps	No. 2	Well 2D - Install 150 HP motor	324L	$ 12,968.68	25.69%	$ 9,637.03
Treatment Plant	B6	Install 3-nitrate analyzers	332L	$ 70,697.15	26.72%	$ 51,806.87
Treatment Plant	B5	Install electrical	332L	$ 1,695.13	26.72%	$ 1,242.19
Treatment Plant	B6	Install 12" by-pass piping	332L	$ 8,125.95	26.72%	$ 5,954.70
Treatment Plant	B6	Install electrical	332L	$ 3,623.21	26.72%	$ 2,655.09
Treatment Plant	B6	Install vertical risers at the inlet of the UV treatment system	332L	$ 74,326.61	26.72%	$ 54,466.54
Treatment Plant	B6	Install variable frequency drive on #3 air stripper blower	332L	$ 10,686.08	26.72%	$ 7,830.76
Treatment Plant	B6	Install 100 hp variable frequency drive on air stripper #4	332L	$ 11,293.80	26.72%	$ 8,276.10
Treatment Plant	B7	Install bowl assembly on pack tower booster	332L	$ 12,223.58	26.72%	$ 8,957.44
Pumps	B6	Upgrade SCADA programming	324L	$ 352,922.76	29.36%	$ 249,304.64
Pumps	B12	Install radiator to emergency generator	324L	$ 15,390.80	29.36%	$ 10,872.06
Pumps	B18	Install electrical	324L	$ 48,112.03	29.36%	$ 33,986.34
Pumps	B20	Install new soft starter to B20B2	324L	$ 7,769.40	29.36%	$ 5,488.30
Pumps	B20	Install submersible motors to boosters B20B1 and B20B2	324L	$ 76,793.62	29.36%	$ 54,247.01
Pumps	B6	Update RTU programming	324L	$ 5,129.19	29.36%	$ 3,623.26
Pumps	B6	Oversee SCADA programming installation	324L	$ 25,070.70	29.36%	$ 17,709.94
Pumps	B7	Well B7C - Install motor and bowl assembly	324L	$ 22,958.87	29.36%	$ 16,218.15
Pumps	El Monte Office	Replace SCADA System computer in the Central Control room	324L	$ 22,574.84	29.36%	$ 15,946.87
Pumps	No. 11	Install new soft starter to 11B2	324L	$ 9,939.93	29.36%	$ 7,021.57
Pumps	No.2	Install 8-Allen Bradley Soft Starters and related equipment	324L	$ 82,759.60	29.36%	$ 58,461.38
Pumps	B17	Install variable frequency drive for booster B17B1	324L	$ 4,046.51	29.36%	$ 2,858.45
Pumps	No. 8	Install booster assembly for 8B2	324L	$ 14,064.02	29.36%	$ 9,934.82
Treatment Plant	B5	Install nitrate analyzer	332L	$ 23,825.81	30.06%	$ 16,663.77
Treatment Plant	B5	Update RTU programming	332L	$ 4,445.61	30.06%	$ 3,109.26

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Treatment Plant	W6	Well W6D - perform dynamic flow and water chemistry survey	332L	$ 18,644.19	30.06%	$ 13,039.75
Pumps	B14	Install intrusion alarm	324L	$ 1,822.41	33.03%	$ 1,220.47
Pumps	B4	Install intrusion alarm	324L	$ 1,792.76	33.03%	$ 1,200.61
Pumps	El Monte Office	Install a secure remote access appliance on SCADA System	324L	$ 6,200.88	33.03%	$ 4,152.73
Pumps	G3	Install intrusion alarm	324L	$ 1,803.81	33.03%	$ 1,208.01
Pumps	G5	Program RTU & integrate with SCADA system	324L	$ 7,285.37	33.03%	$ 4,879.01
Pumps	M1	Install intrusion alarm	324L	$ 1,775.72	33.03%	$ 1,189.20
Pumps	M4	Install electrical motor and bowl assembly to M4B1	324L	$ 16,591.19	33.03%	$ 11,111.12
Pumps	M4	Install intrusion alarm	324L	$ 1,859.63	33.03%	$ 1,245.39
Pumps	No. 11	Install intrusion alarm	324L	$ 2,113.63	33.03%	$ 1,415.50
Pumps	No. 8	Install bowl assembly to Booster 8B3	324L	$ 11,894.37	33.03%	$ 7,965.66
Pumps	No. 8	Install intrusion alarm	324L	$ 1,790.11	33.03%	$ 1,198.84
Pumps	W7	Install intrusion alarm	324L	$ 1,823.81	33.03%	$ 1,221.41
Pumps	B12	Install intrusion alarm	324L	$ 1,844.34	33.03%	$ 1,235.15
Pumps	B15	Install intrusion alarm	324L	$ 1,790.39	33.03%	$ 1,199.02
Pumps	B18	Install intrusion alarm	324L	$ 1,882.46	33.03%	$ 1,260.68
Pumps	B20	Install intrusion alarm	324L	$ 2,501.57	33.03%	$ 1,675.30
Pumps	B24	Install bowl assemblies to boosters B24B5 and B24B6	324L	$ 34,075.84	33.03%	$ 22,820.59
Pumps	B24	Install electrical for existing AUMA valve	324L	$ 8,048.71	33.03%	$ 5,390.22
Pumps	B24	Install intrusion alarm	324L	$ 1,811.14	33.03%	$ 1,212.92
Pumps	B5	Install intrusion alarm	324L	$ 1,681.64	33.03%	$ 1,126.19
Pumps	G5	Install pressure transmitter	324L	$ 760.91	33.03%	$ 509.58
Pumps	M1	Install Power	324L	$ 6,110.40	33.03%	$ 4,092.13
Pumps	M3	Install intrusion alarm	324L	$ 1,847.12	33.03%	$ 1,237.02
Pumps	M4	Install variable frequency drive for booster M4B1	324L	$ 4,173.17	33.03%	$ 2,794.77
Pumps	No. 1	Install bowl assembly to Booster 3	324L	$ 17,202.86	33.03%	$ 11,520.76
Pumps	No. 1	Install intrusion alarm	324L	$ 1,860.30	33.03%	$ 1,245.84
Pumps	No. 2	Install bowl assembly to Booster 5	324L	$ 14,663.16	33.03%	$ 9,819.92
Pumps	No. 2	Install intrusion alarm	324L	$ 1,645.62	33.03%	$ 1,102.07

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	Varies	Miscellaneous	J324L	$ 10,823.00	33.03%	$ 7,248.16
Pumps	W1	Install intrusion alarm	324L	$ 1,873.37	33.03%	$ 1,254.60
Treatment Plant	B6	Construct Perchlorate Ion Exchange Treatment System	332L	$ 3,420,323.32	33.40%	$ 2,277,935.33
Treatment Plant	No. 11	Install pump on well 11B air stripper booster	332L	$ 17,273.18	33.40%	$ 11,503.94
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,809.88	33.40%	$ 2,537.38
Pumps	B20	Construct concrete slab for boosters	324L	$ 3,281.99	36.70%	$ 2,077.50
Pumps	B20	Install emergency generator	324L	$ 13,921.86	36.70%	$ 8,812.54
Pumps	No. 2	Install air conditioner unit	324L	$ 7,811.75	36.70%	$ 4,944.84
Pumps	B14	Install emergency generator	324L	$ 214,866.58	36.70%	$ 136,010.55
Pumps	B14	Install electrical to Booster B4	324L	$ 24,337.11	36.70%	$ 15,405.39
Pumps	B20	Install 8" Drainline	324L	$ 13,959.77	36.70%	$ 8,836.53
Pumps	B5	Install bowl assemblies to boosters B5B1 and B5B2	324L	$ 31,632.21	36.70%	$ 20,023.19
Pumps	B6	Install bowl assemblies to boosters B6B1 and B6B2	324L	$ 17,982.93	36.70%	$ 11,383.19
Pumps	G3	Install electrical	324L	$ 13,661.07	36.70%	$ 8,647.46
Pumps	G5	Install pressure relief valve	324L	$ 16,300.52	36.70%	$ 10,318.23
Pumps	No. 1	Install Air Conditioner Unit	324L	$ 6,250.79	36.70%	$ 3,956.75
Pumps	No. 11	Install bowl assembly to well 11B1	324L	$ 12,453.64	36.70%	$ 7,883.15
Pumps	No. 14	Install emergency generator	324L	$ 77,298.68	36.70%	$ 48,930.06
Pumps	No. 8	Install booster assembly for 8B1	324L	$ 15,108.95	36.70%	$ 9,563.97
Pumps	Varies	Miscellaneous	J324L	$ 17,040.14	36.70%	$ 10,786.41
Pumps	B5	Well B5E - Install bowl assembly	324L	$ 30,643.30	36.70%	$ 19,397.21
Pumps	M1	Install emergency generator	324L	$ 62,245.55	36.70%	$ 39,401.43
Pumps	No. 8	Install bowl assembly for booster 8B4	324L	$ 13,122.95	36.70%	$ 8,306.83

Attachment 9-2 (Attachment A.1 – Status-Rev in response to DR CHA-007 Historic Rate Base Question #1)

Asset Group	Asset Name		Account Number	Original Cost	Status	Last Date in Use	Out of Service Reason	Plan to Restore Service (Yes/No)	Expected Restoration Date
	Location	Description							
Pumps	B24	Equip Well B24C	324L	$ 126,940.00	Completed 2015, Not Currently in Use	2015	Water treatment is required by Division of Drinking Water for Wells B24A, B24B, and B24C prior to restoring service to Well B24C. Refer to the Plant B24 project description provided on Page 76 (Lines 5-27) of and in Attachment C to Exhibit SG-8 for this explanation.	Yes	2022
Treatment Plant	B7	Replace packing material in air stripper	332L	$ 144,891.00	In Use until 2014, Not Currently in Use	2014	The Plant B7 air stripper was removed from service November 2014 when the shaft for Well B7C failed. Repairs to Well B7C were not completed because the United States Environmental Protection Agency required in 2015 that Well B7C be destroyed because it was enabling contamination from the intermediate zone of the aquifer to mirgate into the deeper zone, which affected the water quality of the Plant B24 wells.	No	N/A
Treatment Plant	No. 8	Design Ion Exchange Treatment Facility	332L	$ 130,421.48	Completed 2015*	N/A	N/A	N/A	N/A
Wells	B24	Drill Well B24C	315L	$ 1,112,000.38	Completed 2015, Not Currently in Use	2015	Water treatment is required by Division of Drinking Water for Wells B24A, B24B, and B24C prior to restoring service to Well B24C. Refer to the Plant B24 project description provided on Page 76 (Lines 5-27) of and in Attachment C to Exhibit SG-8 for this explanation.	Yes	2022

* Refer to Attachment A.2 to this data request for San Gabriel Valley Water Company's response to the question from Ms. Chandrika Sharma regarding the completion status of this design project and expected timeframe for when the treatment facility will be constructed. The requested Last Date In Use, Out of Service Reason, Plan to Restore Service, and Expected Restoration Date are not applicable because this project involves only design and permitting for the planned ion exchange treatment facility.

Attachment 9-3: Responses to DR CHA-025

CHA-025 (Response) in response to DR CHA-025 Historic Rate Base Question #4)

REQUEST NO. 4:
Please provide the date the "Land Parcel," which was part of the Rurban Homes Mutual Water Company acquisition located at 5044 Cogswell Road, El Monte, California, was added to the plant account.

RESPONSE NO.4:
The date the land parcel was added to the Utility Plant account is December 31, 2019.

RESPONDING WITNESSES: Yucelen

Sincerely,

/s/ Joel M Reiker
Joel M. Reiker
Vice President, Regulatory Affairs

Cc: Chandrika Sharma chandrika.sharma@cpuc.ca.gov

/encl.

ATTACHMENT 3 (in response to DR CHA-025 Historic Rate Base Question #3)

Asset Group	Asset Name		Account Number	Original Cost	Date Added to Plant Account
	Location	Description			
Treatment Plant	B7	Replace Packing Material in Air Stripper	332L	$ 144,891.00	7/31/2014
Treatment Plant	No. 8	Design Ion Exchange Treatment Facility	332L	$ 130,421.48	12/31/2015

Attachment 9-4: Several Responses to DRs CHA-002 and CHA-014

(ATTACHMENTS A&B – Book Values D – Retirements – LA in response to DR CHA-002 Historic Rate Base Question # 1)

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
	Location	Description				
Treatment Plant	B6	Site grading for Nitrate Treatment Facility	331L	$ 143,241.62	13.02%	$ 124,591.56
Treatment Plant	B6	Site improvements for Nitrate Treatment Faciltiy	331L	$ 117,931.44	13.02%	$ 102,576.77
Treatment Plant	B6	Install landscaping for Nitrate Treatment System Facility	331L	$ 73,959.71	13.02%	$ 64,330.16
Treatment Plant	B6	Install concrete pad for chemical vat for Nitrate Treatment System	331L	$ 5,269.40	13.02%	$ 4,583.32
Treatment Plant	B6	Construct fence and wall for Nitrate Treatment System Facility	331L	$ 169,484.13	13.02%	$ 147,417.30
Treatment Plant	B6	Street improvements	331L	$ 144,606.65	13.02%	$ 125,778.86
Treatment Plant	B6	Install roll-up steel door	331L	$ 4,625.37	17.36%	$ 3,822.41
Wells	B24	Well B24C Piping	315L	$ 34,948.84	19.08%	$ 28,280.60
Wells	No. 11	Well Development Pit	315L	$ 17,488.30	19.08%	$ 14,151.53
Wells	B4	Wells B4B and B4C - Remove spool and pipe stand and install 4-12" blind flanges	315L	$ 1,626.36	19.08%	$ 1,316.05
Wells	B5	Wells B5A and B4C - Remove spool and pipe stand and install 4-12" blind flanges	315L	$ 1,556.11	19.08%	$ 1,259.20
Wells	W1	Well W1E - Remove spool and pipe stand and install 1-12" blind flange	315L	$ 850.52	19.08%	$ 688.24
Wells	W6	Well W6B - Remove spool and pipe stand and install 2-8" blind flanges	315L	$ 533.74	19.08%	$ 431.90
Wells	Well No. 3	Acquire Champion Mutual Well No. 3	315L	$ 10,849.41	19.08%	$ 8,779.34
Treatment Plant	B6	Install SCADA programming for Nitrate Treatment System	332L	$ 67,151.62	20.04%	$ 53,694.44
Treatment Plant	B6	Plant B6 - Install electrical for Nitrate Treatment System	332L	$ 566,336.29	20.04%	$ 452,842.50
Treatment Plant	B6	Install 2 chlorine pumps	332L	$ 8,731.72	20.04%	$ 6,981.88
Treatment Plant	G4	Install chlorine pump	332L	$ 1,790.83	20.04%	$ 1,431.95
Treatment Plant	No. 8	Air Stripper 8B2 - install variable frequency drive	332L	$ 14,082.26	20.04%	$ 11,260.18
Treatment Plant	W6	Install CL-17 Chlorine Analyzer	332L	$ 4,002.31	20.04%	$ 3,200.25
Treatment Plant	B6	Construct Nitrate Ion Exchange Treatment System	332L	$ 2,897,094.61	20.04%	$ 2,316,516.85
Treatment Plant	B6	Design Nitrate Treatment Facility	332L	$ 578,385.54	20.04%	$ 462,477.08
Treatment Plant	B6	Install water connection for Nitrate Treatment System	332L	$ 28,851.83	20.04%	$ 23,069.92
Treatment Plant	B6	Start-up Costs for Ion Exchange TreatmentSystem	332L	$ 1,196,892.48	20.04%	$ 957,035.23
Treatment Plant	No. 1	Install chlorine pump	332L	$ 1,632.30	20.04%	$ 1,305.19
Treatment Plant	No. 11	Install 2 chlorine pumps	332L	$ 7,752.15	20.04%	$ 6,198.62
Treatment Plant	No. 8	Design Ion ExchangeTreatment Facility	332L	$ 130,421.48	20.04%	$ 104,285.02
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,717.69	20.04%	$ 2,972.66

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	B12	Install 200 HP motor on booster B12B3	324L	$ 17,602.35	22.02%	$ 13,726.31
Pumps	B12	Booster B12B2 - Install soft starter	324L	$ 4,993.62	22.02%	$ 3,894.02
Pumps	B14	Booster B14B2 - Install soft starter	324L	$ 3,751.83	22.02%	$ 2,925.68
Pumps	B24	Equip Well B24C	324L	$ 126,940.00	22.02%	$ 98,987.81
Pumps	B24	Well B24C Electrical	324L	$ 29,341.48	22.02%	$ 22,880.49
Pumps	B26	Install 1-2" air relief valve and related piping	324L	$ 494.58	22.02%	$ 385.67
Pumps	B5	Install bowl assembly on booster B5B3	324L	$ 18,637.92	22.02%	$ 14,533.85
Pumps	B6	Install 2-2" air relief valves and related piping	324L	$ 386.83	22.02%	$ 301.65
Pumps	G6	Booster G6B3 - Install variable frequency drive	324L	$ 3,471.92	22.02%	$ 2,707.40
Pumps	No. 1	Install 1-2" and 1-1" air relief valves and related piping	324L	$ 577.34	22.02%	$ 450.21
Pumps	No. 11	Install 2-2" air relief valves and related piping	324L	$ 838.20	22.02%	$ 653.63
Pumps	No. 12	Install 1-16" and 1-18" butterfly valve on inlet and discharge lines	324L	$ 32,685.07	22.02%	$ 25,487.82
Pumps	No. 14	Booster 14B2- Install variable frequency drive	324L	$ 4,855.17	22.02%	$ 3,786.06
Pumps	No. 8	Install 3-2" air relief valves and related piping	324L	$ 1,218.52	22.02%	$ 950.20
Pumps	W6	Install 50'± 12-3/4" GWBR	324L	$ 39,690.50	22.02%	$ 30,950.65
Pumps	W6	Install 12" mainline meter	324L	$ 11,341.75	22.02%	$ 8,844.30
Pumps	W6	Install new pump on booster W6B4	324L	$ 15,486.38	22.02%	$ 12,076.28
Pumps	W6	Install 1-2" air relief valve and related piping	324L	$ 418.49	22.02%	$ 326.34
Wells	B24	Drill Well B24C	315L	$ 1,112,000.38	22.02%	$ 867,137.90
Pumps	B14	Provide additional wiring for emergency generator	324L	$ 29,901.19	22.02%	$ 23,316.95
Pumps	B25	Install 1-2" air relief valve and related piping	324L	$ 440.45	22.02%	$ 343.46
Pumps	B5	Well B5B - Install bowl assembly	324L	$ 37,863.09	22.02%	$ 29,525.64
Pumps	B5	Well B5E - Install column, shaft and air line	324L	$ 8,041.85	22.02%	$ 6,271.03
Pumps	B5	Install 2-2" air relief valves and related piping	324L	$ 819.35	22.02%	$ 638.93
Pumps	No. 1	Install bowl assembly on Booster 1B5	324L	$ 18,760.68	22.02%	$ 14,629.58
Pumps	No. 2	Install 2-2" air relief valves and related piping	324L	$ 815.19	22.02%	$ 635.69
Pumps	W1	Install 2-1" air relief valves and related piping	324L	$ 349.50	22.02%	$ 272.54
Pumps	W6	Well W6C - install bowl assembly	324L	$ 43,640.36	22.02%	$ 34,030.75
Treatment Plant	B11	Replace packing material in air stripper	332L	$ 142,491.95	23.38%	$ 109,177.33

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Treatment Plant	B11	Well B11B Air stripping tower booster -Install VFD drive	332L	$ 16,165.88	23.38%	$ 12,386.30
Treatment Plant	B6	UV boosters 2, 4 and 5 - Install bowl assemblies and UV booster 3 - Install headshaft and bearings	332L	$ 37,308.82	23.38%	$ 28,586.02
Treatment Plant	B6	Install bowl assembly on UV booster No. 1	332L	$ 10,786.42	23.38%	$ 8,264.56
Treatment Plant	B6	Install new VFD on Air stripping tower blower motor #1 and #2	332L	$ 14,007.88	23.38%	$ 10,732.84
Treatment Plant	B7	Replace packing material in air stripper	332L	$ 144,891.00	23.38%	$ 111,015.48
Treatment Plant	No. 8	Install variable frequency drives and 400 AMP breakers to tower boosters 1 & 2	332L	$ 48,345.77	23.38%	$ 37,042.53
Treatment Plant	No. 8	Install 150 HP motor on air stripper booster and related appurtenances	332L	$ 841.65	23.38%	$ 644.87
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,822.97	23.38%	$ 2,929.16
Pumps	B14	Install air conditioner unit	324L	$ 9,480.38	25.69%	$ 7,044.87
Pumps	B14	Install new starter, breaker and related electrical B14B4	324L	$ 33,997.27	25.69%	$ 25,263.37
Pumps	B17	Install auma valve electric operator	324L	$ 3,653.60	25.69%	$ 2,714.99
Pumps	B18	Install 50 HP motor and bowl assembly to booster B18B3	324L	$ 39,258.21	25.69%	$ 29,172.78
Pumps	B18	Install telemetry	324L	$ 5,257.15	25.69%	$ 3,906.59
Pumps	B18	Install pump can and piping	324L	$ 28,169.84	25.69%	$ 20,933.01
Pumps	B25	Install wall mounted air conditioning unit	324L	$ 1,259.14	25.69%	$ 935.67
Pumps	B5	Well B5E - Install 400 HP motor	324L	$ 38,925.97	25.69%	$ 28,925.89
Pumps	B5	Well B5E - Install column, tube and shaft	324L	$ 9,582.16	25.69%	$ 7,120.50
Pumps	B5	Well B5B- Install 40' of column, tube and shaft	324L	$ 12,059.61	25.69%	$ 8,961.50
Pumps	B5	B5 - Install bowl assemblies to boosters B5B5 and B5B6	324L	$ 37,117.84	25.69%	$ 27,582.27
Pumps	B7	Well B7C - Install motor and bowl assembly	324L	$ 52,634.54	25.69%	$ 39,112.73
Pumps	B7	Well B7C - Install electrical	324L	$ 4,823.78	25.69%	$ 3,584.55
Pumps	G3	Booster G3B3 - Install bowl assembly	324L	$ 12,321.03	25.69%	$ 9,155.76
Pumps	G4	Install two bowl assemblies to boosterGB4B1 and G4B2 and two motors and booster piping	324L	$ 80,866.80	25.69%	$ 60,092.12
Pumps	G6	Install intrusion alarm	324L	$ 4,507.48	25.69%	$ 3,349.51
Pumps	M1	Install air conditioning unit	324L	$ 1,259.14	25.69%	$ 935.67
Pumps	M1	Install 2-50 HP motors to boosters M1B1 & M1B2	324L	$ 15,180.26	25.69%	$ 11,280.45
Pumps	M1	Install bowl assemblies to boosters M1B1 & M1B2	324L	$ 22,664.68	25.69%	$ 16,842.12
Pumps	M1	Install electrical	324L	$ 51,633.15	25.69%	$ 38,368.59
Pumps	No. 1	Install motor and bowl assembly to booster 1B1	324L	$ 45,191.68	25.69%	$ 33,581.94

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	No. 12	Upgrade RTU program to accommodate new telemetry equipment	324L	$ 3,764.25	25.69%	$ 2,797.21
Pumps	No. 12	Install cla-valve and auma actuator & related piping	324L	$ 145,268.11	25.69%	$ 107,948.73
Pumps	No. 12	Install 2-16" butterfly valves & related piping	324L	$ 27,882.55	25.69%	$ 20,719.52
Pumps	No. 12	Install motors and bowl assembly to booster 12B1 and 12B2	324L	$ 109,812.58	25.69%	$ 81,601.73
Pumps	No. 2	Booster 2B4 -Install bowl assembly	324L	$ 16,013.91	25.69%	$ 11,899.94
Pumps	No. 2	Well 2D - Install 150 HP motor	324L	$ 12,968.68	25.69%	$ 9,637.03
Treatment Plant	B6	Install 3-nitrate analyzers	332L	$ 70,697.15	26.72%	$ 51,806.87
Treatment Plant	B5	Install electrical	332L	$ 1,695.13	26.72%	$ 1,242.19
Treatment Plant	B6	Install 12" by-pass piping	332L	$ 8,125.95	26.72%	$ 5,954.70
Treatment Plant	B6	Install electrical	332L	$ 3,623.21	26.72%	$ 2,655.09
Treatment Plant	B6	Install vertical risers at the inlet of the UV treatment system	332L	$ 74,326.61	26.72%	$ 54,466.54
Treatment Plant	B6	Install variable frequency drive on #3 air stripper blower	332L	$ 10,686.08	26.72%	$ 7,830.76
Treatment Plant	B6	Install 100 hp variable frequency drive on air stripper #4	332L	$ 11,293.80	26.72%	$ 8,276.10
Treatment Plant	B7	Install bowl assembly on pack tower booster	332L	$ 12,223.58	26.72%	$ 8,957.44
Pumps	B6	Upgrade SCADA programming	324L	$ 352,922.76	29.36%	$ 249,304.64
Pumps	B12	Install radiator to emergency generator	324L	$ 15,390.80	29.36%	$ 10,872.06
Pumps	B18	Install electrical	324L	$ 48,112.03	29.36%	$ 33,986.34
Pumps	B20	Install new soft starter to B20B2	324L	$ 7,769.40	29.36%	$ 5,488.30
Pumps	B20	Install submersible motors to boosters B20B1 and B20B2	324L	$ 76,793.62	29.36%	$ 54,247.01
Pumps	B6	Update RTU programming	324L	$ 5,129.19	29.36%	$ 3,623.26
Pumps	B6	Oversee SCADA programming installation	324L	$ 25,070.70	29.36%	$ 17,709.94
Pumps	B7	Well B7C - Install motor and bowl assembly	324L	$ 22,958.87	29.36%	$ 16,218.15
Pumps	El Monte Office	Replace SCADA System computer in the Central Control room	324L	$ 22,574.84	29.36%	$ 15,946.87
Pumps	No. 11	Install new soft starter to 11B2	324L	$ 9,939.93	29.36%	$ 7,021.57
Pumps	No.2	Install 8-Allen Bradley Soft Starters and related equipment	324L	$ 82,759.60	29.36%	$ 58,461.38
Pumps	B17	Install variable frequency drive for booster B17B1	324L	$ 4,046.51	29.36%	$ 2,858.45
Pumps	No. 8	Install booster assembly for 8B2	324L	$ 14,064.02	29.36%	$ 9,934.82
Treatment Plant	B5	Install nitrate analyzer	332L	$ 23,825.81	30.06%	$ 16,663.77
Treatment Plant	B5	Update RTU programming	332L	$ 4,445.61	30.06%	$ 3,109.26

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Treatment Plant	W6	Well W6D - perform dynamic flow and water chemistry survey	332L	$ 18,644.19	30.06%	$ 13,039.75
Pumps	B14	Install intrusion alarm	324L	$ 1,822.41	33.03%	$ 1,220.47
Pumps	B4	Install intrusion alarm	324L	$ 1,792.76	33.03%	$ 1,200.61
Pumps	El Monte Office	Install a secure remote access appliance on SCADA System	324L	$ 6,200.88	33.03%	$ 4,152.73
Pumps	G3	Install intrusion alarm	324L	$ 1,803.81	33.03%	$ 1,208.01
Pumps	G5	Program RTU & integrate with SCADA system	324L	$ 7,285.37	33.03%	$ 4,879.01
Pumps	M1	Install intrusion alarm	324L	$ 1,775.72	33.03%	$ 1,189.20
Pumps	M4	Install electrical motor and bowl assembly to M4B1	324L	$ 16,591.19	33.03%	$ 11,111.12
Pumps	M4	Install intrusion alarm	324L	$ 1,859.63	33.03%	$ 1,245.39
Pumps	No. 11	Install intrusion alarm	324L	$ 2,113.63	33.03%	$ 1,415.50
Pumps	No. 8	Install bowl assembly to Booster 8B3	324L	$ 11,894.37	33.03%	$ 7,965.66
Pumps	No. 8	Install intrusion alarm	324L	$ 1,790.11	33.03%	$ 1,198.84
Pumps	W7	Install intrusion alarm	324L	$ 1,823.81	33.03%	$ 1,221.41
Pumps	B12	Install intrusion alarm	324L	$ 1,844.34	33.03%	$ 1,235.15
Pumps	B15	Install intrusion alarm	324L	$ 1,790.39	33.03%	$ 1,199.02
Pumps	B18	Install intrusion alarm	324L	$ 1,882.46	33.03%	$ 1,260.68
Pumps	B20	Install intrusion alarm	324L	$ 2,501.57	33.03%	$ 1,675.30
Pumps	B24	Install bowl assemblies to boosters B24B5 and B24B6	324L	$ 34,075.84	33.03%	$ 22,820.59
Pumps	B24	Install electrical for existing AUMA valve	324L	$ 8,048.71	33.03%	$ 5,390.22
Pumps	B24	Install intrusion alarm	324L	$ 1,811.14	33.03%	$ 1,212.92
Pumps	B5	Install intrusion alarm	324L	$ 1,681.64	33.03%	$ 1,126.19
Pumps	G5	Install pressure transmitter	324L	$ 760.91	33.03%	$ 509.58
Pumps	M1	Install Power	324L	$ 6,110.40	33.03%	$ 4,092.13
Pumps	M3	Install intrusion alarm	324L	$ 1,847.12	33.03%	$ 1,237.02
Pumps	M4	Install variable frequency drive for booster M4B1	324L	$ 4,173.17	33.03%	$ 2,794.77
Pumps	No. 1	Install bowl assembly to Booster 3	324L	$ 17,202.86	33.03%	$ 11,520.76
Pumps	No. 1	Install intrusion alarm	324L	$ 1,860.30	33.03%	$ 1,245.84
Pumps	No. 2	Install bowl assembly to Booster 5	324L	$ 14,663.16	33.03%	$ 9,819.92
Pumps	No. 2	Install intrusion alarm	324L	$ 1,645.62	33.03%	$ 1,102.07

Asset Group	Asset Name		Account Number	Original Cost	Total Depreciation	Current Net Book Value
Pumps	Varies	Miscellaneous	J324L	$ 10,823.00	33.03%	$ 7,248.16
Pumps	W1	Install intrusion alarm	324L	$ 1,873.37	33.03%	$ 1,254.60
Treatment Plant	B6	Construct Perchlorate Ion Exchange Treatment System	332L	$ 3,420,323.32	33.40%	$ 2,277,935.33
Treatment Plant	No. 11	Install pump on well 11B air stripper booster	332L	$ 17,273.18	33.40%	$ 11,503.94
Treatment Plant	Varies	Miscellaneous	J332L	$ 3,809.88	33.40%	$ 2,537.38
Pumps	B20	Construct concrete slab for boosters	324L	$ 3,281.99	36.70%	$ 2,077.50
Pumps	B20	Install emergency generator	324L	$ 13,921.86	36.70%	$ 8,812.54
Pumps	No. 2	Install air conditioner unit	324L	$ 7,811.75	36.70%	$ 4,944.84
Pumps	B14	Install emergency generator	324L	$ 214,866.58	36.70%	$ 136,010.55
Pumps	B14	Install electrical to Booster B4	324L	$ 24,337.11	36.70%	$ 15,405.39
Pumps	B20	Install 8" Drainline	324L	$ 13,959.77	36.70%	$ 8,836.53
Pumps	B5	Install bowl assemblies to boosters B5B1 and B5B2	324L	$ 31,632.21	36.70%	$ 20,023.19
Pumps	B6	Install bowl assemblies to boosters B6B1 and B6B2	324L	$ 17,982.93	36.70%	$ 11,383.19
Pumps	G3	Install electrical	324L	$ 13,661.07	36.70%	$ 8,647.46
Pumps	G5	Install pressure relief valve	324L	$ 16,300.52	36.70%	$ 10,318.23
Pumps	No. 1	Install Air Conditioner Unit	324L	$ 6,250.79	36.70%	$ 3,956.75
Pumps	No. 11	Install bowl assembly to well 11B1	324L	$ 12,453.64	36.70%	$ 7,883.15
Pumps	No. 14	Install emergency generator	324L	$ 77,298.68	36.70%	$ 48,930.06
Pumps	No. 8	Install booster assembly for 8B1	324L	$ 15,108.95	36.70%	$ 9,563.97
Pumps	Varies	Miscellaneous	J324L	$ 17,040.14	36.70%	$ 10,786.41
Pumps	B5	Well B5E - Install bowl assembly	324L	$ 30,643.30	36.70%	$ 19,397.21
Pumps	M1	Install emergency generator	324L	$ 62,245.55	36.70%	$ 39,401.43
Pumps	No. 8	Install bowl assembly for booster 8B4	324L	$ 13,122.95	36.70%	$ 8,306.83

[TABLE OMITTED]

RESPONSE NO.2:
Refer to **CHA-014 ATTACHMENT 2.a.xlsx** for the requested data regarding dates the Fontana Water Company division assets were placed in service, and **CHA-014 ATTACHMENT 2.b.xlsx** for the dates the Los Angeles County division assets were placed in service.

RESPONDING WITNESSES: Yucelen

REQUEST NO. 3:
Please indicate if at the time of filing of A.22-01-003, whether there was a plan to use the "Land Parcel", which was part of the Rurban Homes Mutual Water Company acquisition located at 5044 Cogswell Road, El Monte, California. If so, state the expected date and provided documentary support for future use of the land. If there is no plan to use the land, provide the reason(s) why not. Also, please provide the original cost and the current net book value of the land.

RESPONSE NO.3:
The Land Parcel No. 260 was purchased with the Rurban Homes Mutual Water Company acquisition. The property included two wells that were determined to be inoperable due to declining the water level and equipment failure, an office trailer, and other water facilities. The two wells were destroyed on February 25, 2022, and the office trailer was removed from the parcel, and since 2020 has been utilized at the Los Angeles County division office facility as a temporary water quality storage room. San Gabriel considered drilling and equipping replacement wells at the site because of its suitable elevation in San Gabriel's water system. However, because of the narrow orientation of the site, with a width between 50 feet and 60 feet, and the State Water Resources Control Board requirement that new wells be drilled a minimum of 50 feet from a property line, the width of Land Parcel No. 260 is too narrow for drilling a replacement well. San Gabriel is currently conducting further study and evaluation of the use of the Land Parcel No. 260 site for utility purposes. If San Gabriel were to determine that the site could not be utilized for utility purposes, San Gabriel might consider selling the property because of its location in a desirable residential neighborhood. The total acquisition cost of the parcel was $245,701, and this amount was provided by email from Joel Reiker to Mehboob Aslam on February 2, 2022, and again in response to Data Request AA9-002. Because no depreciation is applied to the value of land, the net book value is equivalent to the acquisition cost of the parcel.

RESPONDING WITNESSES: Yucelen

Attachment 9-5: ATTACHMENT D - Retirements – LA (in response to DR CHA-002 Historic Rate Base Question #2)

Date Added to Plant Account	Retirement Date	Account Number	Original Cost	Net Book Value at Time of Retirement
12/31/17	10/30/21	346.00L	$ 227.20	$ 210.39
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	12/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	12/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/18	10/30/21	346.00L	$ 211.64	$ 199.89
12/31/19	10/31/20	346.00L	$ 41.00	$ 40.24
07/31/20	07/31/21	324.00L	$ 20,441.52	$ 19,691.32
12/31/15	05/31/19	345.00L	$ 5,638.80	$ 5,077.18
12/31/15	05/31/19	345.00L	$ 5,638.80	$ 5,077.18
12/31/15	01/31/20	345.00L	$ 5,638.80	$ 4,936.77
12/31/18	02/29/20	346.00L	$ 720.15	$ 693.50
12/31/19	04/30/21	346.00L	$ 604.00	$ 581.65
12/31/19	06/30/21	346.00L	$ 41.00	$ 39.48
12/31/19	07/31/21	346.00L	$ 81.00	$ 78.00
12/31/19	10/30/21	346.00L	$ 256.17	$ 246.69
12/31/18	10/31/20	346.00L	$ 443.00	$ 426.61
12/31/18	12/31/20	373.00L	$ 2,675.00	$ 2,233.09
12/31/17	02/29/20	346.00L	$ 6,309.66	$ 5,959.47
12/31/18	04/30/21	346.00L	$ 154.00	$ 145.45
12/31/18	04/30/21	346.00L	$ 86.00	$ 81.23
12/31/18	04/30/21	346.00L	$ 82.00	$ 77.45
12/31/18	06/30/21	346.00L	$ 1,440.00	$ 1,360.08
12/31/18	06/30/21	346.00L	$ 872.00	$ 823.60
12/31/18	06/30/21	346.00L	$ 200.00	$ 188.90
12/31/18	07/31/21	346.00L	$ 406.00	$ 383.47
12/31/18	09/30/21	346.00L	$ 439.00	$ 414.64
12/31/20	10/30/21	346.00L	$ 257.00	$ 252.25
12/31/17	01/31/21	346.00L	$ 53.00	$ 49.08
12/31/17	04/30/21	346.00L	$ 854.00	$ 790.80
12/31/17	04/30/21	346.00L	$ 543.00	$ 502.82
12/31/17	04/30/21	346.00L	$ 543.00	$ 502.82
12/31/17	04/30/21	346.00L	$ 248.00	$ 229.65
12/31/17	04/30/21	346.00L	$ 53.00	$ 49.08
12/31/17	06/30/21	346.00L	$ 1,071.00	$ 991.75
12/31/17	06/30/21	346.00L	$ 812.00	$ 751.91
12/31/17	07/31/21	346.00L	$ 105.00	$ 97.23
12/31/17	07/31/21	346.00L	$ 41.00	$ 37.97
12/31/17	09/30/21	346.00L	$ 53.00	$ 49.08
12/31/14	12/31/20	373.00L	$ 28,179.00	$ 14,213.49
12/31/12	09/30/19	378.00L	$ 2,172.82	$ 1,289.13
12/31/12	09/30/19	378.00L	$ 853.69	$ 506.49
12/31/06	07/31/19	343.00L	$ 5,797.56	$ 4,327.88
12/31/05	11/30/19	343.00L	$ 3,542.00	$ 2,575.03
12/31/00	07/31/19	343.00L	$ 10,488.42	$ 6,602.46
12/31/98	07/31/19	343.00L	$ 1,523.46	$ 899.60
12/31/95	01/31/20	343.00L	$ 3,560.61	$ 1,824.81
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 5,415.39	$ 5,280.55
12/31/19	01/31/20	345.00L	$ 3,681.94	$ 3,590.26
12/31/19	12/31/19	345.00L	$ 5.26	$ 5.26

Attachment 9-6: Early Retirement

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
MAINS	4-1/2" GWBR PIPELINE	7/31/2019	12/31/2056	8/18/2006	$4,327.88	74.29%
MAINS	6-5/8" GWBR PIPELINE	11/30/2019	12/31/2055	10/17/2000	$2,575.03	65.37%
MAINS	4-1/2" GWBR PIPELINE	7/31/2019	12/31/2050	10/17/2000	$6,602.46	62.58%
MAINS	4-1/2" GWBR PIPELINE	7/31/2019	12/31/2048	10/17/2000	$899.60	61.03%
MAINS	8-5/8" GWBR PIPELINE	1/31/2020	12/31/46	12/29/1995	$1,824.81	52.77%
METERS	WATER METER	2/29/2020	12/31/2067	1/3/2019	$253.75	97.64%

[153] Attachment 9-8 (CHA-009 ATTACHMENT C – Retirements – LA in response to CR CHA-009 Historic Rate Base), response from Joel Reiker to the email DR CHA-008 (Historic Rate Base) - Follow Up on 5/4/2022, ATTACHMENT D - Retirements – LA in response to DR CHA-008 Historic Rate Base, CHA-009 ATTACHMENT C - Retirements – LA in response to DR CHA-009 Historic Rate Base, CHA-014 ATTACHMENT 1 in response to DR CHA-014 Historic Rate Base, CHA-006 ATTACHMENT B (REVISED) in response to DR CHA-006 Historic Rate Base, CHA-018 ATTACHMENT 2 in response to DR CHA-018 Historic Rate Base).

[154] Attachment 9-9 (CHA-018 ATTACHMENT 1.b in response to DR CHA-018 Historic Rate Base, CHA-018 ATTACHMENT 1.b (FOLLOW UP) in response to DR CHA-018 Historic Rate Base, CHA-014 ATTACHMENT 2.b in response to DR CHA-014 Historic Rate Base, CHA-023 ATTACHMENT 1 in response to DR CHA-023 Historic Rate Base).

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	2/29/2020	12/31/2067	2017*	$114.11	95.67%
METERS	WATER METER	2/29/2020	12/31/2068	1/19/2018	$693.50	95.86%
METERS	WATER METER	10/31/2020	12/31/2068	10/30/2018	$426.61	96.01%
METERS	WATER METER	10/31/2020	12/31/2069	1/1/2020	$40.24	98.34%
METERS	WATER METER	1/31/2021	12/31/2067	7/7/2017	$49.08	92.93%
METERS	WATER METER	4/30/2021	12/31/2067	6/1/2018	$375.57	94.12%
METERS	WATER METER	4/30/2021	12/31/2067	5/21/2018	$248.69	94.07%
METERS	WATER METER	4/30/2021	12/31/2067	8/24/2018	$83.09	94.56%
METERS	WATER METER	4/30/2021	12/31/2067	8/3/2017	$83.46	92.58%
METERS	WATER METER	4/30/2021	12/31/2067	8/3/2017	$502.82	92.58%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	4/30/2021	12/31/2067	8/11/2017	$502.82	92.62%
METERS	WATER METER	4/30/2021	12/31/2067	6/22/2020	$131.82	98.20%
METERS	WATER METER	4/30/2021	12/31/2067	4/25/2018	$48.58	93.93%
METERS	WATER METER	4/30/2021	12/31/2067	8/23/2017	$49.25	92.68%
METERS	WATER METER	4/30/2021	12/31/2067	5/10/2018	$49.08	94.01%
METERS	WATER METER	4/30/2021	12/31/2068	4/25/2018	$145.45	94.05%
METERS	WATER METER	4/30/2021	12/31/2068	7/24/2018	$81.23	94.51%
METERS	WATER METER	4/30/2021	12/31/2068	2018*	$77.45	95.34%
METERS	WATER METER	4/30/2021	12/31/2063	9/18/2019	$581.65	96.35%
METERS	WATER METER	6/30/2021	12/31/2067	2/11/2018	$267.71	93.22%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	6/30/2021	12/31/2067	11/21/2017	$131.96	92.80%
METERS	WATER METER	6/30/2021	12/31/2067	9/21/2017	$129.55	92.50%
METERS	WATER METER	6/30/2021	12/31/2067	2/12/2018	$131.96	93.23%
METERS	WATER METER	6/30/2021	12/31/2067	7/11/2017	$48.62	92.13%
METERS	WATER METER	6/30/2021	12/31/2067	7/10/2017	$49.26	92.13%
METERS	WATER METER	6/30/2021	12/31/2067	8/3/2017	$49.26	92.25%
METERS	WATER METER	6/30/2021	12/31/2067	7/18/2017	$48.62	92.17%
METERS	WATER METER	6/30/2021	12/31/2067	8/3/2017	$48.62	92.25%
METERS	WATER METER	6/30/2021	12/31/2067	7/18/2017	$48.62	92.17%
METERS	WATER METER	6/30/2021	12/31/2067	5/1/2019	$37.60	95.55%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	6/30/2021	12/31/2067	4/25/2018	$503.19	93.60%
METERS	WATER METER	6/30/2021	12/31/2067	5/21/2019	$248.72	95.66%
METERS	WATER METER	6/30/2021	12/31/2068	5/7/2018	$680.04	93.78%
METERS	WATER METER	6/30/2021	12/31/2068	5/4/2018	$680.04	93.77%
METERS	WATER METER	6/30/2021	12/31/2068	7/10/2020	$145.93	98.00%
METERS	WATER METER	6/30/2021	12/31/2068	4/20/2018	$145.93	93.70%
METERS	WATER METER	6/30/2021	12/31/2068	3/26/2018	$145.93	93.57%
METERS	WATER METER	6/30/2021	12/31/2068	3/26/2018	$145.93	93.57%
METERS	WATER METER	6/30/2021	12/31/2068	7/26/2018	$239.90	94.19%
METERS	WATER METER	6/30/2021	12/31/2068	3/26/2018	$113.34	93.57%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	6/30/2021	12/31/2068	4/16/2018	$75.56	93.68%
METERS	WATER METER	6/30/2021	12/31/2063	2/14/2020	$39.48	96.87%
METERS	WATER METER	7/31/2021	12/31/2067	7/18/2017	$48.62	92.00%
METERS	WATER METER	7/31/2021	12/31/2067	7/18/2017	$48.62	92.00%
METERS	WATER METER	7/31/2021	12/31/2067	10/1/2017	$37.97	92.38%
METERS	WATER METER	7/31/2021	12/31/2068	2/13/2019	$305.73	95.07%
METERS	WATER METER	7/31/2021	12/31/2068	10/16/2018	$77.73	94.44%
METERS	WATER METER	7/31/2021	12/31/2063	11/1/2019	$39.00	96.04%
METERS	WATER METER	7/31/2021	12/31/2063	12/1/2019	$39.00	96.22%
METERS	WATER METER	9/30/2021	12/31/2067	9/6/2017	$49.08	91.92%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	9/30/2021	12/31/2068	11/2/2018	$113.53	94.20%
METERS	WATER METER	9/30/2021	12/31/2068	3/15/2018	$75.65	93.02%
METERS	WATER METER	9/30/2021	12/31/2068	4/5/2018	$75.65	93.13%
METERS	WATER METER	9/30/2021	12/31/2068	4/5/2018	$75.65	93.13%
METERS	WATER METER	9/30/2021	12/31/2068	5/10/2018	$74.14	93.30%
METERS	WATER METER	10/30/2021	12/31/2067	1/2/2018	$111.88	92.35%
METERS	WATER METER	10/30/2021	12/31/2067	8/4/2017	$49.25	91.59%
METERS	WATER METER	10/30/2021	12/31/2067	8/4/2017	$49.25	91.59%
METERS	WATER METER	10/30/2021	12/31/2068	1/7/2019	$199.89	94.37%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	$246.69	95.66%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	NA	95.66%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	N/A	95.66%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	N/A	95.66%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	N/A	95.66%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	N/A	95.66%
METERS	WATER METER	10/30/2021	12/31/2063	12/1/2019	N/A	95.66%
METERS	WATER METER	10/30/2021	12/31/2070	2/5/2020	$252.25	96.60%
PUMPING EQUIPMENT	Motor S/N 1182000161-008 R-02 to Well B11B	7/31/2021	7/31/2047	1/9/2020	$19,691.32	94.35%
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2059	3/18/2019	$5,280.55	97.86%
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2059	5/16/2019	$5,280.55	98.25%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2059	9/17/2019	$5,280.55	99.08%
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2059	9/25/2019	$5,280.55	99.13%
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2059	11/30/2018	$3,590.26	97.15%
SERVICES	WATER SERVICE LATERAL	12/31/2020	12/31/2020	11/5/2019	$5,280.55	0.00%
SERVICES	WATER SERVICE LATERAL	12/31/2020	12/31/2020	3/9/2020	$5,280.55	0.00%
SERVICES	WATER SERVICE LATERAL	5/31/2019	12/31/2055	1/7/2015	$5,077.18	89.28%
SERVICES	WATER SERVICE LATERAL	5/31/2019	12/31/2055	2015*	$5,077.18	91.46%
SERVICES	WATER SERVICE LATERAL	1/31/2020	12/31/2055	9/29/2015	$4,936.77	89.22%
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	9/30/2019	12/31/2029	9/14/2012	$1,289.13	59.28%
TOOLS AND EQUIPMENT	ICE STORAGE BIN	9/30/2019	12/31/2029	9/14/2012	$506.49	59.28%

Asset Group	Project / Asset Name / Description	Retirement Date	Original[153] Retirement Date	Date[154] Added to Service	NBV at Retirement	Remaining Life at Retirement as % of Expected Life
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2020	12/31/2028	2/28/2018	$2,233.09	73.81%
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2020	12/31/2024	5/29/2014	$14,213.49	37.76%
Total					$120,783.60	

Attachment 9-7: Several Responses to DRs CHA-011, CHA-023, CHA-019, CHA-021, CHA-023, CHA-010, CHA-009

CHA-011 ATTACHMENT B (in response to DR CHA-011 Historic Rate Base Question #2)

Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Reason for Retirement	Date Added to Plant Account	Account number	Current NBV	Current Status
4-1/2" GWBR PIPELINE	12/31/2006	7/31/2019	343.00L	This 3-foot segment of 4-1/2-inch diameter GWBR pipeline included a valve that was installed to enable San Gabriel to abandon the 4-1/2-inch diameter asbestos cement main installed in 1968, which was abandoned and replaced in 2019.	2019	343.00L	$ 725.29	In Use
4-1/2" GWBR PIPELINE	12/31/2000	7/31/2019	343.00L	This 12-foot segment of 4-1/2-inch diameter GWBR main was a tie-in that connected an asbestos cement main installed in 1980 with an unlined steel main installed in 1938. The tie-in was abandoned when the old unlined steel main was replaced with a new 12-inch diameter GWBR main in 2019.	N/A	N/A	N/A	N/A
4-1/2" GWBR PIPELINE	12/31/1998	7/31/2019	343.00L	This 15-foot segment of 4-1/2-inch GWBR was a tie-in that connected a newer main to an old 4-1/2-inch diameter asbestos cement main installed in 1959 that was abandoned and replaced with a new 6-5/8-inch GWBR main in 2019.	N/A	N/A	N/A	N/A
WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.	2019	345.00L	$ 5,078.28	In Use
WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.	2019	345.00L	$ 5,078.28	In Use
WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	The service was abandoned with a 4-inch diameter main installed in 1956 that was replaced with an 8-inch diameter main in 2020. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.	2020	345.00L	$ 3,061.92	In Use
WATER SERVICE LATERAL	12/31/2014	9/30/2019	345.00L	The service was abandoned with the old 8-inch diameter main installed in 1937 was abandoned and replaced by a new 12-3/4-inch diameter main. This service was replaced by a new service in 2019 that was connected to the new 12-3/4-inch diameter main.	2020	345.00L	$ 3,061.92	In Use
250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	This was a major repair to a forklift that was purchased in 1994. The forklift stopped working in 2020, was not able to be repaired due to lack of repair parts due to advancements in technology, and was replaced by a new forklift.	2018	378.00L	$ 25,450.82	In Use
250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	This vehicle exceeded 120,000 miles of use, after which a light duty vehicle is retired and replaced, as stated on Page 109 (Lines 5-18) of Exhibit SG-8 for a further explanation of San Gabriel's vehicle replacement policy.	2020	373.00G	$ 40,612.53	In Use

CHA-011 ATTACHMENT A (in response to DR CHA-011 Historic Rate Base Question #1)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Reason for Retirement	Replaced? (Yes/No)	Date Added to Plant Account	Account number	Current NBV	Current Status
MAINS	6-5/8" GWBR PIPELINE	12/31/2005	11/30/2019	343.00L	The 35-foot segment of 6-5/8-inch diameter GWBR main was a tie-in that connected a newer 12-inch diameter GWBR main to an old existing backyard main installed in 1934 that was abandoned in 2019.	No	N/A	N/A	N/A	N/A
METERS	WATER METER	12/31/2018	2/29/2020	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$ 377.97	In Use
METERS	WATER METER	12/31/2018	10/31/2020	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 589.49	In Use
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 255.02	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$ 244.38	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 224.41	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 51.58	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 589.49	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 401.93	In Use
METERS	WATER METER	12/31/2018	7/31/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 532.71	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.68	In Use

					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 224.41	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.68	In Use
METERS	WATER METER	12/31/2018	9/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.68	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.68	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.69	In Use
METERS	WATER METER	12/31/2018	10/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$ 209.68	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
METERS	WATER METER	12/31/2017	2/29/2020	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
METERS	WATER METER	12/31/2017	1/31/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$ 49.65	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 520.39	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A	N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$ 250.26	In Use

METERS	WATER METER	12/31/2017	4/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	400.73	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	250.26	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$	215.05	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	215.72	In Use
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A		N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$	244.38	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$	244.38	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2019	346.00L	$	244.38	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A		N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	51.83	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	117.47	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A		N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	314.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A		N/A
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	205.77	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	No	N/A	N/A	N/A		N/A
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$	209.68	In Use
METERS	WATER METER	12/31/2017	10/30/2021	346.00L	This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2020	346.00L	$	51.12	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$	209.68	In Use
					This meter was tested and was found to be malfunctioning and could not be repaired.	Yes	2021	346.00L	$	209.68	In Use
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	The compressor and fan parts for the modular cube ice maker stopped working and were not able to be repaired because no repair parts were available.	Yes	2019	378.00L	$	4,234.89	In Use
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	The ice storage bin was attached to the modular cube ice maker that stopped working and was not able to be repaired because no repair parts were available.	Yes	Replacement for Ice Storage Bin is Included with Replacement Modular Ice Cube Maker				

CHA-023 ATTACHMENT 2 (in response to DR CHA-023 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Current NBV of Replacement	Current Status of Replacement	Replacement Original Cost	Replacement Date Added to Service
MAINS	4-1/2" GWBR PIPELINE	12/31/2006	7/31/2019	$ 725.29	In Use	$ 762.46	11/30/2019
MAINS	4-1/2" GWBR PIPELINE	12/31/2000	7/31/2019	N/A*	N/A*	N/A*	N/A*
MAINS	4-1/2" GWBR PIPELINE	12/31/1998	7/31/2019	N/A*	N/A*	N/A*	N/A*
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	$ 25,450.82	In Use	$ 31,947.30	10/31/2018
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	$ 40,612.53	In Use	$ 48,945.50	8/31/2020

Note:

* As stated in ATTACHMENT B to San Gabriel's response to Data Request CHA-011, the tie-in to an old main was abandoned when the old main was replaced with a new one. To reiterate, while the old main that was abandoned was replaced with a new main, the tie-in was not replaced when it was abandoned because it was no longer necessary or useful.

CHA-019 ATTACHMENT 1.b (in response to DR CHA-019 Historic Rate Base Question #1)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Cost	Net Book Value at Time of Retirement	Replaced? (Yes/No)	Date Added to Plant Account	Account Number	Current Net Book Value	Current Status
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	$ 405.58	$ 375.57	Yes	8/6/2020	346.00L	$ 400.73	Active
		12/31/2017	4/30/2021	346.00L	$ 268.56	$ 248.69	Yes	8/27/2020	346.00L	$ 250.26	Active
		12/31/2017	4/30/2021	346.00L	$ 89.73	$ 83.09	Yes	7/9/2019	346.00L	$ 215.05	Active
		12/31/2017	4/30/2021	346.00L	$ 90.13	$ 83.46	Yes	2/18/2020	346.00L	$ 215.75	Active
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	$ 53.00	$ 49.08	Yes	3/17/2020	346.00L	$ 205.77	Active
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	$ 154.00	$ 145.45	Yes	8/19/2020	346.00L	$ 250.26	Active
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	$ 543.00	$ 502.82	Yes	1/15/2020	346.00L	$ 520.39	Active
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	$ 86.00	$ 81.23	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2019	4/30/2021	346.00L	$ 604.00	$ 581.65	Yes	6/26/2020	346.00L	$ 595.10	Active
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	$ 142.35	$ 131.82	Yes	4/28/2020	346.00L	$ 250.26	Active
		12/31/2017	4/30/2021	346.00L	$ 52.46	$ 48.58	Yes	7/9/2020	346.00L	$ 205.77	Active
		12/31/2017	4/30/2021	346.00L	$ 53.19	$ 49.25	Yes	7/8/2020	346.00L	$ 205.77	Active
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	$ 543.00	$ 502.82	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	$ 82.00	$ 77.45	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	$ 543.40	$ 503.19	Yes	7/28/2020	346.00L	$ 314.77	Active
		12/31/2017	6/30/2021	346.00L	$ 268.60	$ 248.72	No	N/A	346.00L	N/A	N/A
		12/31/2017	6/30/2021	346.00L	$ 289.10	$ 267.71	No	N/A	346.00L	N/A	N/A
		12/31/2017	6/30/2021	346.00L	$ 142.50	$ 131.96	Yes	6/5/2019	346.00L	$ 244.38	Active
		12/31/2017	6/30/2021	346.00L	$ 139.90	$ 129.55	Yes	6/3/2019	346.00L	$ 244.38	Active
		12/31/2017	6/30/2021	346.00L	$ 142.50	$ 131.96	Yes	6/3/2019	346.00L	$ 244.38	Active
		12/31/2017	6/30/2021	346.00L	$ 52.50	$ 48.62	No	N/A	346.00L	N/A	N/A
MAINS	8-5/8" GWBR PIPELINE	12/31/1995	1/31/2020	343.00L	$ 3,560.61	$ 1,824.81	No	N/A	343.00L	N/A	N/A
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	$ 5,415.39	$ 5,280.55	Yes	1/16/2020	345.00L	$ 1,036.93	Active
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	$ 5,415.39	$ 5,280.55	Yes	10/14/2020	345.00L	$ 3,101.52	Active
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	$ 5,415.39	$ 5,280.55	Yes	3/24/2020	345.00L	$ 3,101.52	Active
METERS	WATER METER	12/31/2017	2/29/2020	346.00L	$ 268.66	$ 253.75	Yes	1/17/2020	346.00L	$ 250.26	Active
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
		12/31/2017	2/29/2020	346.00L	$ 120.82	$ 114.11	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	$ 53.20	$ 49.26	Yes	7/15/2020	346.00L	$ 51.83	Active
		12/31/2017	6/30/2021	346.00L	$ 53.20	$ 49.26	Yes	5/26/2020	346.00L	$ 205.77	Active
		12/31/2017	6/30/2021	346.00L	$ 52.50	$ 48.62	Yes	7/23/2020	346.00L	$ 205.77	Active
		12/31/2017	6/30/2021	346.00L	$ 52.50	$ 48.62	Yes	7/16/2020	346.00L	$ 117.47	Active
		12/31/2017	6/30/2021	346.00L	$ 52.50	$ 48.62	Yes	7/27/2020	346.00L	$ 205.77	Active
		12/31/2017	6/30/2021	346.00L	$ 40.60	$ 37.60	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2019	6/30/2021	346.00L	$ 41.00	$ 39.48	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	$ 41.00	$ 37.97	No	N/A	346.00L	N/A	N/A
METERS	WATER METER	12/31/2019	7/31/2021	346.00L	$ 40.50	$ 39.00	Yes	5/28/2021	346.00L	$ 211.64	Active
		12/31/2019	7/31/2021	346.00L	$ 40.50	$ 39.00	Yes	9/1/2020	346.00L	N/A*	Active
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	$ 52.50	$ 48.62	Yes	7/9/2020	346.00L	$ 205.77	Active
		12/31/2017	7/31/2021	346.00L	$ 52.50	$ 48.62	Yes	7/21/2020	346.00L	$ 205.77	Active
METERS	WATER METER	12/31/2019	10/30/2021	346.00L	$ 256.17	$ 246.69	Yes	5/27/2021	346.00L	$ 257.40	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	8/13/2021	346.00L	$ 211.64	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	5/4/2021	346.00L	$ 211.64	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	6/7/2021	346.00L	$ 211.64	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	6/3/2021	346.00L	$ 211.64	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	2/16/2021	346.00L	N/A*	N/A
		12/31/2019	10/30/2021	346.00L	N/A	N/A	Yes	4/2/2021	346.00L	$ 211.64	N/A

Note:

* The orginal cost for the replacement meter was not available in San Gabriel's records.

CHA-021 ATTACHMENT 2.b (in response to DR CHA-021 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Original Cost	NBV at Retirement	Retirement Date	Account Number	Replaced? (Yes/No)	Date Added to Plant Account	Account Number	Current NBV	Current Status
METERS	WATER METER	12/31/2018	$ 720.15	$ 693.50	2/29/2020	346.00L	Yes	2019	346.00L	$ 377.97	In Use
METERS	WATER METER	12/31/2018	$ 443.00	$ 426.61	10/31/2020	346.00L	Yes	2020	346.00L	$ 589.49	In Use
			$ 154.00	$ 145.45			Yes	2020		$ 250.26	In Use
METERS	WATER METERS	12/31/2018	$ 82.00	$ 77.45	4/30/2021	346.00L	No	N/A	346.00L	N/A	N/A
			$ 86.00	$ 81.23			No	N/A		N/A	N/A
			$ 154.50	$ 145.93			Yes	2021		$ 255.02	In Use
			$ 154.50	$ 145.93			Yes	2019		$ 244.38	In Use
			$ 154.50	$ 145.93			Yes	2020		$ 250.26	In Use
			$ 154.50	$ 145.93			Yes	2020		$ 250.26	In Use
METERS	WATER METERS	12/31/2018	$ 254.00	$ 239.90	6/30/2021	346.00L	Yes	2020	346.00L	$ 250.26	In Use
			$ 120.00	$ 113.34			Yes	2021		$ 224.41	In Use
			$ 80.00	$ 75.56			Yes	2021		$ 51.58	In Use
			$ 720.00	$ 680.04			Yes	2020		$ 589.49	In Use
			$ 720.00	$ 680.04			Yes	2021		$ 401.93	In Use
METERS	WATER METERS	12/31/2018	$ 323.70	$ 305.73	7/31/2021	346.00L	Yes	2021	346.00L	$ 532.71	In Use
			$ 82.30	$ 77.73			Yes	2021		$ 209.68	In Use
			$ 120.20	$ 113.53			Yes	2021		$ 224.41	In Use
			$ 80.10	$ 75.65			Yes	2021		$ 209.68	In Use
METERS	WATER METERS	12/31/2018	$ 80.10	$ 75.65	9/30/2021	346.00L	Yes	2021	346.00L	$ 209.68	In Use
			$ 80.10	$ 75.65			Yes	2021		$ 209.68	In Use
			$ 78.50	$ 74.14			Yes	2021		$ 209.68	In Use
METERS	WATER METER	12/31/2018	$ 211.64	$ 199.89	10/30/2021	346.00L	Yes	2021	346.00L	$ 209.68	In Use
			$ 268.66	$ 253.75			Yes	2020		$ 250.26	In Use
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
METERS	WATER METERS	12/31/2017	$ 120.82	$ 114.11	2/29/2020	346.00L	No	N/A	346.00L	N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
			$ 120.82	$ 114.11			No	N/A		N/A	N/A
METERS	WATER METER	12/31/2017	$ 53.00	$ 49.08	1/31/2021	346.00L	Yes	2019	346.00L	$ 49.65	In Use
			$ 543.00	$ 502.82			Yes	2020		$ 520.39	In Use
			$ 543.00	$ 502.82			No	N/A		N/A	N/A

METERS	WATER METERS	12/31/2017	$ 142.40	$ 131.86	4/30/2021	346.00L	Yes	2020	346.00L	$ 250.26	In Use
			$ 52.40	$ 48.52			Yes	2020		$ 205.77	In Use
			$ 53.20	$ 49.26			Yes	2020		$ 205.77	In Use
			$ 53.20	$ 49.26			Yes	2020		$ 205.77	In Use
			$ 405.58	$ 375.57			Yes	2020		$ 400.73	In Use
			$ 268.55	$ 248.68			Yes	2020		$ 250.26	In Use
			$ 89.73	$ 83.09			Yes	2019		$ 215.05	In Use
			$ 90.14	$ 83.47			Yes	2020		$ 215.72	In Use
METERS	WATER METERS	12/31/2017	$ 289.10	$ 267.71	6/30/2021	346.00L	No	N/A	346.00L	N/A	N/A
			$ 142.50	$ 131.96			Yes	2019		$ 244.38	In Use
			$ 140.00	$ 129.64			Yes	2019		$ 244.38	In Use
			$ 142.50	$ 131.96			Yes	2019		$ 244.38	In Use
			$ 52.50	$ 48.62			No	N/A		N/A	N/A
			$ 53.20	$ 49.26			Yes	2020		$ 51.38	In Use
			$ 53.20	$ 49.26			Yes	2020		$ 205.77	In Use
			$ 52.50	$ 48.62			Yes	2020		$ 205.77	In Use
			$ 52.50	$ 48.62			Yes	2020		$ 117.47	In Use
			$ 52.50	$ 48.62			Yes	2020		$ 205.77	In Use
			$ 40.50	$ 37.50			No	N/A		N/A	N/A
			$ 543.40	$ 503.19			Yes	2020		$ 314.77	In Use
			$ 268.60	$ 248.72			No	N/A		N/A	N/A
METERS	WATER METERS	12/31/2017	$ 52.50	$ 48.62	7/31/2021	346.00L	Yes	2020	346.00L	$ 205.77	In Use
			$ 52.50	$ 48.62			Yes	2020		$ 205.77	In Use
			$ 41.00	$ 37.97			No	N/A		N/A	N/A
METERS	WATER METER	12/31/2017	$ 53.00	$ 49.08	9/30/2021	346.00L	Yes	2021	346.00L	$ 209.68	In Use
METERS	WATER METERS	12/31/2017	$ 120.82	$ 111.88	10/30/2021	346.00L	Yes	2020	346.00L	$ 51.12	In Use
			$ 53.19	$ 49.25			Yes	2021		$ 209.68	In Use
			$ 53.19	$ 49.25			Yes	2021		$ 209.68	In Use

CHA-010 ATTACHMENT B (in response to DR CHA-010 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Retirement Reason	Replaced (Yes/No)	Date Added to Plant Account	Account Number	Current Net Book Value	Current Status
METERS	WATER METER	12/31/2020	10/30/2021	346L	This meter was tested and was found to be malfunctioning.	Yes	2/28/2019	346L	$ 213.67	In Use
METERS	WATER METER	12/31/2019	10/31/2020	346L	This meter was tested and was found to be malfunctioning.	Yes	7/31/2021	346L	$ 226.51	In Use
METERS	WATER METER*	12/31/2021	10/30/2021	346L	This meter was tested and was found to be malfunctioning.	Yes	7/31/2021	346L	$ 211.64	In Use
					This meter was tested and was found to be malfunctioning.		3/31/2021	346L	$ 211.64	In Use
PUMPING EQUIPMENT	Motor S/N 1182000161-008 R-02 to Well B11B**	7/31/2020	7/31/2021	324L	The motor failed and was replaced under warranty.	Yes	N/A	324L	N/A	In Use
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	This service was leaking and unable to be repaired.	Yes	2/28/2020	345L	$ 3,101.52	In Use
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	This service was leaking and unable to be repaired.	Yes	11/30/2019	345L	$ 5,145.70	In Use
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	This service was leaking and unable to be repaired.	Yes	12/31/2019	345L	$ 5,145.70	In Use
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	This service was leaking and unable to be repaired.	Yes	2/28/2020	345L	$ 3,101.52	In Use

CHA-021 ATTACHMENT 1 (in response to DR CHA-021 Historic Rate Base Question #1)

Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Cost	Net Book Value at Retirement	Replaced? (Yes/No)	Date Added to Plant Account	Account Number	Current Net Book Value	Current Status
WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	$ 3,681.94	$ 3,590.26	Yes	1/3/2020	345.00L	$ 3,101.52	In Use

CHA-009 ATTACHMENT C – Retirements – LA (in response to DR CHA-009 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
MAINS	4-1/2" GWBR PIPELINE	12/31/2006	7/31/2019	343.00L	12/31/2056	This 3-foot segment of 4-1/2-inch diameter GWBR pipeline included a valve that was installed to enable San Gabriel to abandon the 4-1/2-inch diameter asbestos cement main installed in 1968, which was abandoned and replaced in 2019.
MAINS	6-5/8" GWBR PIPELINE	12/31/2005	11/30/2019	343.00L	12/31/2055	The 35-foot segment of 6-5/8-inch diameter GWBR main was a tie-in that connected a newer 12-inch diameter GWBR main to an old existing backyard main installed in 1934 that was abandoned in 2019.
MAINS	4-1/2" GWBR PIPELINE	12/31/2000	7/31/2019	343.00L	12/31/2050	This 12-foot segment of 4-1/2-inch diameter GWBR main was a tie-in that connected an asbestos cement main installed in 1980 with an unlined steel main installed in 1938. The tie-in was abandoned when the old unlined steel main was replaced with a new 12-inch diameter GWBR main in 2019.
MAINS	4-1/2" GWBR PIPELINE	12/31/1998	7/31/2019	343.00L	12/31/1948	This 15-foot segment of 4-1/2-inch GWBR was a tie-in that connected a newer main to an old 4-1/2-inch diameter asbestos cement main installed in 1959 that was abandoned and replaced with a new 6-5/8-inch GWBR main in 2019.
METERS	WATER METER	12/31/2018	2/29/2020	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	10/31/2020	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	7/31/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	9/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	10/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	2/29/2020	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	1/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	10/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1956 that was replaced with an 8-inch diameter main in 2020. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2014	9/30/2019	345.00L	12/31/2054	The service was abandoned with the old 8-inch diameter main installed in 1937 was abandoned and replaced by a new 12-3/4-inch diameter main. This service was replaced by a new service in 2019 that was connected to the new 12-3/4-inch diameter main.
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	12/31/2029	The compressor and fan parts for the modular cube ice maker stopped working and were not able to be repaired because no repair parts were available.
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	12/31/2029	The ice storage bin was attached to the modular cube ice maker that stopped working and was not able to be repaired because no repair parts were available.
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	12/31/2028	This was a major repair to a forklift that was purchased in 1994. The forklift stopped working in 2020, was not able to be repaired due to lack of repair parts due to advancements in technology, and was replaced by a new forklift.
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	12/31/2024	This vehicle exceeded 120,000 miles of use, after which a light duty vehicle is retired and replaced, as stated on Page 109 (Lines 5-18) of Exhibit SG-8 for a further explanation of San Gabriel's vehicle replacement policy.

Attachment 9-8: Several Responses to DRs CHA-009, CHA-008, CHA-014, CHA-006, and CHA-018

CHA-009 ATTACHMENT C - Retirements – LA (in response to DR CHA-009 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
MAINS	4-1/2" GWBR PIPELINE	12/31/2006	7/31/2019	343.00L	12/31/2056	This 3-foot segment of 4-1/2-inch diameter GWBR pipeline included a valve that was installed to enable San Gabriel to abandon the 4-1/2-inch diameter asbestos cement main installed in 1968, which was abandoned and replaced in 2019.
MAINS	6-5/8" GWBR PIPELINE	12/31/2005	11/30/2019	343.00L	12/31/2055	The 35-foot segment of 6-5/8-inch diameter GWBR main was a tie-in that connected a newer 12-inch diameter GWBR main to an old existing backyard main installed in 1934 that was abandoned in 2019.
MAINS	4-1/2" GWBR PIPELINE	12/31/2000	7/31/2019	343.00L	12/31/2050	This 12-foot segment of 4-1/2-inch diameter GWBR main was a tie-in that connected an asbestos cement main installed in 1980 with an unlined steel main installed in 1938. The tie-in was abandoned when the old unlined steel main was replaced with a new 12-inch diameter GWBR main in 2019.
MAINS	4-1/2" GWBR PIPELINE	12/31/1998	7/31/2019	343.00L	12/31/1948	This 15-foot segment of 4-1/2-inch GWBR was a tie-in that connected a newer main to an old 4-1/2-inch diameter asbestos cement main installed in 1959 that was abandoned and replaced with a new 6-5/8-inch GWBR main in 2019.
METERS	WATER METER	12/31/2018	2/29/2020	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	10/31/2020	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	7/31/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	9/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2018	10/30/2021	346.00L	12/31/2068	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	2/29/2020	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	1/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
METERS	WATER METER	12/31/2017	10/30/2021	346.00L	12/31/2067	This meter was tested and was found to be malfunctioning and could not be repaired.
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1956 that was replaced with an 8-inch diameter main in 2020. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2014	9/30/2019	345.00L	12/31/2054	The service was abandoned with the old 8-inch diameter main installed in 1937 was abandoned and replaced by a new 12-3/4-inch diameter main. This service was replaced by a new service in 2019 that was connected to the new 12-3/4-inch diameter main.
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	12/31/2029	The compressor and fan parts for the modular cube ice maker stopped working and were not able to be repaired because no repair parts were available.
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	12/31/2029	The ice storage bin was attached to the modular cube ice maker that stopped working and was not able to be repaired because no repair parts were available.
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	12/31/2028	This was a major repair to a forklift that was purchased in 1994. The forklift stopped working in 2020, was not able to be repaired due to lack of repair parts due to advancements in technology, and was replaced by a new forklift.
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	12/31/2024	This vehicle exceeded 120,000 miles of use, after which a light duty vehicle is retired and replaced, as stated on Page 109 (Lines 5-18) of Exhibit SG-8 for a further explanation of San Gabriel's vehicle replacement policy.

Email from Joel Reiker: RE DR CHA-008 (Historic Rate Base) - Follow Up

[EXTERNAL] RE: DR CHA-008 (Historic Rate Base) - Follow Up

JM

Joel M. Reiker <jmreiker@sgvwater.com>
To Sharma, Chandrika
Cc Aslam, Mehboob; Chan, Victor; Kristofer J. Olsen; Matt Y. Yucelen; Joseph Harris

Reply | Reply All | Forward | ...
Wed 5/4/2022 11:59 AM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning Chandrika,

The depreciation rate for Mains is 1.95%, which equates to a 51.3-year estimated service life. This means the original anticipated retirement date for the Main highlighted below would have been December 31, 2046. The purpose of the main was to distribute potable water to customers.

The depreciation rate for Services is 2.49%, which equates to a 40.2-year estimated service life. This means that the original anticipated retirement date for the Service highlighted below would have been December 31, 2058. The purpose of the service was to provide water service from the distribution main to the customer's property.

Hope this answers your question.
Best,

Joel M. Reiker
Vice President of Regulatory Affairs
San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733
626.448.6183
www.sgvwater.com
www.fontanawater.com

ATTACHMENT D – Retirements – LA (in response to DR CHA-008 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Function of Project
SERVICES	WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	12/31/2055	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2014	9/30/2019	345.00L	12/31/2054	This project provided domestic water service to a customer.
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	12/31/2029	This unit was used to make ice cubes used to cool and preserve water samples and to provide ice to employees on hot days in compliance with the requirements of the Occupational Safety and Health Administration.
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	12/31/2029	This unit was used to store ice cubes until the ice is needed.
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	12/31/2028	This vehicle was utilized by an employee for transportation.
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	12/31/2024	This vehicle was utilized by an employee for transportation.

CHA-009 ATTACHMENT C - Retirements – LA (in response to DR CHA-009 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Reason for Retirement
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1968 that was replaced with an 8-inch diameter main installed in 2019. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	12/31/2055	The service was abandoned with a 4-inch diameter main installed in 1956 that was replaced with an 8-inch diameter main in 2020. This service was replaced by a new service that connected to the new 8-inch diameter main installed in 2020.
SERVICES	WATER SERVICE LATERAL	12/31/2014	9/30/2019	345.00L	12/31/2054	The service was abandoned with the old 8-inch diameter main installed in 1937 was abandoned and replaced by a new 12-3/4-inch diameter main. This service was replaced by a new service in 2019 that was connected to the new 12-3/4-inch diameter main.
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	12/31/2029	The compressor and fan parts for the modular cube ice maker stopped working and were not able to be repaired because no repair parts were available.
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	12/31/2029	The ice storage bin was attached to the modular cube ice maker that stopped working and was not able to be repaired because no repair parts were available.
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	12/31/2028	This was a major repair to a forklift that was purchased in 1994. The forklift stopped working in 2020, was not able to be repaired due to lack of repair parts due to advancements in technology, and was replaced by a new forklift.
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	12/31/2024	This vehicle exceeded 120,000 miles of use, after which a light duty vehicle is retired and replaced, as stated on Page 109 (Lines 5-18) of Exhibit SG-8 for a further explanation of San Gabriel's vehicle replacement policy.

CHA-014 ATTACHMENT 1 (in response to DR CHA-014 Historic Rate Base Question #1)

Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement	Function of Project
WATER METER	12/31/2019	10/31/2020	346.00L	12/31/2063	This project measured domestic water consumption by a customer.
WATER METER	12/31/2019	4/30/2021	346.00L	12/31/2063	This project measured domestic water consumption by a customer.
WATER METER	12/31/2019	6/30/2021	346.00L	12/31/2063	This project measured domestic water consumption by a customer.
WATER METER	12/31/2019	7/31/2021	346.00L	12/31/2063	This project measured domestic water consumption by a customer.
WATER METER	12/31/2019	10/30/2021	346.00L	12/31/2063	This project measured domestic water consumption by a customer.
WATER METER	12/31/2020	10/30/2021	346.00L	12/31/2064	This project measured domestic water consumption by a customer.
WATER METER	12/31/2021	10/30/2021	346.00L	12/31/2065	This project measured domestic water consumption by a customer.

CHA-006 ATTACHMENT B (REVISED) (in response to DR CHA-006 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Anticipated Retirement Date	Function of Project
METERS	WATER METER	12/31/2020	10/30/2021	346L	12/31/2070	This project included one 1-inch meter to measure domestic water consumption by a customer.
METERS	WATER METER	12/31/2019	10/31/2020	346L	12/31/2069	This project included one 5/8-inch meter to measure domestic water consumption by a customer.
METERS	WATER METER	12/31/2021	10/30/2021	346L	12/31/2071	This project included two 1-inch meters to measure domestic water consumption by customers.
PUMPING EQUIPMENT	Motor S/N 1182000161-008 R-02 to Well B11B	7/31/2020	7/31/2021	324L	7/31/2047	This project was required for Well B11B to produce water.
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2019	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345L	12/31/2059	This project provided domestic water service to a customer.

CHA-018 ATTACHMENT 2 (in response to DR CHA-018 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Original Cost	Net Book Value at Time of Retirement	Original Retirement Date
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	$ 5,415.39	$ 5,280.55	12/31/2020
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	$ 5,415.39	$ 5,280.55	12/31/2020

Attachment 9-9: Several Responses to DRs CHA-018, CHA-014, CHA-023

CHA-018 ATTACHMENT 1.b. (in response to DR CHA-018 Historic Rate Base Question #1)

METERS	WATER METERS	12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
METERS	WATER METER	12/31/2018	2/29/2020	346.00L	1/19/2018
METERS	WATER METER	12/31/2018	10/31/2020	346.00L	10/30/2018
METERS	WATER METER	12/31/2019	10/31/2020	346.00L	6/27/2019
		12/31/2019	10/31/2020	346.00L	4/8/2020
		12/31/2019	10/31/2020	346.00L	5/8/2019
		12/31/2019	10/31/2020	346.00L	5/8/2019
		12/31/2019	10/31/2020	346.00L	8/3/2020

		12/31/2019	10/31/2020	346.00L	9/1/2020
		12/31/2019	10/31/2020	346.00L	7/12/2019
METERS	WATER METER	12/31/2017	1/31/2021	346.00L	7/7/2017
METERS	WATER METERS	12/31/2017	4/30/2021	346.00L	6/1/2018
		12/31/2017	4/30/2021	346.00L	5/21/2018
		12/31/2017	4/30/2021	346.00L	8/24/2018
		12/31/2017	4/30/2021	346.00L	8/3/2017
		12/31/2017	4/30/2021	346.00L	8/3/2017
		12/31/2017	4/30/2021	346.00L	8/11/2017
		12/31/2017	4/30/2021	346.00L	6/22/2020
		12/31/2017	4/30/2021	346.00L	4/25/2018
		12/31/2017	4/30/2021	346.00L	8/23/2017
		12/31/2017	4/30/2021	346.00L	5/10/2018
METERS	WATER METERS	12/31/2018	4/30/2021	346.00L	4/25/2018
		12/31/2018	4/30/2021	346.00L	2018***
		12/31/2018	4/30/2021	346.00L	7/24/2018
METERS	WATER METER	12/31/2019	4/30/2021	346.00L	9/18/2019
METERS	WATER METERS	12/31/2017	6/30/2021	346.00L	2/11/2018
		12/31/2017	6/30/2021	346.00L	11/21/2017
		12/31/2017	6/30/2021	346.00L	9/21/2017
		12/31/2017	6/30/2021	346.00L	2/12/2018
		12/31/2017	6/30/2021	346.00L	7/11/2017
		12/31/2017	6/30/2021	346.00L	7/10/2017
		12/31/2017	6/30/2021	346.00L	8/3/2017
		12/31/2017	6/30/2021	346.00L	7/18/2017
		12/31/2017	6/30/2021	346.00L	8/3/2017
		12/31/2017	6/30/2021	346.00L	7/18/2017
		12/31/2017	6/30/2021	346.00L	5/1/2019
		12/31/2017	6/30/2021	346.00L	4/25/2018
		12/31/2017	6/30/2021	346.00L	5/21/2019
METERS	WATER METERS	12/31/2018	6/30/2021	346.00L	7/10/2020
		12/31/2018	6/30/2021	346.00L	4/20/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
		12/31/2018	6/30/2021	346.00L	7/26/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
		12/31/2018	6/30/2021	346.00L	4/16/2018
		12/31/2018	6/30/2021	346.00L	5/7/2018
		12/31/2018	6/30/2021	346.00L	5/4/2018
METERS	WATER METER	12/31/2019	6/30/2021	346.00L	2/14/2020
		12/31/2017	7/31/2021	346.00L	7/18/2017
METERS	WATER METERS	12/31/2017	7/31/2021	346.00L	7/18/2017
		12/31/2017	7/31/2021	346.00L	10/1/2017
METERS	WATER METERS	12/31/2018	7/31/2021	346.00L	2/13/2019
		12/31/2018	7/31/2021	346.00L	10/16/2018
METERS	WATER METER	12/31/2019	7/31/2021	346.00L	11/1/2019
		12/31/2019	7/31/2021	346.00L	12/1/2019
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	9/6/2017
METERS	WATER METERS	12/31/2018	9/30/2021	346.00L	11/2/2018
		12/31/2018	9/30/2021	346.00L	3/15/2018
		12/31/2018	9/30/2021	346.00L	4/5/2018
		12/31/2018	9/30/2021	346.00L	4/5/2018
		12/31/2018	9/30/2021	346.00L	5/10/2018
METERS	WATER METERS	12/31/2017	10/30/2021	346.00L	1/2/2018
		12/31/2017	10/30/2021	346.00L	8/4/2017
		12/31/2017	10/30/2021	346.00L	8/4/2017
METERS	WATER METER	12/31/2018	10/30/2021	346.00L	1/7/2019
METERS	WATER METER	12/31/2019	10/30/2021	346.00L	12/1/2019
METERS	WATER METER	12/31/2020	10/30/2021	346.00L	2/5/2020
METERS	WATER METER	12/31/2021	10/30/2021	346.00L	1/25/2021
		12/31/2021	10/30/2021	346.00L	5/28/2021
METERS	WATER METER	12/31/2019	10/31/2020	346.00L	1/1/2020
METERS	WATER METERS	12/31/2019	7/31/2021	346.00L	12/1/2019
		12/31/2019	7/31/2021	346.00L	1/1/2020
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	2/28/2018
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	5/29/2014
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	9/14/2012
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	9/14/2012

Note:

* The install year is provided for the date because it is the only install date information that was located in San Gabriel's records for this retired water service.

** The data for assets highlighted in green were previously provided in response to Data Request CHA-014. The data highlighted in blue are new data requested in CHA-018.

CHA-018 ATTACHMENT 1.b. (FOLLOW UP) (in response to DR CHA-018 Historic Rate Base Question #1)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Date Added to Service	Original Cost	Net Book Value at Time of Retirement
METERS	WATER METERS	12/31/2017	2/29/2020	346.00L	1/3/2019	$ 268.66	$ 253.75
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11

		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
		12/31/2017	2/29/2020	346.00L	2017*	$ 120.82	$ 114.11
METERS	WATER METER	12/31/2019	10/31/2020	346.00L	1/1/2020	$ 41.00	$ 40.24
METERS	WATER METERS	12/31/2017	4/30/2021	346.00L	6/22/2020	$ 405.58	$ 375.57
		12/31/2017	4/30/2021	346.00L	4/25/2018	$ 268.55	$ 248.68
		12/31/2017	4/30/2021	346.00L	8/23/2017	$ 89.73	$ 83.09
		12/31/2017	4/30/2021	346.00L	5/10/2018	$ 90.14	$ 83.47
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	6/1/2018	$ 543.00	$ 502.82
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	5/21/2018	$ 543.00	$ 502.82
METERS	WATER METERS	12/31/2017	4/30/2021	346.00L	8/24/2018	$ 142.40	$ 131.86
		12/31/2017	4/30/2021	346.00L	8/3/2017	$ 52.40	$ 48.52
		12/31/2017	4/30/2021	346.00L	8/3/2017	$ 53.20	$ 49.26
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	8/11/2017	$ 53.00	$ 49.08
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	4/25/2018	$ 154.00	$ 145.45
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	7/24/2018	$ 86.00	$ 81.23
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	2018*	$ 82.00	$ 77.45
		12/31/2017	6/30/2021	346.00L	2/11/2018	$ 289.10	$ 267.71
		12/31/2017	6/30/2021	346.00L	11/21/2017	$ 142.50	$ 131.96
		12/31/2017	6/30/2021	346.00L	9/21/2017	$ 140.00	$ 129.64
METERS	WATER METERS	12/31/2017	6/30/2021	346.00L	2/12/2018	$ 142.50	$ 131.96
		12/31/2017	6/30/2021	346.00L	7/11/2017	$ 52.50	$ 48.62
		12/31/2017	6/30/2021	346.00L	7/10/2017	$ 53.20	$ 49.26
		12/31/2017	6/30/2021	346.00L	8/3/2017	$ 53.20	$ 49.26
		12/31/2017	6/30/2021	346.00L	7/18/2017	$ 52.50	$ 48.62
		12/31/2017	6/30/2021	346.00L	8/3/2017	$ 52.50	$ 48.62
		12/31/2017	6/30/2021	346.00L	7/18/2017	$ 52.50	$ 48.62
		12/31/2017	6/30/2021	346.00L	5/1/2019	$ 40.50	$ 37.50
METERS	WATER METERS	12/31/2017	6/30/2021	346.00L	4/25/2018	$ 543.40	$ 503.19
		12/31/2017	6/30/2021	346.00L	5/21/2019	$ 268.60	$ 248.72
METERS	WATER METERS	12/31/2018	6/30/2021	346.00L	5/7/2018	$ 720.00	$ 680.04
		12/31/2018	6/30/2021	346.00L	5/4/2018	$ 720.00	$ 680.04
METERS	WATER METERS	12/31/2018	6/30/2021	346.00L	7/10/2020	$ 154.50	$ 145.93
		12/31/2018	6/30/2021	346.00L	4/20/2018	$ 154.50	$ 145.93
		12/31/2018	6/30/2021	346.00L	3/26/2018	$ 154.50	$ 145.93
		12/31/2018	6/30/2021	346.00L	3/26/2018	$ 154.50	$ 145.93
		12/31/2018	6/30/2021	346.00L	7/26/2018	$ 254.00	$ 239.90
METERS	WATER METERS	12/31/2018	6/30/2021	346.00L	3/26/2018	$ 120.00	$ 113.34
		12/31/2018	6/30/2021	346.00L	4/16/2018	$ 80.00	$ 75.56
METERS	WATER METERS	12/31/2017	7/31/2021	346.00L	7/18/2017	$ 52.50	$ 48.62
		12/31/2017	7/31/2021	346.00L	7/18/2017	$ 52.50	$ 48.62
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	10/1/2017	$ 41.00	$ 37.97
METERS	WATER METERS	12/31/2018	7/31/2021	346.00L	2/13/2019	$ 323.70	$ 305.73
		12/31/2018	7/31/2021	346.00L	10/16/2018	$ 82.30	$ 77.73
METERS	WATER METERS	12/31/2019	7/31/2021	346.00L	11/1/2019	$ 40.50	$ 39.00
		12/31/2019	7/31/2021	346.00L	12/1/2019	$ 40.50	$ 39.00
METERS	WATER METERS	12/31/2018	9/30/2021	346.00L	11/2/2018	$ 120.20	$ 113.53
		12/31/2018	9/30/2021	346.00L	3/15/2018	$ 80.10	$ 75.65
		12/31/2018	9/30/2021	346.00L	4/5/2018	$ 80.10	$ 75.65
		12/31/2018	9/30/2021	346.00L	4/5/2018	$ 80.10	$ 75.65
		12/31/2018	9/30/2021	346.00L	5/10/2018	$ 78.50	$ 74.14
METERS	WATER METERS	12/31/2017	10/30/2021	346.00L	1/2/2018	$ 120.82	$ 111.88
		12/31/2017	10/30/2021	346.00L	8/4/2017	$ 53.19	$ 49.25
		12/31/2017	10/30/2021	346.00L	8/4/2017	$ 53.19	$ 49.25

Note:

* The install date is not available in San Gabriel's records for this retired meter, so the year of purchase is provided. San Gabriel purchases meters in batches and in almost all instances installs and places meters in service during the same year calendar year.

CHA-014 ATTACHMENT 2.b (in response to DR CHA-014 Historic Rate Base Question #2)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Date Added to Service
PUMPING EQUIPMENT	Motor S/N 1182000161-008 R-02 to Well B11B	7/31/2020	7/31/2021	324.00L	1/9/2020
MAINS	4-1/2" GWBR PIPELINE	12/31/2006	7/31/2019	343.00L	8/18/2006
MAINS	4-1/2" GWBR PIPELINE	12/31/2000	7/31/2019	343.00L	10/17/2000
MAINS	4-1/2" GWBR PIPELINE	12/31/1998	7/31/2019	343.00L	5/22/1998
MAINS	6-5/8" GWBR PIPELINE	12/31/2005	11/30/2019	343.00L	4/4/2005
MAINS	8-5/8" GWBR PIPELINE	12/31/1995	1/31/2020	343.00L	12/29/1995
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	1/7/2015
SERVICES	WATER SERVICE LATERAL	12/31/2015	5/31/2019	345.00L	2015*
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2019	345.00L	1934**
SERVICES	WATER SERVICE LATERAL	12/31/2015	1/31/2020	345.00L	9/29/2015
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	3/18/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/16/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	9/17/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	9/25/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	11/1/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	11/30/2018
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	11/5/2019
SERVICES	WATER SERVICE LATERAL	12/31/2019	12/31/2020	345.00L	3/9/2020
		12/31/2017	2/29/2020	346.00L	1/3/2019
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
		12/31/2017	2/29/2020	346.00L	2017***
METERS	WATER METER	12/31/2018	2/29/2020	346.00L	1/19/2018
METERS	WATER METER	12/31/2018	10/31/2020	346.00L	10/30/2018
METERS	WATER METER	12/31/2019	10/31/2020	346.00L	6/27/2019
		12/31/2019	10/31/2020	346.00L	4/8/2020
		12/31/2019	10/31/2020	346.00L	5/8/2019
		12/31/2019	10/31/2020	346.00L	5/8/2019
		12/31/2019	10/31/2020	346.00L	8/3/2020
		12/31/2019	10/31/2020	346.00L	9/1/2020
		12/31/2019	10/31/2020	346.00L	7/12/2019
METERS	WATER METER	12/31/2017	1/31/2021	346.00L	7/7/2017
METERS	WATER METER	12/31/2017	4/30/2021	346.00L	6/1/2018
		12/31/2017	4/30/2021	346.00L	5/21/2018
		12/31/2017	4/30/2021	346.00L	8/24/2018
		12/31/2017	4/30/2021	346.00L	8/3/2017
		12/31/2017	4/30/2021	346.00L	8/3/2017
		12/31/2017	4/30/2021	346.00L	8/11/2017
		12/31/2017	4/30/2021	346.00L	6/22/2020
		12/31/2017	4/30/2021	346.00L	4/25/2018
		12/31/2017	4/30/2021	346.00L	8/23/2017
		12/31/2017	4/30/2021	346.00L	5/10/2018
METERS	WATER METER	12/31/2018	4/30/2021	346.00L	4/25/2018
		12/31/2018	4/30/2021	346.00L	2018***
		12/31/2018	4/30/2021	346.00L	7/24/2018
METERS	WATER METER	12/31/2019	4/30/2021	346.00L	9/18/2019

		12/31/2017	6/30/2021	346.00L	2/11/2018
		12/31/2017	6/30/2021	346.00L	11/21/2017
		12/31/2017	6/30/2021	346.00L	9/21/2017
		12/31/2017	6/30/2021	346.00L	2/12/2018
		12/31/2017	6/30/2021	346.00L	7/11/2017
METERS	WATER METER	12/31/2017	6/30/2021	346.00L	7/10/2017
		12/31/2017	6/30/2021	346.00L	8/3/2017
		12/31/2017	6/30/2021	346.00L	7/18/2017
		12/31/2017	6/30/2021	346.00L	8/3/2017
		12/31/2017	6/30/2021	346.00L	7/18/2017
		12/31/2017	6/30/2021	346.00L	5/1/2019
		12/31/2017	6/30/2021	346.00L	4/25/2018
		12/31/2017	6/30/2021	346.00L	5/21/2019
		12/31/2018	6/30/2021	346.00L	7/10/2020
		12/31/2018	6/30/2021	346.00L	4/20/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
METERS	WATER METER	12/31/2018	6/30/2021	346.00L	7/26/2018
		12/31/2018	6/30/2021	346.00L	3/26/2018
		12/31/2018	6/30/2021	346.00L	4/16/2018
		12/31/2018	6/30/2021	346.00L	5/7/2018
		12/31/2018	6/30/2021	346.00L	5/4/2018
METERS	WATER METER	12/31/2019	6/30/2021	346.00L	2/14/2020
		12/31/2017	7/31/2021	346.00L	7/18/2017
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	7/18/2017
		12/31/2017	7/31/2021	346.00L	10/1/2017
		12/31/2018	7/31/2021	346.00L	2/13/2019
METERS	WATER METER	12/31/2018	7/31/2021	346.00L	10/16/2018
		12/31/2019	7/31/2021	346.00L	11/1/2019
METERS	WATER METER	12/31/2019	7/31/2021	346.00L	12/1/2019
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	9/6/2017
		12/31/2018	9/30/2021	346.00L	11/2/2018
		12/31/2018	9/30/2021	346.00L	3/15/2018
		12/31/2017	7/31/2021	346.00L	7/18/2017
METERS	WATER METER	12/31/2017	7/31/2021	346.00L	7/18/2017
		12/31/2017	7/31/2021	346.00L	10/1/2017
		12/31/2018	7/31/2021	346.00L	2/13/2019
METERS	WATER METER	12/31/2018	7/31/2021	346.00L	10/16/2018
		12/31/2019	7/31/2021	346.00L	11/1/2019
METERS	WATER METER	12/31/2019	7/31/2021	346.00L	12/1/2019
METERS	WATER METER	12/31/2017	9/30/2021	346.00L	9/6/2017
		12/31/2018	9/30/2021	346.00L	11/2/2018
		12/31/2018	9/30/2021	346.00L	3/15/2018
METERS	WATER METER	12/31/2018	9/30/2021	346.00L	4/5/2018
		12/31/2018	9/30/2021	346.00L	4/5/2018
		12/31/2018	9/30/2021	346.00L	5/10/2018
		12/31/2017	10/30/2021	346.00L	1/2/2018
METERS	WATER METER	12/31/2017	10/30/2021	346.00L	8/4/2017
		12/31/2017	10/30/2021	346.00L	8/4/2017
METERS	WATER METER	12/31/2018	10/30/2021	346.00L	1/7/2019
METERS	WATER METER	12/31/2019	10/30/2021	346.00L	12/1/2019
METERS	WATER METER	12/31/2020	10/30/2021	346.00L	2/5/2020
		12/31/2021	10/30/2021	346.00L	1/25/2021
METERS	WATER METER	12/31/2021	10/30/2021	346.00L	5/28/2021
TRANSPORTATION EQUIPMENT	250L/373 VEH#424	12/31/2018	12/31/2020	373.00L	2/28/2018
TRANSPORTATION EQUIPMENT	250L/373 VEH#728	12/31/2014	12/31/2020	373.00L	5/29/2014
TOOLS AND EQUIPMENT	MODULAR CUBE ICE MAKER	12/31/2012	9/30/2019	378.00L	9/14/2012
TOOLS AND EQUIPMENT	ICE STORAGE BIN	12/31/2012	9/30/2019	378.00L	9/14/2012

Note:

* The install year is provided for the date because it is the only install date information that was located in San Gabriel's records for this retired water service.

** The install year is provided for the date because it is the only install date information that was located in San Gabriel's records for this retired water service. The 2019 date that was previously provided for the date added to the plant account was incorrect.

*** The install date is not available in San Gabriel's records for this retired meter, so the year of purchase is provided. San Gabriel purchases meters in batches and in almost all instances installs and places meters in service during the same year calendar year.

CHA-023 ATTACHMENT 1 (in response to DR CHA-023 Historic Rate Base Question #1)

Asset Group	Project / Asset Name / Description	Date Added to Plant Account	Retirement Date	Account Number	Date Added to Service	Original Cost*	Net Book Value at Retirement*
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	3/18/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/7/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	5/16/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	9/17/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	9/25/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	11/1/2019	$ 5,415.39	$ 5,280.55
SERVICES	WATER SERVICE LATERAL	12/31/2019	1/31/2020	345.00L	11/30/2018	$ 3,681.94	$ 3,590.26

Note:

* The Original Cost and Net Book Value at Retirement for the Water Service Laterals were already provided in response to Data Request CHA-002. The information is provided again in response to this Data Request CHA-023.

CHAPTER 10 RATE BASE

I. INTRODUCTION

This chapter discusses Cal Advocates' recommended rate base for SGVWC during the years 2022 to 2025. Cal Advocates uses the adjusted utility plant-in-service, depreciation reserve, and general office allocation recommended by Cal Advocates in the chapters on those topics to calculate the recommended rate base in this chapter.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt Cal Advocates' rate base forecast, as shown in row 2 of the table below:

Table 10-1: Rate Base

	(A) Description	(B) 2022	(C) 2023-2024	(D) 2024-2025
1	SGVWC	$232,968,615	$269,044,175	$296,714,958
2	**Cal Advocates**	**$208,675,585**	**$219,310,451**	**$232,869,475**
3	SGVWC - Cal Advocates	$24,293,030	$49,733,724	$63,845,483
4	Cal Advocates as % of SGVWC	89.6%	81.5%	78.5%

The Commission should adopt Cal Advocates' forecast of $13.3 million for construction work-in-progress ("CWIP") which is calculated on a one-year basis as intended by Commission staff. The Commission should reject SGVWC's proposed CWIP forecast of $31.4 million.

The Commission also should adopt Cal Advocates' adjustment to SGVWC's working cash forecast based on Cal Advocates' recommendations in the chapter on memorandum and balancing accounts (Chapter 13) of this report.

Beside the differences in working cash forecasted CWIP discussed in this chapter, Cal Advocates and SGVWC's differences in the rate base result from the adjustments to the capital budget explained in the chapters on utility plant-in-service (Chapter 7) and the

rate base in Cal Advocates Report on the Results of Operation for the General Office (Chapter 2).

III. ANALYSIS

The Commission should adopt Cal Advocates' forecast of $13.3 million for CWIP for each year from 2022 to 2025. The Commission should reject SGVWC's proposed CWIP forecast of $31.4 million.

SGVWC's $31.4 million CWIP forecast is based on the balance of more than 750 projects that SGVWC considers CWIP. Though these projects are mostly from the last three years, the oldest CWIP projects date back to 1996.

In the past, the Commission has allowed water utilities to forecast a CWIP amount to include in rate base. This has been the practice for many years and follows the recommendation of Commission staff from a May 11, 1982 policy memorandum (CWIP Memo) that supported the inclusion of CWIP in rate base for water utilities.[155] The CWIP Memo's recommendation was based on a review of water utility practices that showed water utilities' capital projects required an average of four months to complete.[156] The review also revealed that company funded CWIP amounts carried over into a succeeding year represented about 0.4% of the utility plant in service.

The intent of the CWIP Memo was that forecasting CWIP in rate base for California water utilities was appropriate because CWIP amounts were small and water utilities normally completed construction projects within one year. The CWIP Memo advises the Commission not to endorse CWIP in rate base for energy and telecommunications utilities "where construction time often exceeds one year." In the past, SGVWC has argued that it should earn a return on multi-year CWIP balances

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[155] Attachment 10-1: Policy for Including CWIP in Rate Base for Water Utilities.

[156] The Memorandum showed that the highest average construction time was for the "Tanks and Reservoir" category, which is 6.2 months. Attachment 10-1, p. 3.

because construction takes much longer now than when the CWIP Memo was written.[157] However, it was precisely because construction rarely exceeded one year that inclusion of CWIP in rate base was justified. Now that the Commission is faced with evidence of construction normally exceeding one year, it should reconsider whether CWIP in rate base is justified at all.

SGVWC's CWIP balance contains past projects and associated costs remaining in the balance for several years without being used or useful or providing benefit to ratepayers. These amounts are in rate base and in customers rates, earning the company a return for a much longer time than envisioned by the authors of the CWIP Memo. To be consistent with the intent of the CWIP Memo, Cal Advocates bases its CWIP forecast on the projects opened for the latest full year with data available, 2020, at the time of SGVWC's application. This results in a CWIP forecast of $13.3 million for each year from 2022 to 2025.[158]

Based on the above analysis the Commission should adopt a CWIP forecast of $13.3 million for each year from 2022 to 2025.

If the Commission does not make the necessary adjustment to a one-year CWIP basis, the Commission should still make sure that the following projects in SGVWC's $31.4 million balance are not recovered in customer rates.

[157] Attachment 10-2: A.19-01-001 Rebuttal Testimony Exhibit SG-11 Excerpt, pp. 6-10.

[158] Attachment 7-4: SGVWC Response to DR AA9-001, Q.1.a

Table 10-2: Individual CWIP Projects that Should be Removed (1 of 4)

	(A) Project	(B) Plant Site	(C) Cost	(C) Reason
1	INSTALL ION EXCHANGE TREATMENT SYSTEM	PLANT W6	$1,394,930	The project to install a treatment system at Plant W6 to remove PFOA and PFOS should be paid by government grants.
2	PROCURE ION EXCHANGE TREATMENT EQUIPMENT & RESIN	PLANT W6	$2,238,356	
3	Phase 3 - Improvements - Manage/Supervise/Inspect/Testing	PLANT M7	$26	Funding for Plant M7 should be recovered from developer contributions.
4	Phase 1 - Construct Plant M7 Reservoirs East and West Piping	PLANT M7	$26	
5	Phase 1 - Construct Plant M7 Reservoir East and West	PLANT M7	$26	
6	Plant M7 - Land Acquisition	PLANT M7	$26	
7	OBTAIN PERMITS	PLANT M4	$209,227	The Plant M4 project should be deferred until the resolution of the Montebello acquisition proceeding.
8	ACQUIRE LAND PARCEL FOR NEW RESERVOIR	PLANT M4	$12,503	
9	FENCE AND WALL	PLANT M3	$1,995	Funding for fencing, grading, Reservoir M3 West, Booster Station, and the Land Acquisition at Plant M3 should be recovered from developer contributions.
10	GRADING	PLANT M3	$644	
11	INSTALL RESERVOIR M3 WEST PIPING	PLANT M3	$3,423	
12	CONSTRUCT RESERVOIR M3 WEST	PLANT M3	$37,398	
13	INSTALL BOOSTER STATION PIPING	PLANT M3	$1,853	
14	CONSTRUCT BOOSTER BUILDING	PLANT M3	$4,702	
15	Plant M3 - Land Acquisition	PLANT M3	$26	
16	Phase 2 - Construct Plant M3 Booster Station Piping, Cans	PLANT M3	$26	
17	Phase 1 - Construct Plant M3 Reservoir (West) piping	PLANT M3	$26	
18	Phase 1 - Construct Plant M3 Reservoir (West)	PLANT M3	$10,575	

Table Continues

Table 10-2: Individual CWIP Projects that Should be Removed (2 of 4)

	(A) Project	(B) Plant Site	(C) Cost	(C) Reason
19	UV FLEX TREATMENT PILOT STUDY - OUTREACH	PLANT B6	$5,011	Funding for Plant B6 should be recovered from cooperating respondent contributions.
20	UVFLEX TREATMENT PILOT STDY-MONITORING/PERFORMANCE	PLANT B6	$63,341	
21	UV FLEX TREATMENT PILOT STUDY - CONSTRUCTION/	PLANT B6	$2,648,163	
22	UV FLEX TREATMENT PILOT STUDY - PLANNING/DESIGN/	PLANT B6	$135,944	
23	UV FLEX TREATMENT PILOT STUDY-DIRECT PROJECT	PLANT B6	$154,676	
24	B6 PERCHLORATE IX SYSTEM VESSEL SLURRY OUT PIPE	PLANT B6	$3,170	
25	INSTALL SECONDARY ONLINE CHLORINE RESIDUAL	PLANT B6	$20	
26	WATER TREATMENT PLANT - OPERATION AND	PLANT B6	($1,288)	
27	Refurbish Well B4C	PLANT B4	$5,829	The wells at Plant B4 are no longer needed.
28	Refurbish Well B4B	PLANT B4	$6,367	
29	Acquire B28 Land	PLANT B28	$237,961	Funding for the Plant B28 Land acquisition should be recovered from contributions.
30	CONSTRUCT UV TREATMENT SYSTEM AT PLANT NO.8	PLANT 8	$1,893,402	The project at Plant No. 8 is stalled while waiting for a permit.
31	PROCURE UV TREATMENT EQUIPMENT TO PLANT NO.8	PLANT 8	$2,531,714	
32	INSTALL TREATMENT PIPING	PLANT 2	$2,811	The project to install a treatment system at Plant No. 2 to remove PFOA and PFOS is premature.
33	INSTALL ION EXCHANGE TREATMENT SYSTEM	PLANT 2	$10,865	
34	DESIGN, PERMITTING AND RELATED WORK	PLANT 2	$1,477	
35	PROCURE ION EXCHANGE TREATMENT EQUIPMENT AND RESIN	PLANT 2	$1,951,178	
36	ION EXCHANGE TREATMENT SYSTEM INSTALLATION	PLANT 2	$613,190	
37	DESIGN, PERMITTING AND RELATED WORK	PLANT 2	$76,416	
38	ION EXCHANGE TREATMENT EQUIPMENT AND RESIN	PLANT 2	$928,553	

Table 10-2: Individual CWIP Projects that Should be Removed (3 of 4)

	(A) Project	(B) Plant Site	(C) Cost	(C) Reason
39	PROCURE ION EXCHAGE TREATMENT EQUIPMENT AND RESIN	PLANT 1	$20	The project to install a treatment system at Plant No. 1 to remove PFOA and PFOS is premature.
40	UTILITY EXCAVATION WITHIN ROAD RIGHT OF WAY		$2,110	These are minor projects that have not been worked on in more than six years.
41	IRRIGATION SERVICE		$773	
42	IRRIGATION SERVICE		$209	
43	IRRIGATION		$222	
44	IRRIGATION SERVICE		$720	
45	IRRIGATION SERVICE		$2,513	
46	2" IRRIGATION SERVICE		$486	
47	SERVICE INSTALLED 10/7/2003		$349	
48	TO SERVICE REST AREA TO RIVER ENTRANCE		$246	
49	2" IRRIGATION SERVICE		$2,505	
50	IRRIGATION		$389	
51	IRRIGATION		$551	
52	IRRIGATION		$496	
53	IRRIGATION SERVICE		$281	
54	IRRIGATION SERVICE		$281	
55	IRRIGATION SERVICE		$5,904	
56	IRRIGATION SERVICE		$6,450	
57	IRRIGATION SERVICE		$2,450	
58	IRRIGATION SERVICE		$325	
59	1" IRRIGATION SERVICE		$653	
60	IRRIGATION SERVICE		$1,451	
61	IRRIGATION SERVICE		$2,973	
62	IRRIGATION SERVICE		$703	
63	IRRIGATION SERVICE		$118	
64	IRRIGATION SERVICE		$239	
65	IRRIGATION SERVICE		$262	
66	IRRIGATION SERVICE		$337	

Table Continues

Table 10-2: Individual CWIP Projects that Should be Removed (4 of 4)

	(A) Project	(B) Plant Site	(C) Cost	(C) Reason
67	Test and inspect fire pump for Hillside Reservoir		$14,405	This project should be charged to the City of Montebello who owned the Hillside Reservoir at the time this work was done.
68	2019 - LOS ANGELES DIVISION OFFICE SPACE		$276,859	This project has been completed but is not used or useful and will be completely replaced.
69	INSTALL 1 - 8" DOUBLE DETECTOR CK VALVE ASSEMBLY		$13,404	These are minor projects that are ten years old and should not require multiple years to complete.
70	INSTALL 1 - 2" COPPER SERVICE		$1,256	
71	INSTALL 1 - 8" DOUBLE DETECTOR CK VALVE ASSEMBLY		$13,375	
72	**Total**		**$15,537,899**	

IV. CONCLUSION

The Commission should adopt Cal Advocates' rate base forecast and reject SGVWC's recommended forecast.

Attachment 10-1: Policy for Including CWIP in Rate Base for Water Utilities

State of California

M E M O R A N D U M

Date : May 11, 1982
(For June 2 Conference)

To : THE COMMISSION

From : M. Abramson, Acting Director, Revenue Requirements Div.
W. R. Ahern, Director, Util. Div.
B. Barkovich, Director, Policy Div.

Subject: Policy for Including CWIP in Rate Base for Water Utilities

RECOMMENDATION: It is recommended that the current policy of including construction work in progress (CWIP) in rate base for water utilities be continued. This should not lead the Commission to endorse a similar policy for energy and telecommunications utilities where construction time often exceeds one year.

SUMMARY: Water utility construction projects require on the average about 4 months to complete. This is a considerably shorter period of time than comparable energy utilities. Approximately 69% of new construction is company funded. New construction approximates 6% of the total plant in service and the amount of company funded CWIP, carried into a succeeding year, is only about 0.4%. Thus the perceived disbenefits of CWIP for ratepayers of (1) reduction in utility risk and thus management efficiency, and (2) intertemporal equity shifts, are minimized for water utilities. The financial benefit of disallowing CWIP in rate base is very small, and would, in the long run, be reduced and made even smaller, by the offsetting revenue requirement increase associated with the interest charges.

DISCUSSION: There are nearly 400 water jurisdictions (companies and districts) under regulation. Because of the inherent difficulty of studying a large number of districts, it was decided that to analyze typical construction projects, a few districts would be chosen as representative of the many systems throughout California. The data came from eight water districts representing

five water companies (see below). The data is from 1980 company records. Our choice was based on readily available data and a desire to include districts of various sizes, water sources and geographical locations.

Name	No. of Customers	County
Asuza Valley Water	15,467	Los Angeles
California American Water		
Monterey	33,090	Monterey
California Water Service		
East Los Angeles	27,618	Los Angeles
Oroville	3,724	Butte
Selma	3,550	Fresno
South San Francisco	15,395	San Mateo
San Jose Water	187,195	Santa Clara
Southern California Water		
Calipatria - Niland	1,030	Imperial

Water Utility Construction

Water projects with significant construction periods fall into five major categories: 1) miscellaneous structures, 2) tanks and reservoirs, 3) transmission and distribution mains, 4) treatment facilities and 5) wells. Transmission and distribution mains represent the largest on-going construction projects. Treatment facilities are usually major projects but are infrequently constructed and as a result the dollar impact in any given year is minimal. The average construction time and project costs for 1980 as a percentage of total plant by categories are:

Category	Construction Time	% of Plant
Miscellaneous Structures	3.1 months	1.2%
Tanks and Reservoirs	6.2	.2
Trans. and Distribution Mains	3.9	4.0
Treatment Facilities	8.3	.5
Wells	2.5	.1

It should be noted that for each category of plant that: 1) the actual construction time is well under a year and 2) the relative cost when compared to total plant is small. The inference here is that the amount of CWIP carried over from one year to the next and the interest earned prior to placing the plant in service are both relatively small. These points are examined later in the discussion.

Plant additions as a percent of total plant averaged 6% for the eight districts. The amount of contributions-in-aid-of-construction as a percentage of plant additions was 9% and the amount of advances for construction represented 22% of plant additions. Therefore, on the average, the companies funded 69% of the plant additions for the year.

The amount of CWIP at year end as a percentage of total plant additions for the year averaged 10%. Viewed another way, the amount of CWIP at year end was about 0.6% of total plant. It is reasonable to assume that the percentage of year-end CWIP that is company funded would approximate the 69% mentioned previously for plant additions in general. Therefore, any company funded CWIP carry-over into a succeeding year would be about 0.4% (69%x 0.6% = 0.4% approx.) of total plant.

Small Water Utilities Compared to Large Water Utilities

Although this study focuses primarily on Class A water utilities, the results also apply to CWIP inclusion into rate base for the smaller Class B, C and D water utilities. This follows because the types of construction, discussed earlier, are the same for all classes of water utilities. However, the average time to complete construction projects for smaller water utilities would be less, because the projects are smaller. As previously discussed, CWIP carry-over into a succeeding year, the major concern for ratemaking, is minimal for Class A's and would be less for Class B's, C's and D's. A further consideration is the lack of sophistication of many of the smaller water utilities; the burden of adding interest to projects as they are being constructed (i.e., keeping AFUDC accounts), would overwhelm many of them. Therefore, it is concluded that this study applies equally well to all water utilities.

Water Utilities Compared With Energy Utilities

To put water utility CWIP in perspective a comparison with energy utility CWIP is useful. Based on 1980 recorded information for the three largest combination electric and gas utilities the most significant fact is that on the average, CWIP carried over from one year to the next approximates 37% of total plant. This compares with the previously mentioned 0.4% for water utilities. This large year to year carry-over for energy utilities is principally due to the tremendous costs and construction times for electric generation facilities. It is the source of widespread concern (and the basis for current Commission policy disallowing CWIP in rate base for other utilities) that placing CWIP in rate base both (1) reduces utility risk and therefore the incentive to minimize costs, and (2) creates intertemporal equity problems (i.e., current ratepayers pay for plant that benefits later ratepayers).

It is interesting to note that even with the large CWIP carry-over, the average plant additions as a percent of total plant for energy utilities is 7% versus the 6% for water. For the gas operations only, the CWIP carry-over approximates 1.7%, a figure more in line with that for water utilities. This similarity is as expected since both use similar plant such as pumping, storage and transmission facilities.

If the Commission continues to allow CWIP in rate base for water utilities it should make clear that this situation does not lead the Commission to endorse a similar policy for energy and telecommunications utilities.

Commission Policy on Water Utility CWIP

An exhaustive search of past Commission decisions on water utility CWIP in rate base yielded very little in the way of a guide on the subject. The few decisions that were found tended to support traditional thinking, which is based on the argument that the short construction times coupled with relatively small amounts in CWIP for most water construction projects does away with the need for interest during construction. Hence, water utility CWIP has and is being placed directly into rate base for ratemaking.

Although interest bearing CWIP is not allowed in the ratemaking rate base, California American Water Company, Citizen Utilities Company, CP National and Pacific Gas and Electric Company at times have booked interest for major construction projects. These projects were not considered for ratemaking until placed into service. Though all of these water utilities have been in for rate increases in the last 5 years, CWIP in rate base has not been an issue.

Impact of Denying CWIP

To determine the financial impact of denying CWIP in rate base, two recent rate decisions for California Water Service (Bear Gulch and Hermosa-Redondo) were analyzed. In water utility rate proceedings, rates are designed for 3 years (two test years and an attrition year). Because the analysis herein requires a full summary of earnings, only the two test years were analyzed. The attrition year was not examined because no forecast is made of its summary of earnings. However, the result in the attrition year should approximate that of the second test year. The assumptions used in the analysis were: simple interest at 10% per annum on all company funded construction projects, an average construction time of 4 months per project, and the amount of CWIP funded by the company is 69%.

In the Bear Gulch proceeding, D.93845, dated December 15, 1981, the Commission authorized amounts of $462,600 (or 9.6%) in 1982 and $268,400 (or 5.0%) in 1983. A recalculation of the adopted results, to reflect the denial of CWIP in rate base yields a reduction in gross revenue requirement of $43,600 (or 0.9%) in 1982 and $43,600 (or 0.8%) in 1983.

In the Hermosa-Redondo proceeding, D.820151, dated January 5, 1982, the Commission authorized amounts of $599,500 (or 12.4%) in 1982 and $207,700 (or 3.8%) in 1983. A recalculation of the adopted results to reflect the denial of CWIP in rate base yields a reduction in gross revenue requirements of $25,700 (or 0.5%) in 1982 and $21,800 (or 0.4%) in 1983.

In these two districts, the impact of removing CWIP from the rate base results in an insignificant reduction, less than 1%, in gross revenues for each of the two test years 1982 and 1983. It is understood that the results are unique to these districts. However, given the short duration of the typical water project and the dollar amounts actually financed by the utility it is reasonable to conclude that similar results would be obtained in most water jurisdictions.

One consideration which we cannot, at this time, give a hard figure for, is the long-term impact of the build-up in interest charges if CWIP is disallowed in rate base for ratemaking. This interest will definitely cause the rate base to be larger than it would be if CWIP is allowed. The revenue requirements for this increase in rate base would tend to reduce the already small benefit of disallowing CWIP in rate base.

WF:wp

Attachment 10-2: A.19-01-001 Rebuttal Testimony
Exhibit SG-11 Excerpt

Application No. 19-01-001

Exhibit No. SG-11

Witness _____

Date _____

SAN GABRIEL VALLEY WATER COMPANY

REBUTTAL TESTIMONY OF

MATT Y. YUCELEN, P.E.

September 2019

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II. Construction Work in Progress

Q. HOW DID SAN GABRIEL FORECAST CONSTRUCTION WORK IN PROGRESS ("CWIP") IN TEST YEAR RATE BASE?

A. As it has in prior general rate cases, San Gabriel used the most current recorded CWIP balances (December 2018) to forecast Test Year 2020-2021 and Test Year 2021-2022 CWIP in Rate Base: $14,054,900 (Los Angeles Division) and $11,975,300 (Fontana Division) as shown on Table 8C in Exhibits SG-2 and SG-3, respectively.

By way of background, the Commission historically has permitted water utilities to include CWIP in rate base in lieu of including the financial carrying costs during construction (*i.e.*, AFUDC or Allowance for Funds Used During Construction, or IFC or Interest During Construction) as a component of construction costs because the time needed for construction is much shorter than that needed for projects built by the energy utilities (*e.g.*, a power generation facility may take 10-15 years to design, to obtain the necessary permits and to construct).

San Gabriel's use of its most recent recorded balances as its Test Year forecasts is, in fact, conservative because CWIP balances tend to trend upwards over time as inflation impacts the costs of labor and materials used and as environmental regulations become more complex.

Q. WHAT IS CAL-PA'S RECOMMENDATION REGARDING SAN GABRIEL'S FORECASTED CWIP?

A. Cal-PA recommends disallowing almost all of the forecasted CWIP. At pages 8-3 to 8-5 of the Los Angeles Division Report, Cal-PA recommends that only $2,098,225 (an 85% disallowance) be authorized in the Los Angeles Division Rate Base, and at pages 8-3 to 8-5 of the Fontana Division Report, it recommends that

only $2,639,238 (an 88% disallowance) be authorized in the Fontana Division Rate Base.

Q. HOW DOES CAL-PA TRY TO JUSTIFY SUCH AN EXTREME RECOMMENDATION?

A. Cal-PA cites a 1982 staff policy memorandum that showed water utilities' capital projects require an average of four (4) months to complete and which reported that company-funded CWIP amounts carried over into a succeeding year represented about 0.4% of total plant. Based on this outdated memorandum, Cal-PA arbitrarily recommends that only capital expenditures recorded in jobs opened during 2018 be used to forecast Test Year Rate Base. Obviously, the duration of construction projects built by water utilities today are hardly comparable to those of projects built forty years ago.

Q. IN ITS REPORTS, DOES CAL-PA OBJECT TO ANY OF THE SPECIFIC PROJECTS THAT SAN GABRIEL HAS INCLUDED IN ITS DECEMBER 2018 CWIP BALANCES?

A. No, it did not object to any specific project. Cal-PA merely objects to jobs that are not closed within one year of the job being opened. As I describe in more detail below, there are numerous reasons why construction jobs often remain open for more than twelve months.

Q. WAS THIS ALSO AN ISSUE IN THE LAST GENERAL RATE CASE, AND IF SO, HOW WAS IT RESOLVED?

A. Yes. In San Gabriel's rate case for test year 2017-2018, Cal-PA recommended that projects remaining in CWIP for more than three years be removed from rate

base, and San Gabriel conceded the adjustments for settlement purposes (see pages 33 and 58 of Appendix C, Settlement Agreement, of D.17-06-008 in A.16-01-002). Had Cal-PA made the same recommendation in this proceeding, they would have recommended disallowances of only 33% instead of 85% in the Los Angeles County Division CWIP forecast and of only 41% instead of 88% in the Fontana Division CWIP forecast.

Q. ARE YOU SAYING THAT THE COMMISSION SHOULD ADOPT AN ARBITRARY 3-YEAR LIMITATION FOR CWIP IN THIS PROCEEDING?

A. No. As I explain in more detail below, there are reasonable explanations why it may take three or more years to complete a project. An arbitrary 1-year or 3-year limit is not appropriate, and recorded expenditures should only be excluded from the CWIP forecast, if such projects are not expected to be used and useful within a reasonable amount of time, given the specific circumstances of each project. A secondary reason is that certain jobs currently booked to CWIP are already used and useful (some subsequent to the filing of this application), and therefore should be closed to Plant in Service, rather than excluded from Rate Base.

Q. DO YOU AGREE WITH CAL-PA'S RECOMMENDATION THAT THE CONSTRUCTION WORK IN PROGRESS ("CWIP") BALANCE INCLUDED IN THE RATE BASE BE LIMITED TO PROJECTS THAT BEGAN IN 2018?

A. No. In support of their recommendation to limit the CWIP balance to projects that were begun in 2018, Cal-PA cites a 37-year-old memorandum in which the Commission's staff found that water utilities' capital projects required an average of four months to complete and place in service. However, it is now

2019, and the notion that water utility capital projects can be designed, permitted, constructed, tested, and placed in service in four months is not credible. Cal-PA overlooks the evidence provided in **EXHIBIT SG-7** (Yucelen), its attachments, and San Gabriel's responses to Cal-PA's data requests, showing that land and easement acquisition, design, permitting and construction can take several years in California for the sorts of projects the Commission has authorized San Gabriel to construct.

For projects that require land acquisition, San Gabriel must search for and acquire a site at a suitable location and elevation for the project. The site or easement must be acquired from the property owner. Once the site has been acquired, San Gabriel must design the project.

Each project also has a permitting process, which is especially lengthy if the governing agencies with jurisdiction require a Conditional Use Permit ("CUP") or Environmental Impact Report ("EIR") for the project.

For example, the CUP application for the Plant No. 1 project was submitted to the City of El Monte on October 2, 2012. The CUP application review included an Initial Study and Mitigated Negative Declaration in compliance with CEQA. The CUP was finally issued by the City of El Monte more than *four years later* in March 2017.

In another example, the City of Fontana required an EIR for the Plant F15 project along with a CUP application, which were submitted on May 5, 2013. The EIR, which was required to be completed prior to construction of the authorized improvements, was adopted by the City almost five years later in February 2018. The permitting process is summarized on pages 29 to 32 of **EXHIBIT SG-7** (Yucelen).

As explained, certain projects require complex engineering studies and designs to complete. Construction on projects can begin only after they are permitted, and complications due to unforeseen site conditions that occur during construction can extend the duration of the project. These projects are now under construction, and authorized improvements are scheduled to be completed and placed in service in 2019.

III. General Division

General Division Plant Budget 2019-2022

Q. DOES CAL-PA MAKE REASONABLE RECOMMENDATIONS TO ADJUST SAN GABRIEL'S GENERAL DIVISION 2019-2022 CAPITAL BUDGET?

A. No. Cal-PA recommends that the Financial Management Systems, Work Management and Customer Information System project ("IT Upgrade Project") be treated as an Advice Letter project. Please refer to the Rebuttal Testimony of Mr. Joseph Harris, provided as **EXHIBIT SG-9**, for an explanation of why the IT Upgrade Project should be included in rate base in this GRC.

Cal-PA also recommends that the Commission deny San Gabriel's request for ten additional General Division positions, including eight new employee positions in the Engineering Department. Mr. Harris addresses two of the ten requested General Division positions in **EXHIBIT SG-9**. I address the eight new requested Engineering Department positions below.

Refer to **ATTACHMENT 1.A** for a table showing San Gabriel's requested budget together with Cal-PA's recommended budget for the General Division.

CHAPTER 11 TAXES OTHER THAN INCOME

I. INTRODUCTION

This chapter presents analysis and recommendations relating to Taxes Other Than Income. Taxes Other Than Income are comprised of: (1) payroll taxes, and (2) ad valorem, or property taxes. Payroll taxes are comprised of (1) Federal Insurance Contribution Act ("FICA"); (2) Federal Unemployment Insurance ("FUI"); and (3) State Unemployment Insurance ("SUI"). Income taxes are discussed in Chapter 12.

Cal Advocates and SGVWC generally do not differ on methodologies employed to forecast Taxes Other Than Income. The differences in total estimated taxes are largely due to differences in plant additions.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt Cal Advocates' estimates of Taxes Other Than Income. The Commission should use the following parameters to calculate TY and Escalation Year Taxes Other Than Income:

a. SGVWC's use of effective payroll tax rates and wage bases to forecast payroll taxes are reasonable and should be applied in estimating payroll tax expense.

b. SGVWC's ad valorem tax expense methodologies are reasonable and should be applied in estimating property taxes. Any differences between SGVWC and Cal Advocates are due to differences in the TY estimate of plant levels.

III. ANALYSIS

A. Payroll Taxes

Payroll taxes are estimated based upon the applicable tax rates and minimum wage bases applied to forecasted payroll levels. The applicable rate for each of the taxes are applied to each employee's estimated salary up to the maximum taxable limit.

SGVWC and Cal Advocates both use the FICA rate of 6.2% in the TY applicable to the estimated FICA wage base of $150,500 in 2023 and $153,200 in 2024. In addition, total FICA also includes 1.45% of each employee's total annual wages for the Medicare component of FICA. SGVWC's forecast of the FICA (6.2%) wage base for 2023 and

2024 is consistent with the historical five-year average increases by the Social Security Administration. The 1.45% Medicare component does not have a maximum wage cap.

The maximum taxable wage base for both FUI and SU taxes is the first $7,000 of each employee's annual wages and is not forecasted to change. SGVWC and Cal Advocates both use 0.6% as the FUI tax rate and 2.3% as the SUI tax rate because both rates are consistent with historical actual tax rates.

B. Ad Valorem Taxes

SGVWC bases its estimate for property taxes on historical County Assessor valuations and the underlying methodologies applied to estimate plan additions in the TY. The forecasted tax is based on a calculated average effective tax rate applied to forecasted (net) plant investment. Plant in service is reduced by intangibles, advances and contributions for construction, and deferred income taxes.

SGVWC's method of estimating ad valorem taxes for the TY is reasonable. The differences between SGVWC and Cal Advocates' estimate of Ad Valorem Taxes is due to differences in forecasted plant estimates.

IV. CONCLUSION

The Commission should adopt Cal Advocates' TY estimates of Taxes Other Than Income. Cal Advocates and SGVWC generally do not differ on methodologies employed to forecast Taxes Other Than Income. The differences in total estimated taxes are largely due to differences in forecasts for plant additions.

CHAPTER 12 INCOME TAXES

I. INTRODUCTION

This chapter presents the analysis and recommendations of the Public Advocates Office ("Cal Advocates") relating to regulated income tax expenses in Los Angeles Division of SGVWC Valley Water Company's ("SGVWC"). Regulated income tax expense is comprised of federal income taxes ("FIT"), and California Corporate Franchise Taxes ("CCFT").

Cal Advocates and SGVWC generally do not differ on the methodologies employed to forecast regulated income tax expenses. SGVWC has accounted for the impacts of the 2017 Tax Cuts and Jobs Act ("TCJA"). Any differences in total estimated income taxes are due to differences in forecasted operating revenues, expenses, and plant additions.

Cal Advocates' Results of Operations table summarizes the differences in estimates between the Cal Advocates and SGVWC.

II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt Cal Advocates' estimates for FIT and CCFT for the Test Year as reflected in Cal Advocates Results of Operation table. The Commission should use the following parameters to determine Test Year and Escalation Year income tax expense:

a. The corporate tax rate of 21% should be used to compute FIT and the net-to-gross multiplier. The state corporate income tax rate of 8.84% should be used to compute CCFT and the net-to-gross multiplier. For estimating income tax expenses, both Cal Advocates and SGVWC used this tax rate.

b. The FIT rate of 21% should be used to revalue accumulated deferred income taxes ("ADIT") to be deducted from the rate base. Both Cal Advocates and SGVWC used this tax rate to revalue ADIT in accordance with the TCJA.

c. Excess Accumulated Deferred Income Taxes ("Excess ADIT") resulting from the reduction in the FIT rate from 35% to 21% should be recognized and accounted for as a direct reduction FIT expense. The accounting of

Excess ADIT should be consistent with the normalization requirements of the TCJA which SGVWC has employed.[159]

d. All federal and state tax timing differences should be flowed through to ratepayers to the extent allowed by Commission policy, and federal and state tax laws.

III. ANALYSIS

The following section provides an overview of regulated income tax expenses and discusses certain specific tax deductions, credits, and other tax policy issues used to determine taxable income for ratemaking purposes.[160]

Income tax expense reflects the cost of service and is in this way like any other expense in a GRC proceeding. Estimating income tax expense is unique however, because in addition to reviewing historical payments, objective projection criteria must be applied to estimate the Test Year tax expense. Income tax expense is a mixture of projected taxable income streams, booked expenses, tax credits, and special tax deductions, calculated within the contexts of real-world tax laws and regulatory tax policies.[161]

A. Basis for Regulated Tax Expense

While the mathematical model used to calculate tax expense is seemingly unambiguous, the underlying accounting conventions, applicable tax rates, and the

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[159] The Excess ADIT amounts consisted of 2 components; (a) the accumulated amortization of EDIT from January 2018 through June 2020 (including interest) which is fully amortized, and (b) the ongoing amortization of Excess ADIT commencing with the Test Year beginning July 1, 2020. Ongoing amortization of Excess ADIT has two sub-components; and (1) an "unprotected" portion not subject to the IRC's normalization rules and it is already amortized, and (2) the "protected" portion, to which the Internal Revenue Code's ("IRC") normalization rules apply, which SGVWC is still amortizing.

[160] Unless otherwise noted, all discussions apply equally to both federal and state tax expenses.

[161] Tax expense also includes taxes that are a function of the payment of employee compensation, (payroll taxes), and the ownership of plant and property (ad valorem taxes). This category of taxes is referred to as Taxes Other Than Income.

determination of what constitutes allowable deductions are necessarily a function of current FIT and CCFT tax laws, including new laws expected to affect the Test Year.

Forecasted tax expense is based on adopted regulatory tax policy as determined by numerous Commission decisions, and the Cal Advocates' recommended tax policies. These decisions and policies should be considered when reviewing SGVWC's tax expense.

Much of the Commission's existing tax policy was established in D.84-05-036[162] and then with numerous subsequent decisions.[163][164] Cal Advocates' goal is to achieve the lowest possible rate for service consistent with reliable and safe levels of service.[165] As this applies to taxes, the goal is to minimize regulated tax expense to the extent possible, which in turn minimizes revenue requirements for taxes. Another way to articulate this goal is that the Test Year's income tax expense estimate should reflect, to the extent possible, the current (Test Year) deduction of expenses in which there is a book/tax timing difference. The Commission should continue to promote policies that result in the Test Year tax estimate reflecting, to the extent possible, the flow-through of forecasted expenditures.[166]

B. FIT Deduction for Prior Year's CCFT

For FIT purposes, the amount of CCFT allowed as a deduction by the Internal Revenue Service ("IRS") is the CCFT liability of the prior year. This creates a timing

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[162] D.84-05-036 adopted ratemaking policy for a variety of tax issues.

[163] D.87-09-026 authorized various ratemaking methods that utilities may adopt to recover the federal tax imposed upon CIAC pursuant to the Tax Reform Act of 1986. D.88-01-061 adopted ratemaking policies for a variety of tax issues.

[164] See D.84-05-036, discussion at Section I, pgs. 32-33a. The Commission refused to adopt additional normalization requirements beyond those required for depreciation.

[165] Public Utilities Code §309.5.

[166] The Cal Advocates' ability to flow-through certain tax deductions and benefits is limited by Income Tax Normalization requirements of the Internal Revenue Code, as well as tax policy, established in D.84-05-036.

difference between when the payment of the CCFT is made and when it is allowed as a tax deduction. D.89-11-058 requires that the prior-year last Commission adopted CCFT amount be used as the deduction for CCFT for ratemaking purposes to arrive at FIT taxable income in the Test Year.[167] Cal Advocates and SGVWC agrees with this methodology.

C. Deferred Income Taxes and Excess Accumulated Deferred Income Taxes and the TCJA

The reduction in the FIT rate from 35% to 21% created Excess ADIT, which is the portion of deferred income taxes that ratepayers funded in rates, before the reduction in the FIT. The reduction in the corporate income tax rate requires utilities to revalue current deferred income taxes ("DIT") at the 21% rate because the lower rate decreases the Utilities' federal tax liabilities in the future. As a result, deferred tax reserves are more than the utility's federal tax liabilities thus creating "Excess" ADIT.

As defined in Section 13001(d)(3)(A) of TCJA, the Excess ADIT is the difference between the recorded accumulated deferred federal income tax ("ADFIT") and the revalued amount of the ADFIT after the federal income tax rate changed. Section 13001(d)(3)(A) of TCJA defines excess tax reserve as follows:

> the term ''excess tax reserve'' means the excess of— (i) the reserve for deferred taxes (as described in section 168(i)(9)(A)(ii) of the Internal Revenue Code of 1986) as of the day before the corporate rate reductions provided in the amendments made by this section take effect, over (ii) the amount which would be the balance in such reserve if the amount of such reserve were determined by assuming that the corporate rate

[167] However, in some cases, the current or Test Year estimated CCFT amount may be used as a Test Year FIT deduction. This is particularly true when there is no firm prior year's payment information or the prior year's amount is merely an estimate based on progressive annual estimates or when there is simply no "last adopted" CCFT amount. In D.89-11-058, the Commission agreed with the Cal Advocates' position that the Test Year CCFT amount may also be used as a convenient approximation for the prior year's CCFT expense in the calculation of the Test Year FIT. The Commission explained that this is done to avoid preparing a complete summary of earnings for the prior year

> reductions provided in this Act were in effect for all prior periods.

The ADFIT before revaluation represents the amount SGVWC already collected from ratepayers in prior years to pay future federal income taxes. SGVWC revalued its ADFIT amount to reflect the new 21% FIT tax rate in accordance with this provision of TCJA. The difference between these two will provide the Excess ADIT amount. For ratemaking purposes and to ensure that excess reserves are returned to ratepayers, SGVWC accurately recognized and accounted for Excess ADIT as a regulatory liability.

The Excess ADIT amounts consisted of two components:[168] (a) the accumulated amortization of Excess EDIT from January 2018 through June 2020 (including interest) which is fully amortized, and (b) the ongoing amortization of Excess ADIT commencing with the Test Year beginning July 1, 2020. Ongoing amortization of Excess ADIT has two sub-components; and (1) an "unprotected" portion not subject to the Internal Revenue Code's ("IRC's") normalization rules and it is already amortized,[169] and (2) the "protected" portion, to which the IRC normalization rules apply, which SGVWC is still amortizing. The Cal Advocates agrees with this methodology.

D. Interest Expense

For FIT purposes, Cal Advocates and SGVWC estimated interest expense by applying the weighted average cost of long-term debt from SGVWC's capital structure to the total rate base. Differences in the total amount of interest expense deductible for regulated income tax purposes are, therefore, the result of differing rate base estimates between SGVWC and Cal Advocates.

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[168] SGVWC's Response to Cal Advocates' DR JBQ-010 Q.2b.

[169] Excess ADIT stemming from other tax benefits such as the "Repairs Regulations" are not subject to the normalization rules. These deferred taxes are commonly referred to as "Unprotected." The TCJA does not provide for rules for amortizing Excess ADIT on Unprotected balances; this is left up to the regulatory agency.

There are two normalization options to amortize ITC for regulated tax purposes for Public Utility corporations. Under Option One, the tax benefits of investment tax credit (ITC) are flowed through to ratepayers by deducting deferred ITC from the rate base. As each year passes, the deferred ITC balance decreases, thereby proportionally restoring the rate base over the book life of the plant that generated it. Under Option Two, the tax benefits of ITC are proportionally flowed through as a direct reduction to estimated FIT.

The unamortized deferred investment tax credit (ITC) balance was deducted from the rate base for this calculation because SGVWC is an Option One company. The method of "interest synchronization" that normally results in a higher interest deduction, and therefore, a lower regulated FIT expense, does not apply to SGVWC because of how SGVWC treats unamortized Investment Tax Credit (Option One). For CCFT purposes, Cal Advocates and SGVWC also deducted the unamortized ITC from the rate base before applying the same debt cost factor.

E. Investment Tax Credit ("ITC")

As discussed above, public utilities can select either of these two normalization options to amortize ITC for regulated tax purposes. Cal Advocates does not have a policy preference as to which option is used.

SGVWC uses Option One. This means the FIT expense was not reduced directly by the annual amortization of ITC. Instead, amortized ITC reduced the rate base.[170] The Cal Advocates accepts SGVWC's methodology.

IV. CONCLUSION

Cal Advocates and SGVWC have no methodological differences for computing regulated tax expenses. Any differences are due to different estimates for revenues,

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[170] Under current federal tax law, ITC must be amortized over the life of the underlying plant when estimating regulated federal income tax expense. Generally, this method of normalizing ITC applies to plant placed in service after 1980.

operating expenses, and plant additions. The Commission should adopt Cal Advocates' estimates for tax expense as reflected in Cal Advocates Results of Operation table.

CHAPTER 13 BALANCING AND MEMORANDUM ACCOUNTS REVIEW

I. INTRODUCTION

This chapter addresses SGVWC's balancing and memorandum accounts ("surcharge accounts") for the Los Angeles division and presents Cal Advocates' analysis and recommendations. The Direct Testimony of Joel M. Reiker presents SGVWC's proposed actions for the utility's surcharge accounts in the Los Angeles division.[171] In response to discovery, SGVWC provided updated balances.[172] This chapter incorporates Cal Advocates' analysis on the updated materials and review of the balances as of December 31, 2021.

SGVWC currently maintains 16 surcharge accounts in its LA division,[173] and requests to establish a new account titled Montebello Acquisition Memo Account ("MAMA").[174] Surcharge accounts allow a utility to operate without the discipline of a budget. The proliferation of surcharge accounts reduces the transparency of customer bill impacts as surcharges are generally not reflected in the rate increases proposed in general rate cases (GRCs). The proliferation of these accounts complicates the Commission's review and reduces a utility's incentive to accurately forecast costs. In 1985, the then Executive Director of the Commission warned that:

> we can expect utilities to continually press for the comfort of more balancing accounts and the green light to file a variety of offset applications between general rate proceedings…it is the CPUC's task to recognize that desire and pressure and

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[171] Direct testimony of Joel M. Reiker, p. 59, attachment N, A.22-01-003.

[172] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.2.

[173] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.3.

[174] Direct testimony of Joel M. Reiker, p. 57. To the extent SGVWC still has an application for approval of the purchase of Montebello's water system pending at the time the Commission issues a final decision in this GRC.

weigh it against the need to have management incentive working to minimize costs.[175]

The Executive Director also stated that the process of reviewing surcharge accounts has essentially shifted the burden of proof to Cal Advocates and intervenors to show that expenditures are not prudent.[176]

Surcharge accounts can mask the overall impact of utilities' proposals in GRCs. For example, in this application the accounts that SGVWC wants to amortize in the Los Angeles division have a total surcharge balance of $1,429,413 as of December 31, 2021.[177] This surcharge amount is approximately 1.53% of its total proposed Revenue Requirement for Test Year 2023-24.[178] This surcharge account amount is not reflected in the proposed rate increase for the Test Year.[179] Therefore, the full impact of SGVWC's requests on ratepayers' bills is not transparent.

The Commission should underscore the importance of reducing the total number of surcharge accounts by requiring utilities to close accounts whenever possible and remove their reference from the related preliminary statements.

II. SUMMARY OF RECOMMENDATIONS

The Commission should require SGVWC to refund a total overcollection balance of $574,566 as of December 31, 2021, as a fixed monthly surcredit presented in the table 13-1 in this testimony. As of December 31, 2021, SGVWC's workpapers account for a total undercollection balance of $1,429,413. The difference between SGVWC's

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[175] See Attachment 13-1: Balancing Accounts History, p. 6.

[176] See Attachment 13-1: Balancing Accounts History, p. 4.

[177] See Table 13-1: Balancing and Memorandum Accounts for Amortization (Last Row).

[178] SGVWC's proposed Revenue Requirement for Test Year 2023-24 is $93,377,000. The accounts for what SGVWC requested recovery in this GRC application have a total surcharge balance of $1,429,413 as of December 31, 2021. It is around 1.53% of the proposed revenue requirement in the Test Year. ($1,429,413/ $93,377,00 = 1.53%).

[179] SGVWC GRC Proceeding A.22-01-003.

workpaper and Cal Advocates recommendation is $2,003,979 and it is due to the balance of three accounts.[180][181]

The Commission should require SGVWC to close five out of its 16 surcharge accounts. SGVWC should issue a refund or surcharge to ratepayers, and close multiple accounts, as summarized below:

1. The Commission should allow SGVWC to continue the Plaintiff Water Quality Litigation Memorandum Account (Plaintiff WQLMA) but not to amortize the overcollection balance of $9,928,724 as of December 2021 because it is premature as the Company will continue to be involved in litigation and other activities.
2. The Commission should require SGVWC to refund $2,629,329 to ratepayers and close the Water Rights Memorandum Account because SGVWC does not need a surcharge account to purchase water rights outside of a GRC proceeding.
3. The Commission should allow SGVWC to continue the PFAS Memorandum Account, but not to amortize the recorded balance as it is premature.
4. The Commission should require SGVWC to close the 2018 Tax Accounting Memorandum Account after authorizing recovery of the recorded undercollection from ratepayers as surcharges, but the authorized amortization balance should be the December 2021 reported balance of $302,941, not the proposed August 2021 balance.
5. The Commission should require SGVWC to close the A.19-01-001 Interim Rates Memorandum Account (IRMA) after the requested refund of the overcollection, but the refund amount should be the December 2021 reported balance of $411,348, not the proposed August 2021 balance.
6. The Commission should require SGVWC to close the El Monte Office Memorandum Account after authorizing recovery of the recorded undercollection from ratepayers as surcharges, but the authorized amortization balance should be the December 2021 reported balance of $3,272, not the proposed August 2021 balance.
7. The Commission should require SGVWC to close the School Lead Testing Memorandum Account as proposed by SGVWC.

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[180] 1,429,413 undercollection minus 574,566 overcollection is equal to 2,003,979 in a number line.

[181] Plaintiff WQLMA, PFAS MA, and Water Rights MA

8. The Commission should require SGVWC to rename the "WRAM Memorandum Account" to “Conservation WRAM Memorandum Account" to avoid confusion, allow the Company to amortize the undercollection and continue the account as proposed, but the authorized amortization balance should be the December 2021 reported balance of $1,088,276, not the August 2021 balance as proposed.

9. The Commission should require SGVWC to be consistent in using the same name for its surcharge accounts as the name identified in its preliminary statement, workpapers in future GRC proceedings to avoid confusion, and failure to be consistent with the preliminary statement should be deemed a tariff violation.[182]

The Commission should also require SGVWC to report the previously audited balance of every listed account in future GRC applications. Reporting audited balance reduces regulatory burden, increases transparency, and ensures ratepayers pay only for prudently incurred costs.

III. ANALYSIS

SGVWC requests to review and dispose of surcharge account balances as of August 2021.[183] SGVWC provided updated balances as of December 2021 in response to a Data Request.[184] Cal Advocates audited the updated balances as of December 2021.[185]

As of December 31, 2021, SGVWC maintains 16 surcharge accounts in its Los Angeles division. Of its 16 accounts,[186] SGVWC requests to review 11 accounts in this

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[182] A.19-01-001 Interim Rates MA and D. 20-08-006 Interim Rate (IRMA) are the same account mentioned in two places in Joel M. Reiker's testimony, p. 61 and Attachment N.

[183] Direct Testimony of Joel M. Reiker's, p. 59.

[184] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.2.

[185] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.2.

[186] Out of a total of 16 accounts in the LA division, Cal Advocates hasn't reviewed 5 in this GRC application. These are Catastrophic Event Memorandum Account (CEMA), Section 790, Water Quality Litigation Memorandum Account (WQLMA, defense-related), Power Cost Balancing Account, and Conservation Program (one-way balancing account).

GRC cycle. The following table summarizes the 11 accounts that Cal Advocates reviewed in this GRC application.

Table 13-1: Balancing and Memorandum Accounts for Amortization

Account Name	SGVWC's Workpaper as of December, 2021	Cal Adv' Review as of December, 2021	Cal Adv' Recommendation
	$	**Undercollection/ (Overcollection)** $	
Plaintiff Water Quality Litigation MA[187]	(2,482,181)		Do not amortize, Continue
Water Rights MA	1,763,081	(2,629,329)	Refund, Close
PFAS MA	93,750		Do not amortize, Continue
2018 Tax Accounting MA	302,941	302,941	Surcharge, Close
A.19-01-001 Interim Rates MA	(411,348)	(411,348)	Refund, Close
El Monte Office MA	3,272	3,272	Surcharge, Close
School Lead Testing MA	Immaterial	Immaterial	Close
WRAM MA	1,088,276	1,088,276	Surcharge, Continue
Previously Authorized Balances BA	14,982	14,982	Surcharge, Continue
CA Alternative Rates for Water BA (CARW)	458,680	458,680	Surcharge, Continue
Water Cost BA	597,960	597,960	Surcharge, Continue
Total	**$1,429,413**	**$(574,566)**	

[187] Ratepayer portion only. SGVWC proposed 25% of net proceeds to ratepayers. Cal Advocates adjusted SGVWC's calculated net proceeds to find the actual net proceeds balance and recommended to allocate 67% of actual net proceeds to ratepayers.

Out of these 11 accounts, Cal Advocates recommends a different balance than what is presented in SGVWC's workpaper for one account,[188] recommends not to amortize two other accounts.[189] Out of these 11 accounts, Cal Advocates recommends closing five,[190] and continuing the remaining six.[191]

The Commission should require SGVWC to refund the net overcollection balance of $574,566 as a fixed monthly surcredit for a period of 12 months to credit the December 2021 balance presented in table 13-1 (third column) in this testimony.

Cal Advocates' review of surcharge accounts includes an analysis of each account's general ledger transaction details, interest calculations, authorizing document(s), and invoices to ensure that there was no double recovery of expenses.

A. Plaintiff Water Quality Litigation Memorandum Account ("WQLMA")

In this GRC, through Special Request number 7, SGVWC is requesting that the Commission allow the distribution of an alleged net proceed balance of $9,925,994 recorded in the Plaintiff WQLMA as of August 2021. SGVWC proposes to allocate 75% of this balance to shareholders and the remaining 25% as ratepayers refund.[192]

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[188] Water Rights MA.

[189] PFAS MA and Plaintiff WQLMA.

[190] Water Rights MA, A.19-01-001 Interim Rates MA, 2018 Tax Accounting MA, El Monte Office MA, School Lead Testing MA.

[191] Plaintiff Water Quality Litigation MA, Previously Authorized Balances BA, WRAM MA, PFAS MA, CA Alternative Rates for Water BA (CARW), Water Cost BA.

[192] See Direct Testimony of Joel M. Reiker, p. 64.

Per SGVWC's workpaper, the alleged net proceed balance increased to $9,928,724 as of December 2021,[193] which is the balance Cal Advocates uses in its review.[194]

The purpose of this Plaintiff WQLMA is to track plaintiff-related outside legal and consulting expenses associated with pursuing polluters for the costs of groundwater cleanup, as well as to record the proceeds recovered from polluters as damage awards. The Commission directed SGVWC to record the proceeds recovered in the form of damage awards that are not immediately recorded as contributions in aid of construction or offsets to operating expenses.[195]

As discussed in the Direct Testimony of Mr. Baki for General Office, Chapter 4, Special Request 7, Cal Advocates recommends that if the Commission approves any allocation, the ratepayers should receive at least 67% of the actual net proceeds, and shareholders should receive the remaining 33% as an adequate incentive for pursing the polluters, following an earlier Commission decision regarding the sharing of SGVWC's contamination proceeds in its Fontana division.[196]

However, because SGVWC continues to have litigation related expenses, the Commission should not allow amortization of the alleged net proceeds balance of $9,928,724 as of December 2021 so the Company can cover any future remediation activities and costs that might otherwise require reimbursement by ratepayers.[197] With

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[193] As of December 2021, Plaintiff WQLMA had a debit balance (including accrued interest) of $5,148,523 in outside legal and consulting costs. At the same time, Plaintiff WQLMA had an after-tax credit balance (including accrued interest) of $(15,077,247) in groundwater contamination proceeds received in a form of general damage award. Thus, the net proceeds balance booked in the Plaintiff WQLMA as of December 2021 is $(9,928,724).

[194] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.2, workpaper titled "LA Plaintiff WQLMA."

[195] SGVWC Preliminary Statement I1.

[196] D.08-04-005 shares the contamination proceed in the SVGWC's Fontana division by a percentage of 67% to ratepayers, and 33% to shareholders.

[197] Cal Advocates is not opposing SGVWC to recover its legal costs. Instead, it is just opposing its request to split the alleged net proceeds at this time.

access to the funds in this account, SGVWC's working cash allowance should be reduced by the $9,928,724 balance in the account. Finally, the Plaintiff WQLMA should remain open as requested to capture future litigation related costs. Please see Direct Testimony of Mr. Baki for General Office, Chapter 4, Special Request 7 for details.

B. Water Rights Memorandum Account

The Commission should require SGVWC to close this surcharge account following a refund of the $(2,629,329) balance as of December 2021 and remove its reference from the preliminary statement.

This surcharge account was established pursuant to D.17-06-008.[198] The purpose of this account is to track the revenue requirement portion related to the purchase of water rights.[199] As of December 31, 2021, the balance of this account is $1,763,081.22.[200] SGVWC wants to amortize and continue this account to purchase water rights in the future whenever available.

However, SGVWC has been leasing out ratepayer-funded water rights since 1994, but not sharing the revenues received with these lease-outs with ratepayers.[201] Public Utilities Code § 851[202] requires the Company to seek the Commission's approval before

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[198] Ordering Paragraph 1, Settlement Section III.E16.

[199] SGVWC Preliminary Statement K.

[200] SGVWC's Response to Cal Advocates' DR JBQ-002 Q.2, workpaper titled "LA & FWC Water Rights Memo".

[201] SGVWC's Response to Cal Advocates' DR AA9-005 (LA Water Rights II), Q.1a.

[202] Cal. Pub. Util. Code § 851 ("A public utility, other than a common carrier by railroad subject to Part A of the Interstate Commerce Act (49 U.S.C. Sec. 10101 et seq.), shall not sell, lease, assign, mortgage, or otherwise dispose of, or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, or by any means whatsoever, directly or indirectly, merge or consolidate its railroad, street railroad, line, plant, system, or other property, or franchises or permits or any part thereof, without first having either secured an order from the commission authorizing it to do so for qualified transactions valued above five million dollars ($5,000,000), or for qualified transactions valued at five million dollars ($5,000,000) or less, filed an advice letter and obtained approval from the commission authorizing it to do so.").

leasing out water rights.[203] SGVWC has not previously sought the Commission's approval before leasing out water rights.

In response to Cal Advocates discovery, SGVWC provided a list of leased-out water records since 2000 and the amount of unallocated revenue received.[204] In September, 2020 Cal Advocates filed a Motion for an Order to Show Cause in Suburban Water Company's GRC (A.20-03-001) regarding Suburban's lease-out of water rights without Commission authorization and without sharing lease revenues with ratepayers.[205] Given the issues raised in Cal Advocates' motion in the Suburban GRC, for the year 2020, SGVWC offset its purchasing water cost with the lease revenue of $140,000.[206] In sum, with the exception of lease revenues for the year 2020, SGVWC did not share revenue for its water rights leases with ratepayers dating as far back as 2000.

Since the ratepayer-funded water rights are part of the rate base, applying the historical authorized Rate of Return, SGVWC's revenues from the lease-out of its water rights account for $6,274,872 in today's dollar as shown in Table 13-3. Cal Advocates has not calculated the monetary value of leased-out revenue before the year 2000. However, as SGVWC has been leasing out ratepayer-funded water rights since 1994,[207] the Company's total revenues could have been even higher than $6,274,872 if all such water leases were taken into account since 1994.

To accurately reflect the cost and benefits of water rights in SGVWC's associated surcharge account. the balance reported by SGVWC should be updated with the revenue

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[203] *See* D.04-03-069.

[204] See Attachment 13-2: Leased water revenue provided in response to Cal Advocates' DR AA9-005 Q.1b.

[205] *Motion of the Public Advocates Office for an Order to Show Cause*, A.20-03-001 (September 22, 2020), available at https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M347/K563/347563183.PDF.

[206] SGVWC's Response to Cal Advocates' DR AA9-005 Q.2a.

[207] SGVWC's Response to Cal Advocates' DR AA9-005 (LA Water Rights II), Q.1a.

allocation due to ratepayers. This is particularly essential given that ratepayers will continue to fund the purchase of these water rights.

As the leasing of water rights does not require any additional investment by SGVWC, these transactions are considered "Passive" per Commission-established rules for non-Tariff Products & Services (NTP&S).[208] For passive NTP&S projects, shareholders receive 70% of the revenues and ratepayers receive the remaining 30%.[209] But in D.04-03-069, Southern California Water Company (SCWC)[210] was ordered to credit ratepayers with 70% of the total lease revenues accrued from the inception of the lease through the effective date of that decision, plus interest since the Company failed to comply with Public Utilities Code § 851:

> SCWC's failure to seek § 851 reviews for the lease creates an unfortunate issue of how to enable ratepayers to gain the benefit of their appropriate 70% share of the revenues that SCWC previously has unilaterally assigned for the benefit of shareholders. We agree with ORA that the best approach is to require SCWC to credit customer bills by the appropriate ratepayer share, plus interest.[211]

Consistent with the findings pertaining to SCWC, the Commission should require SGVWC to allocate 70% of the total lease revenues of $6,274,871 to the ratepayers and the remaining 30% to shareholders. The following table has the detailed calculation of SGVWC's collected revenue in present-day dollars, and how much ratepayers should receive after the proper allocation.

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[208] Rule X.C (Revenues) of D.10-10-019, as modified by 12 D.11-10-034.

A utility shall classify all NPT&S as active or passive. For a new NTP&S, which requires approval by the Commission by advice letter pursuant to Rule X.G, an active project requires a shareholder investment of at least $125,000. Otherwise, the new NTP&S shall be classified as passive.

[209] The Commission's Affiliate Transaction and Non-Tariff Product & Services (NTP&S) per D.11-10-034. Rule X.C.

[210] Southern California Water Company has since been re-named as the Golden State Water Company.

211 D.04-03-039 at p. 57.

Table 13-2: Allocation of Leased Water Revenue

	A	B	C	D	E	F	G
1	Year	Total amount (PV)	Authorized ROR (Real Rate)	Num of Year to 2023	Future Value = PV (1+Real Rate) ^N	NTP&S (70% to Ratepayers)	NTP&S (30% to Shareholders)
2	2003	$ 360,000	9.40%	20	$ 2,170,946	$ 1,519,662	$ 651,284
3	2004	$ 285,000	9.40%	19	$ 1,570,992	$ 1,099,694	$ 471,298
4	2006	$ 120,000	9.43%	17	$ 555,265	$ 388,685	$ 166,579
5	2012	$ 250,000	9.25%	11	$ 661,570	$ 463,099	$ 198,471
6	2013	$ 170,000	8.49%	10	$ 384,013	$ 268,809	$ 115,204
7	2014	$ 410,250	8.49%	9	$ 854,193	$ 597,935	$ 256,258
8	2019	$ 57,000	8.12%	4	$ 77,893	$ 54,525	$ 23,368
9							
10	**Total**	**$ 1,652,250**			$ 6,274,872	$ 4,392,410	$ 1,882,461
11							
12					**Memo Account Balance (as of Dec 2021)**	**Ratepayers should receive a refund of**	
13					$ 1,763,081	$ 2,629,329	

A 70% allocation of $6,274,871 results in a ratepayer refund of $4,392,410. As of December 31, 2021, SGVWC had a $1,763,081 under-collected balance recorded in its Water Rights Memorandum Account. Adjusting this undercollection with the recommended ratepayer allocation of $4,392,410 results in a net overcollection of $2,629,329. The Commission should require SGVWC to refund this amount to ratepayers.

The $1,882,461 in Cell G10 of Table 13-2 represents the 30% leased water revenue allocation to the shareholders in present-day dollars. San Gabriel has already collected this amount from ratepayers by leasing its water rights over the years and pocketing the entire earned revenues. The amount is being used to offset the total lease water revenue of $6, 274,872 as shown in E10.

SGVWC has been leasing out ratepayer-funded but unused water rights for decades, but requests to continue the surcharge account in the event it purchases additional water rights. It is not reasonable for a water IOU to track for future recovery of purchasing new assets from ratepayers when identical unused assets have already been purchased and funded by ratepayers.

Importantly, SGVWC does not require a surcharge account to purchase water rights outside of a GRC. As a non-depreciable asset, any additional water rights that SGVWC determines are necessary to purchase can be recovered by adding to ratebase at the actual cost incurred when determined to be reasonable in a subsequent GRC.

The Commission should require SGVWC to refund $2,629,329 to the ratepayers and close this surcharge account.

C. PFAS Memorandum Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates recommends the surcharge account remain open and the balance not be amortized until the potential for offsetting federal grants have been resolved.

The purpose of this surcharge account is to track incremental operating costs, customer and public notifications, and alternative sources of supply, to the extent the Utility is not ready to recover these expenses, to comply with regulatory standards set by the State Water Resources Control Board to detect, monitor, report and remediate per- and polyfluoroalkyl substances (PFAS) in drinking water.[212]

As of August 2021, this account has an undercollection balance of $78,367, which SGVWC has proposed to amortize as surcharges.[213]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $93,750.[214]

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[212] SGVWC Preliminary Statement W2.

[213] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003.

[214] SGVWC's Response to Cal Advocates' DR JBQ-002.

The Biden administration is about to disburse billions of dollars from the 2021 infrastructure bill to tackle drinking water contamination through PFAS.[215] As a regulated investor-owned water utility, SGVWC is expected to receive federal funds for water-quality testing, contractor training, and new treatment systems, among other measures.[216] Since the expected federal funds will offset the balance recorded in the PFAS memorandum account, it is therefore premature to amortize the existing balance recorded in the account.[217] The Commission should not allow SGVWC to amortize the balance until the potential for incoming federal funds have been resolved.

The Commission should require SGVWC to continue this account without amortization at this time.

D. 2018 Tax Accounting Memorandum Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates opposes this request.

The purpose of this surcharge account is to track the revenue requirement impacts of the Tax Cuts and Jobs Act of 2017, including the reduction of the federal tax rate for businesses from 35% to 21%.[218]

SGVWC is able to incorporate the new federal tax rate directly into its revenue requirement in this GRC and in response to a data request it intends to close this surcharge account following amortization.[219] Thus, this account will no longer be needed.

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[215] https://www.wsj.com/articles/biden-administration-to-start-spending-on-cleanup-of-forever-chemicals-in-drinking-water-11655298000?mod=hp_listc_pos4

[216] https://www.epa.gov/newsreleases/epa-announces-new-drinking-water-health-advisories-pfas-chemicals-1-billion-bipartisan

[217] https://www.wsj.com/articles/biden-administration-to-start-spending-on-cleanup-of-forever-chemicals-in-drinking-water-11655298000?mod=hp_listc_pos4

[218] SGVWC Preliminary Statement I.

[219] SGVWC's Response to Cal Advocates' DR JBQ-003 Q.6.

As of August 2021, this account has an undercollection balance of $302,858, which SGVWC has proposed to amortize as surcharges.[220]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $302,941.[221] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.

The Commission should require SGVWC to close this surcharge account immediately following the surcharge of $302,941 as of December 2021 and remove its reference from the preliminary statement.

E. Interim Rates Memorandum Account (A.19-01-001)

SGVWC proposes to close this surcharge account following amortization. Cal Advocates does not oppose this request.

The purpose of this surcharge account is to track the difference between the revenue billed under the interim rates and the revenues that would have been billed under the rates adopted by the Commission in A.19-01-001.[222]

As of August 2021, this account has an over-collected balance of $411,235, which SGVWC has proposed to amortize as surcredits.[223]

Cal Advocates reviewed the balance up to December 2021 when the overcollection balance increased to $411,348.[224] Cal Advocates does not disagree with the balance and recommends amortizing the overcollection as surcredits.

The Commission should require SGVWC to close this surcharge account following the refund of $411,348 balance as of December 31, 2021.

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[220] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003.

[221] SGVWC's Response to Cal Advocates' DR JBQ-002.

[222] SGVWC Preliminary Statement W.

[223] Direct testimony of Joel M. Reiker, p. 61 (table 12), and attachment N, A.22-01-003.

[224] SGVWC's Response to Cal Advocates' DR JBQ-002.

F. El Monte Office Memorandum Account

SGVWC proposes to close this surcharge account following amortization. Cal Advocates does not oppose this request.

The purpose of this surcharge account is to track the monthly return, equal to 1/12th of the 90-day commercial paper rate, on the Company's $2,531,880 investment to acquire a 0.43-acre parcel of land, commencing when and if the property is placed in service, and is used and useful.[225]

In this GRC application, SGVWC proposed to include the $2,531,880 cost of the acquired property in rate base as the acquired property has been placed in service and is currently used and useful.[226] Since the request is unopposed, there will no longer be any need for the El Monte Office Memorandum Account.

As of August 2021, this surcharge account has an undercollection balance of $2,575, which SGVWC has proposed to amortize as surcharges.[227]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $3,272.[228] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.

The Commission should require SGVWC to close this surcharge account following the amortization of the $3,272 balance as of December 2021 and remove its reference from the preliminary statement.

G. School Lead Testing Memorandum Account

SGVWC proposes to close this surcharge account.[229] Cal Advocates does not oppose this request.

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[225] SGVWC Preliminary Statement R.

[226] SGVWC's Response to Cal Advocates' DR JBQ-003 Q.4

[227] Direct testimony of Joel M. Reiker, p. 62, and attachment N, A.22-01-003

[228] SGVWC's Response to Cal Advocates' DR JBQ-002.

[229] Direct testimony of Joel M. Reiker, p. 62, and attachment N, A.22-01-003.

The purpose of this surcharge account is to track the incremental expense associated with lead testing at schools that request this service.[230] In the last GRC, the Commission approved the amortization of the December 2018 balance recorded in this surcharge account.[231] As of December 31, 2021, this account has a balance of 669.60.[232] In this GRC, SGVWC declared this balance as immaterial, and this account should be closed.[233]

The Commission should require SGVWC to close this surcharge account and remove its reference from the preliminary statement.

H. Water Revenue Adjustment Mechanism ("WRAM") Memorandum Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates does not oppose this request but recommends renaming the account to "Conservation WRAM Memorandum Account".

The purpose of this surcharge account is to track the quantity rate revenues collected under Schedule LA-1C tiered rates against the revenues that would have been collected under a single block quantity rate.[234]

In SGVWC's preliminary statement, this surcharge account is named as "WRAM Memorandum account,"[235] whereas in SGVWC's witness Joel Reiker's testimony it is named as "Monterey WRAM Balancing Account."[236] It is an inconsistency. Importantly, the calculation of this account is solely based on the impact of conservation

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[230] SGVWC Preliminary Statement Z.

[231] D.20-08-006, Ordering Paragraph No. 1, and Appendix C thereto, p. 78-80.

[232] SGVWC's Response to Cal Advocates' DR JBQ-002, Q.4.

[233] Direct testimony of Joel M. Reiker, p. 62, line 4-5.

[234] SGVWC Preliminary Statement H1.

[235] SGVWC Preliminary Statement H1.

[236] Direct testimony of Joel M. Reiker, p. 60 (table 10).

rates, and the CPUC approved this mechanism for all utilities, not just for Monterey. Thus, Cal Advocates recommends renaming it as "Conservation WRAM Memorandum Account" to avoid the confusion.

As of August 2021, this surcharge account has an undercollection balance of $1,078,727, which SGVWC has proposed to amortize as surcharges.[237]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $1,088,276.[238] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.

The Commission should require SGVWC to rename the surcharge account as "Conservation WRAM Memorandum Account" and allow the Company to continue it following the amortization of the $1,088,276 balance through surcharges as of December 31, 2021.

I. Previously Authorized Balances Balancing Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates does not oppose this request.

The purpose of this surcharge account is to consolidate residual balances from other surcharge accounts that are no longer needed, after the Commission reviews and approves the balances. This surcharge account will retain for later disposition any under- or over-amortizations that may exist after the authorized surcharges or surcredits are expired.[239]

As of August 2021, this account has an undercollection balance of $14,978, which SGVWC has proposed to amortize as surcharges.[240]

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[237] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003

[238] SGVWC's Response to Cal Advocates' DR JBQ-002.

[239] SGVWC Preliminary Statement F1.

[240] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $14,982.[241] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.

The Commission should allow SGVWC to continue this surcharge account following the amortization of the $14,982 balance through surcharges as of December 31, 2021.

J. CA Alternative Rates for Water ("CARW") Balancing Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates does not oppose this request.

The purpose of this surcharge account is to track the costs of the CARW program against the estimates reflected in rates, until "sufficient experience" with the CARW program is attained that such costs can be reliably forecasted in a GRC proceeding.[242]

As of August 2021, this account has an undercollection balance of $346,223, which SGVWC has proposed to amortize as surcharges.[243]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $458,680.[244] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.

The Commission should allow SGVWC to continue this surcharge account following the amortization of the $458,680 balance through surcharges as of December 31, 2021.

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[241] SGVWC's Response to Cal Advocates' DR JBQ-002.

[242] SGVWC Preliminary Statement G1.

[243] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003.

[244] SGVWC's Response to Cal Advocates' DR JBQ-002.

K. Water Cost Balancing Account

SGVWC proposes to continue this surcharge account following amortization. Cal Advocates does not oppose this request.

The purpose of this surcharge account is to record the monthly difference between the cost of pumped and purchased water and the adopted cost reflected in rates so that these differences can be trued-up through rates.[245]

As of August 2021, this surcharge account has an undercollection balance of $491,444, which SGVWC has proposed to refund to the ratepayers.[246]

Cal Advocates reviewed the balance up to December 2021 when the undercollection balance increased to $597,960.[247] Cal Advocates does not disagree with the balance and recommends amortizing the undercollection through surcharges.[248] This account should continue so the differences can be trued-up through rates after Commission review and approval.

The Commission should allow SGVWC to continue this surcharge account following the amortization of the $597,960 balance through surcharges as of December 31, 2021.

IV. CONCLUSION

The Commission should require SGVWC to refund a total overcollection balance of $574,566 as of December 31, 2021, as a fixed monthly surcredit presented in the table 13-1 in this testimony. Out of the 11 surcharge accounts reviewed in this GRC, Cal Advocates recommends a different balance for one account (Water Rights Memorandum Account) compared to what is presented in SGVWC's workpaper. For two other

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[245] SGVWC Preliminary Statement P1.

[246] Direct testimony of Joel M. Reiker, p. 61 (table 10), and attachment N, A.22-01-003.

[247] SGVWC's Response to Cal Advocates' DR JBQ-002.

[248] SGVWC's Response to Cal Advocates' DR JBQ-002.

accounts Cal Advocates recommends not to amortize the recorded balance. These two are:

1) Plaintiff Water Quality Litigation Memorandum Account
2) 2018 Tax Accounting Memorandum Account.

Cal Advocates recommends renaming the "WRAM Memorandum Account" to “Conservation WRAM Memorandum Account”. Cal Advocates also recommends closing five accounts, and to continue the remaining six. The five accounts Cal Advocates recommends to close are:

1) Water Rights Memorandum Account
2) A.19-01-001 Interim Rates Memorandum Account
3) 2018 Tax Accounting Memorandum Account
4) El Monte Office Memorandum Account
5) School Lead Testing Memorandum Account.

Attachment 13-1: Balancing Accounts History

State of California

Memorandum

OFFSETS, ETC.

RECEIVED
SEP 26 1985
HYDRAULIC BRANCH

Date : September 23, 1985

To : Commissioners

From **Public Utilities Commission—San Francisco** – JOSEPH E. BODOVITZ
Executive Director

File No.:

Subject :

As you may have seen in the notes of the Friday Committee senior staff discussion, we thought it might be useful for you to have some background information as you review ALJ Patrick's draft decision on second-year attrition for energy utilities. That draft will soon be circulating, and will contain discussion of, for example, the interaction of ERAM and attrition. We therefore thought it would be useful for you and your advisors to have a brief history of balancing accounts, attrition allowances, and other regulatory mechanisms now in place.

Attached, therefore, is a summary that was prepared in mid-1982 as an introduction to what was then planned as a larger policy document on various regulatory strategies. Much of the strategy discussion found its way into other documents, and the introduction is still surprisingly current and clear.

There is, however, one significant change: The attached summary refers to the GEDA and EEDA programs, which were still in place in 1982. EEDA has now been concluded in accordance with a Commission order, with the proposed sale of EEDA properties discussed in a consultant's report. GEDA is the subject of a draft decision by ALJ Johnson which is soon to be circulated for review. The draft recommends, among other things, project-by-project review of the current GEDA projects of utilities, to determine which should be kept and which should be sold.

The Advisory Branch of the Evaluation and Compliance Division (headed by Ida Goalwin) will be glad to try to answer any questions you or your advisors may have with regard to the various regulatory mechanisms described in the attached paper.

Attachment

cc: Commissioners' Advisors
Agenda Distribution List
All ALJs
All Attorneys

BACKGROUND ON MAJOR ELEMENTS OF CPUC REVENUE REQUIREMENT REGULATION - THE CONDITIONS LEADING TO THEIR ADOPTION AND WHETHER CONDITIONS HAVE CHANGED

This paper is an overview of conditions and assumptions to objectively describe the major elements of CPUC's revenue requirement regulations. It describes the dynamics and forces behind where we are today and whether they have changed; it does not reach ultimate conclusions on whether or how the components of CPUC's revenue requirement should be changed.

The major elements of CPUC's program for energy utility revenue requirement regulation are:

1. Fuel/energy cost offsets coupled with balancing accounts.
2. A prospective estimated normal test year results of operations in general rate proceedings.
3. Sales-supply adjustment mechanisms.
4. Attrition allowances annually between general rate decisions.
5. Ratemaking repercussions from having utilities promote conservation.
6. The use of balancing accounts to cover utility costs for new programs to fianance conservation measures, solar deomonstration programs, and RCS audits.
7. Gas Exploration and Development Adjustment (GEDA) and Electric Energy Development Adjustment (EEDA).

These programs are addressed in that order:

I

Fuel/Energy Cost Offsets Coupled With Balancing Accounts

Prior to the 1970s utilities' fuel/energy costs were relatively stable - and compared to today, cheap. During the 1960s CPUC allowed advice letter "PGA trackers" to process direct pass-through of FPC tracking pipeline company rate increases; CPUC set up this mechanism shortly after the FPC established its corresponding cost tracking procedure.

When the interstate pipeline suppliers received a general rate increase from the FPC, CPUC required gas cost applications to be filed, as contrasted to the PGA trackers. CPUC did not have balancing accounts.

On the electric side, prior to 1974 fuel-energy costs were reviewed in general rate proceedings (which were relatively infrequent). In 1974, after the oil embargo and costs started their dramatic rise, a fuel clause adjustment (FCA) procedure was set up. AT first these adjustments were done by advice letter. About 1975 they were done through formal applications as hearings were required. The FCA procedure involved using the recorded-current fuel-energy cost and a projected fuel burn and/or energy mix; at first a 12-month forecast test period was used, but by the end of the FCA a 6-month test period was used. There was no balancing account.

In 1976 the standard Energy Cost Adjustment Clause* (ECAC) was adopted. CPUC started removing more and more direct energy-fuel cost components from base rates, moving toward what was termed "zero fuel costs base rates." A separate billing factor, called "ECAC billing factor" or ECACBF, is used. This was necessary because a balancing account was used, where billing factor revenues were credited and energy-fuel costs were debited. Electric utilities filed ECAC applications twice each year. CPUC's activity on ECAC involved reviewing reasonableness of recorded ECAC expenses and adopting a forecast energy mix and sales. In the eventual decision the ECACBF was changed to: amortize any over- or undercollection in the balancing account (a 12-month amortization period was generally used) and to prospectively recover current expense for the projected energy mix. In December 1980 current ECAC procedures were adopted:

1. Three ECAC filings annually, with one selected to review the reasonableness of the previous 12 months of recorded expense (called the record period).

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* Called "clause" because the procedure and details were placed in the utilities' tariffs as part of their Preliminary Statement.

2. Over- or undercollections would bear interest at the commercial rate.
3. Gains and losses from oil sales and 2% of estimated ECAC expense was, in essence, made part of the base rate by removing these costs from the balancing account.

Conditions and Assumptions That Led CPUC to Present ECAC/GAC Ratemaking

1. Changes in gas and energy costs do not coincide with general rate proceedings and, in fact, occur far more frequently.
2. Energy cost offset matters must be processed very expeditiously since utilities may unavoidably be paying higher prices and, absent a balancing account, will never recover the shortfall.
3. CPUC is inadequately staffed to thoroughly analyze, hold and conclude public hearings, and issue a decision within a few weeks when utilities file fuel-energy cost offset applications.
4. Gas-energy prices started rising so frequently that forecasting these expenses was virtually impossible.
5. The rise in fuel-energy prices, coupled with any deviation from an average-year energy mix, meant the economic repercussions to either the utility or ratepayers could be gigantic.
6. Use of balancing accounts and periodic review of recorded expenditures for prudency would allow CPUC and its staff time to completely review utility operating decisions and conditions.
7. Reduced risk to utilities (from balancing account protection from revenue shortfall) could be reflected in setting rate of return.

CPUC's Experience With ECAC/GAC Balancing Account Ratemaking

Retrospective balancing account review to determine if utilities pursued lowest cost courses is difficult but CPUC has no choice; its statutory function is to serve as juror deciding whether an increase in rates is justified and reasonable (P.U. Code Sections 451 and 454). Thus,

balancing account ratemaking is not premised on the ability to move retrospective decisions on prudency and reasonableness; CPUC always has the obligation to judge prudency and reasonableness before any rate changes irrespective of the ratemaking procedures.

ECAC meant CPUC staff needed to continuously monitor and review utility operations (e.g. mix, contracts, and operating choices). This was a new role, and a real change from regulation in the 1960s and early 1970s. Staff is still trying to get organized; given the nature of such review; it's an activity where the battle to get "really organized" will always be present. Also, it's been difficult for CPUC to make prudency disallowances because "the money has been spent"; it takes a compelling showing to make a disallowance.*/ The result is balancing account review has essentially shifted the burden of proof to staff and intervenors to show expenditures were not prudent.

Conditions and Assumptions Which have Changed

None of the underlying conditions have changed. Some claim utility risk and incentive has been drastically reduced through balancing account offset ratemaking. It is debatable whether this is due to the ratemaking procedures themselves or how they are administered, applied, and viewed. The key for present procedures to be effective is to have ongoing and aggressive staff review to stay abreast of what options the utility had to minimize cost and to evaluate whether the lowest cost options were pursued; balancing cost with supply considerations is part of the ongoing analysis. There can never be any clear formulistic approach to evaluating prudency and reasonableness; otherwise the expertise of CPUC and its professional staff would not be needed. Prudency issues are always challenging, but as long as CPUC regulates monopoly utilities under the existing statutory scheme these issues must be grappled with and resolved.

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* The showing expected of utilities should be a detailed explanation of options, the choices selected and why. Staff should analyze the known or reasonably foreseeable options with a skeptical professional eye toward determining if the utility's management made the most economical choice.

This means a big commitment of personnel/positions. Given that general rate proceeding work has intensified, it is impossible for staff to do "hindsight" ECAC and GAC review thoroughly. Remember, balancing account ratemaking is a new and demanding ratemaking activity that is continuous, and which is undertaken in addition to general rate proceedings.

II

Prospective Estimated Test Year Results
Of Operations in General Rate Proceedings

CPUC may only set or change rates to cover prospective conditions. The exception is where a balancing account is established, and even then the balancing account cannot start retroactively. The test year constitutes a normal or typical period of operation, representative of conditions over the future period for which rates are set. The most difficult variables have been isolated out for balancing account treatment (e.g. sales-revenues and fuel-energy costs). Use of a future test year has significantly helped lend credibility to utility regulation in California. It means no rate can be raised without a showing future conditions reasonably justify an increase. This contrasts with states where rates are periodically adjusted simply on recorded or historical costs. Adopting a prospective test year results of operations, and CPUC's evidentiary and burden of proof process that goes with it, has been a rebuff to those that allege regulation simply fosters cost plus utilities and rates (this assumes staff does more than accept utility data and simply trend it).

It is recognized that actual costs may vary either way from those adopted when rates are set, but this gives utility management an incentive to keep costs as low as possible to maximize profits. In turn, efficient operations that maximize profits can be a benefit that ultimately accrues to ratepayers because the presumably efficient operations are the base everyone estimates from the next time rates are set.

Conditions and assumptions that affect the extent to which test year ratemaking is used, instead of to balancing account-offset ratemaking are:

1. Volatility of inflation and utility costs that are beyond the control of utility management.
2. The degree to which CPUC wishes to impose ratemaking constraints in the interest of providing incentive to utility management to maximize productivity and cut costs.

We can expect utilities to continually press for the comfort of more balancing account ratemaking and the green light to file a variety of offset applications between general rate proceedings. Utility management wants the best of all worlds; high earnings and a high rate of return but as little risk as possible; it's CPUC's task to recognize that desire and pressure, and weigh it against the need to have management incentive working to minimize costs. The degree with which test year ratemaking is used depends largely on the policy orientation of CPUC.

III

Sales-Supply Adjustment Mechanisms

In 1978 CPUC adopted a Supply Adjustment Mechanism (SAM) for gas utilities. The purpose was to ensure gas utilities neither lost money nor made excess profits when supplies-sales went under or over estimated sales adopted when general rates are set. The condition leading to SAM was supply uncertainty; this was in the era of gas supply gloom and doom preceding enactment of NGPA (when interstate pipelines were curtailing supplies). The consensus was that given the bleak uncertain supply picture, it was impossible to forecast sales (which are a function of supply to serve lower priority customers). A result could, for example, be if no low priority sales were assumed when adopting sales in general rate cases and supply became available to serve P-4- and P-5-customers, the utility had a windfall profit.

About the same time CPUC started its efforts to get utilities to encourage and achieve customer conservation as a means of prolonging

gas supply. SAM fit well as a means of ensuring significant conservation results would not penalize utilities by eroding earnings. Critics of SAM argued it was a "guaranteed rate of return," which is not true. It works with a balancing account as follows: From the base sales estimate adopted in the most recent general rate decision the utility is made whole for the margin it would have had on sales if recorded sales are less than the base; if it sells more than the base amount, the margin on those incremental sales goes to the ratepayer as a credit to the SAM balancing account. As SAM evolved it was procedurally rolled into gas offset proceedings.

On the electric side, CPUC had an OII into an Electric Sales Adjustment Mechanism. Given outlandish proposals by utilities and staff resistance, nothing was adopted; that was in 1979. However, in 1980 the issue of forecasting sales in SoCal Edison's general rate case became acute. Reduced customer use, either from rising rates or conservation programs-awareness, started being noticeable. Edison was nervous. Hearings were reopened shortly before CPUC's decision was due to update sales forecasts. Likewise PG&E shortly afterward filed an offset application based on, among other things, a changed sales picture. Interest in the SAM concept for electric utilities was rekindled. In December 1981 CPUC adopted an Electric Rate Adjustment Mechanism (ERAM) for PG&E and SDG&E; ERAM for Edison is probably on the way.

Now, both ERAM and SAM are premised on the assumptions and conditions that:

1. It is too difficult to project and estimate sales 1-2 years ahead.
2. Sales-supply fluctuations are largely ratemaking elements beyond the control of utility management.
3. The mechanisms ensure utilities cannot resist promoting conservation because their successful conservation efforts would erode shareholder earnings; a potential disincentive is removed.

Have Conditions Changed Since SAM and ERAM Were Set Up?

Supply for gas utilities is not the fearful problem it once was--at least for now. But forecasting customer use is getting more difficult. Both mechanisms bring some comfort to regulators and utilities. However, they reduce both risk and opportunity. Utilities won't lose their shirts if sales drop, but they won't make it big if they increase. Utilities and the investment community seem to like certainty. Having the mechanisms ensures no financial loss to utilities for pursuing "vigorous and innovative" conservation programs as mandated by CPUC. So, SAM and ERAM suit needs of utilities and regulators. They are criticized by some as meaning the ratepayer will never see economic benefits from conservation; however, at most, they give the utility recovery of fixed costs (or the margin) when sales decline (albeit the fixed costs are spread through a smaller quantity of sales). Over the long term ratepayers realize their savings from conserving because variable costs are avoided. SAM and ERAM have never been really well-explained.

IV

Attrition Allowance on Step Rates Between General Rate Decisions

For many years there was steady growth in customers and sales which largely offset rising utility costs. Thus, general rate cases were much more infrequent than today. With inflation, rising cost of capital, and less customer growth and consumption came more frequent rate proceedings, culminating in the present rat-race cycle of general rate decisions every two years for energy utilities.

The assumptions and conditions leading to step rates through attrition adjustments were:

1. In an inflationary period it is too difficult, if not impossible, to set rates for a prospective adopted test year which will reasonably allow utilities the opportunity to realize CPUC's authorized return.
2. Swings in earnings (e.g. higher the year following a rate decision and lower the second year) unavoidably

caused by inflation would alarm the financial community,* lead to downrating, and ultimately increase utility debt costs.

3. There is not room for utility management to further spur productivity gains on savings to offset rising costs during the second year after a rate decision. This assumption is premised on the belief utility management is continually and highly motivated to maximize profits.

Have conditions changed? There are still fairly dramatic swings in the cost of capital. Inflation may be on the decline. Whether attrition allowances will survive, given the pressure for the regulator to ensure utility management has maximum incentive to minimize costs, is a big question at this juncture. The answer will probably depend on what course inflation takes and the degree to which CPUC can evaluate whether utility management is taking all reasonable steps to maximize profits through productivity gains and cost-cutting despite attrition allowances.

V

Ratemaking Repercussions from
Having Utilities Promote Conservation

CPUC has, since the 1973-74 Arab oil embargo, increasingly stressed the importance of conservation. Consumer conservation means high variable costs associated with incremental new demand can be avoided. Avoiding highest cost peaking generation saves all ratepayers. Likewise, long-term fixed costs that result when new generation facilities are built can be reduced by conservation as the need for new facilities can be slowed. Conservation by gas customers prolongs gas supply and may eventually tend to create economic supply-demand pressures to keep gas supplier prices down.

Traditionally utilities promoted more consumer use of energy; gas and electric utilities competed in promoting their respective energy product. There were economies of scale; and if customer use went up between

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* These people thrive on predictability.

relatively infrequent rate cases earnings went up and the stockholders could benefit. Having utilities actively promote conservation seemed by many to be inconsistent with the utilities' interests; it was said funding their conservation programs through ratemaking expense could only result in halfhearted inefficient use of ratepayer funding. However, it was for want of any other in-place organization or entity to start statewide conservation programs that CPUC chose to direct utilities to have "vigorous and imaginative" conservation programs funded from operating expense. A hindsight test was to be applied, with potential return penalties, to ensure adequate efforts were taken.

Revenue or sales protection ratemaking mechanisms (SAM and ERAM) ensure utilities have no disincentive or penalty if conservation occurs. Issues surrounding the level of conservation program funding, effectiveness of proposed programs and of past efforts became bigger and bigger issues in general rate proceedings.

The asumptions leading to CPUC's current program and approach having utilities promote conservation with ratepayer funding are:

1. Conservation can reduce the need for expensive new generating capacity and incremental variable costs; it can prolong gas supply.
2. No other means of getting programs in place and developing statewide awareness of the need and benefits of conservation existed; utilities were the only in-place entities with resources to carry out programs.
3. Particularly early in CPUC's efforts, utility rates had not reached the painful economic level that would lead to consumer conservation efforts due to price alone.
4. CPUC had the staff to analyze proposed programs, funding levels, economic benefits, and past utility efforts.

Have these underlying conditions or assumptions changed? Much of the effort spent analyzing proposed programs and their funding have centered around cost-effectiveness. From the regulator's standpoint there is no

comfort in funding programs that are not clearly cost-effective; direct utility involvement in promoting conservation remains controversial and, of course, it is CPUC's obligation to ensure this nontraditional ratepayer-funded activity is in the economic interest of all ratepayers. In reaction to concern that utility management might not apply the utmost in management acumen to devise and carry out the most effective programs possible, there were efforts to devise incentives. But devising an incentive-penalty program depends on being able to set reasonable goals and to objectively measure results; this, of course, is almost full circle and leads back to a task as difficult as evaluating cost-effectiveness of individual programs. Regulatory complexity and ratesetting nightmares continue with either approach. The changed assumptions and conditions are:

1. If CPUC allocates from limited staff resources to analyze, devise, and monitor utility conservation programs (either program by program or an overall reward and penalty program), tremendous staff resources are diverted from the traditional never-ending revenue requirement ratesetting issues of greater dollar magnitude.
2. Utility rates have reached a level where consumers are aware of the benefits of conservation and are starting to scramble in search of ways to conserve; given NGPA and gas deregulation this will, over the long run, intensify.

The question for CPUC is now whether utility conservation efforts should start scaling back as rates increase. Should efforts concentrate on load management vis-a-vis conservation generally? Either way the greatest problem remains: CPUC took on a huge complex program area with essentially the same overall staff recources that existed for periodic revenue requirement proceedings. CPUC has not been able to regulate conservation efforts with an eye toward cost-effectiveness and positive payoffs to the degree and confidence it would like, given the fiscal and resource limitations it faces as an agency.

The Use of Balancing Accounts to Cover New Utility Programs

Balancing account ratemaking was extended from ECAC and GAC as a means of covering utility costs for certain load management programs (which arose between general rate proceedings), the demonstration solar financing program, and, most recently, weatherization financing. For the latter, it has evolved into a "full cost of service tariff" to guarantee recovery and satify project financing lenders.

The conditions and assumptions leading to this were:

1. The programs were relatively novel and specific annual expenditures were hard to estimate.
2. The most rapid way to promote the programs and not peg their pace to annualized cost recovery was to establish a balancing account.
3. Implementing the programs could not, in CPUC's view, wait for inclusion in a general rate proceeding.
4. Actual costs could be adequately reviewed for reasonableness later during balancing account adjustment proceedings.

It was largely convenience and expediency which led to these balancing accounts. As with ECAC, for the staff they mean catchup ratemaking, or auditing and reviewing to see if unreasonable costs are recorded in the balancing account.

The use of balancing account-offsets to start up and fund new high priority programs will probably continue; they reduce utility resistance since the guarantee of recovering reasonable dollar-for-dollar expenditures is extended. It's fair to say that new balancing accounts are fostered by the perceived need for expediency to meet novel circumstances. To a great degree balancing account or hindsight ratemaking is the antithesis of prospective test year ratemaking. This is pretty widely recognized. The distinctions and ramifications should be kept firmly in mind by CPUC when weighing whether to launch new balancing accounts.

Gas Exploration and Development Adjustment (GEDA)
And Electric Energy Development Adjustment (EEDA)

These are ratepayer-funded cost-plus programs that were originally undertaken when it appeared California could be without energy sources to meet its needs. The largest program is GEDA. The keynote is that GEDA moves gas utilities (PG&E and SoCal) into ratepayer-funded gas supply activity. This is a departure from the traditional distribution role. Utility affiliates do the actual investment, exploration, and development activity under CPUC authorization that sets the geographic scope and funding levels. The affiliate, when it's all said and done, gets all costs recovered from the utility's ratepayers and an after-tax rate of return (that is granted to the utility) on its capitalized GEDA rate base. Needless to say, GEDA can be a little gold mine for utilities.

In 1981 CPUC reviewed GEDA and continued it under some new ratemaking groundrules. It was continued because of the prospect of cheap gas and economic benefit to ratepayers, not because it's essential to secure supply. Under CPUC's latest groundrules shareholders bear 20% of the risk-investment (50% in Cook Inlet). SoCal Gas is winding down its GEDA program. PG&E may pursue new GEDA projects with its Rocky Mountain leasehold options and in California.

GEDA and EEDA are reversals of the traditional shareholder-ratepayer roles. GEDA was last modified to instill some shareholder risk. These programs are aberrations in the broad view of CPUC's regulation and in time will probably be phased out. These mechanisms illustrate how the specter of serious supply problems can lead regulators to reverse the traditional shareholder-ratepayer role and relationship.

Conclusion

CPUC's procedures and approach to energy utility ratemaking have significantly evolved over the past 15 years. We now have essentially two types and almost parallel tracks for ratemaking:

1. General rate proceedings always underway (with a decision every 2 years for the large utilities).

2. Balancing account ratemaking which is continuous.

Has this changed utility risk and incentive? Does it necessarily lead to less efficient operations and equate to higher rates? The answers are clouded. In the sense that balancing account ratemaking has more potential for abuse and, almost by nature, the burden of proof to show reasonableness is essentially shifted to staff and intervenors. CPUC was and is not staffed to vigorously cover all the ratemaking bases; we have continuous ratemaking and we are still staffed to do periodic general rate cases. Balancing account or hindsight ratemaking is the toughest and most demanding ratemaking if it's vigorously pursued. If CPUC staffing and resources continues at present levels, it is impossible to do a thorough and vigorous job on all fronts. The degree to which CPUC resources are inadequate to stay abreast of balancing account ratemaking directly equates into reduced risk for utility management (e.g. less risk of vigorous regulatory oversight). Does this mean the large balancing accounts should be phased out? Again the staff resource question haunts us. Most of the conditions and forces (including inadequate staffing) that led to balancing account ratemaking still exist. Whichever course CPUC takes, until it is equipped to aggressively engage in balancing account ratemaking, or to do a credible job the economic forces would demand in the absence of balancing accounts, it's going to continue to be a far less than perfect or satisfying regulatory process.

Different ratemaking approaches can all be made credible in theory; it's the logistics of putting them into practice which plague us. The lesson, then, is before things are changed further, the ramifications and realities for staffing must be carefully thought through; otherwise progress, done with the best of intentions, will be illusory.

Attachment 13-2: Leased Water Revenue

Document ID	Year	Central Basin or Main Basin	Amount Leased In (AF)	Amount Leased Out (AF)	Total Amount Received ($)	Accomodation Lease? (Y/N)
	2000		2000		$0.00	N
			750		$0.00	Y
	2001	CB		-750	$0.00	Y
		CB	90		$0.00	Y
	2002	CB		-90	$0.00	Y
A	2003	CB		-1500	$360,000.00	N
B	2004	CB		-1500	$285,000.00	N
		CB	150		$0.00	Y
	2005	CB		-150	$0.00	Y
C	2006	CB		-1000	$120,000.00	N
		CB	1400		$0.00	Y
	2007	CB		-1400	$0.00	Y
	2009	CB	250		$0.00	Y
	2010	CB		-250	$0.00	Y
		CB	200		$0.00	Y
	2011	CB		-200	$0.00	Y
D	2012	CB		-1100	$110,000.00	N
E		CB		-400	$20,000.00	N
F		CB		-1200	$120,000.00	N
G	2013	CB		-500	$50,000.00	N
H		CB		-1200	$120,000.00	N
I	2014	CB		-560	$56,000.00	N
J		CB		-950	$61,750.00	N
K		CB		-900	$90,000.00	N
L		CB		-500	$65,000.00	N
M		CB		-1100	$137,500.00	N
		CB	300		$0.00	N
		CB	600		$0.00	N
	2015	MB		-50.35	$0.00	*
	2018	CB		-400	$0.00	Y
	2019	CB	400		$0.00	Y
N		CB		-20	$1,000.00	N
O		CB		-400	$56,000.00	N
P	2020	CB		-1000	$140,000.00	N

*Prorated amount of water to cover Champion Water's accrued pumping prior to the sale of their system.

CHAPTER 14 CUSTOMER SERVICE

I. INTRODUCTION

This chapter presents the analysis and recommendations of Cal Advocates regarding the customer service performance standards for SGVWC's Los Angeles division.

II. SUMMARY OF RECOMMENDATIONS

The Commission should find SGVWC's Los Angeles division to be compliant with the Commission's General Order ("GO") 103-A customer service performance standards.

III. ANALYSIS

After analyzing data reported by the Commission's Consumer Affairs Branch ("CAB"), GO 103-A's customer service performance criteria, and data reported directly from SGVWC, the Los Angeles division is compliant with the performance and reporting standards for customer service.

A. CAB Customer Contacts

CAB is responsible for assisting customers with billing and service inquires pertaining to their local utility. The following are the relevant categories CAB uses to define complaint types:[249]

1) Complaints - Denote written consumer contacts in which the consumer is protesting or expressing dissatisfaction with an action or practice of the CPUC, or a regulated or non-regulated utility. These include issues that may be outside the purview of CAB to investigate or outside the regulatory authority of the Commission. These issues are not forwarded to the utility company for resolution but handled as a referral to the appropriate

[249] "Standard Disclosures for CAB Data" in an email from Reynolds, F. Alan from CAB.

utility, CPUC division, entity, or closed outright with the appropriate letter of explanation.

2) Informal Complaints (IC) - Denote written consumer contacts expressing dissatisfaction with, or a dispute with a utility regarding issues within the regulatory authority of the CPUC. These issues are forwarded to the utility company for investigation and response.

3) Phone Contacts - Denote all consumer calls in reference to concerns, questions, and complaints related to utility companies. These contacts are no longer coded as complaints, inquiries, etc.

4) Inquiries - Denote written consumer contacts requesting facts and information for a situation.

Table 14.1 below summarizes the customer contacts CAB received from 2017 to 2021 for the Los Angeles division.[250]

Table 14.1 – LA CAB Customer Contacts 2017 to 2021

Contact Type	2017	2018	2019	2020	2021
Complaint	0	2	0*	0	0
Informal Complaint	5	2	1	4	4*
Phone Contact	7*	5*	2*	3*	1*
Total	12	9	3	7	5

*Contacts do not include data for which the specific division the contact was for could not be determined.

[250] Attachment 14-1 (Data received in an email from CAB from Reynolds, F. Alan on 2/17/2022).

B. Customer complaints received directly by SGVWC

SGVWC has a written procedure for handling customer complaints. When a customer calls for an inquiry, a customer service representative ("CSR") will speak to them to resolve the issue. If the issue remains unresolved, then a Field Service Operator ("FSO") visits the customer and, based on the type of complaint (taste and order, turbidity, pressure, sand, air/milky/cloudy, bill inquiries, leaks, miscellaneous), will try to identify and troubleshoot the problem. Regardless of whether a resolution is provided, the customer service manager follows up with the customer by phone to confirm customer satisfaction.[251] The Los Angeles division provided data for the service complaints received directly from customers.

Table 14.2 below summarizes the service complaints received from 2017 to 2021 from Los Angeles division customers.[252]

Table 14.2 – LA Service Complaints 2017 to 2021

Cause	2017	2018	2019	2020	2021
Taste & Odor	6	8	10	7	5
Turbidity	1	0	1	0	2
Pressure (High or Low)	63	63	51	89	109
Sand	3	1	0	0	0
Air-Milky-Cloudy	2	4	6	9	5
Bill Inquiries	614	633	575	385	280
Leaks - Mains	70	61	78	66	43
Leaks - Services	609	508	194	198	410
Leaks - Hydrants	89	85	85	85	71
Misc. / Other Complaints	0	15	10	21	11
Total	1,457	1,378	1,010	860	936

[251] EXHIBIT SG-3 (Los Angeles Water Company Division) CHAPTER 12: Rates and Service.

[252] Attachment 14-2 (CHA-003 LAC-3 in response to DR CHA-003 Customer Service).

C. GO 103-A Customer Service Performance Standards

The Commission's General Order 103-A outlines standards for telephone inquiries, billing performance, meter reading, billing, work completion, and responses to customer and regulatory complaints.

Table 14.3 below summarizes the year-to-date customer service performance standards data for the Los Angeles division from 2017 to 2021.[253] The standards are in compliance with GO 103-A.

Table 14.3 – LA Customer Service Performance Standards

	Goal	2017	2018	2019	2020	2021
Phone System						
Total Calls Received	-	65,345	69,625	64,227	58,193	44,809
# Of Calls Answered in 30 Seconds	-	64,727	68,850	63,345	57,606	44,369
% Of Calls Answered in 30 Seconds	> or = 80.0%	99.1%	98.9%	98.6%	99%	99%
# Of Calls Abandoned	-	618	775	882	587	440
% Of Abandonment Rate	< or = 5.0%	0.9%	1.1%	1.4%	1%	1%
Billing						
Total Bills Scheduled to Run	-	581,031	582,732	584,933	587,601	588,629
Total Bills Rendered	-	581,031	582,732	584,933	587,601	588,629
% Bills Rendered In 7 days	> or = 99.0%	100%	100%	100%	100%	100%
Inaccurate Bills Rendered	-	672	1,118	1,145	601	582
% Of Inaccurate Bills Rendered	< or = 3.0%	0.1%	0.2%	0.2%	0.1%	0.1%
Payments						
Total Payments Posted	-	574,325	572,182	579,226	550,596	541,374
Payment Posting Errors	-	23	40	41	788	12

[253] Attachment 14-3 (CHA-016 ATTACHMENT 1 in response to CHA-016 Customer Service).

% Of Payment Posting Errors	< or = 1.0%	0%	0%	0%	0.1%	0%
Meter Reading						
Total Number of Meter Reads Scheduled	-	595,964	597,810	600,268	604,033	541,374
Total Scheduled Reads Not Read	-	767	536	550	611	12
% Meters Not Read	< or = 3.0%	0.1%	0.1%	0.1%	0.1%	0%
Work Order Completion	-					
Total Work Orders Scheduled	-	9,762	11,953	8,394	4,531	605,080
# Scheduled Orders Missed	-	83	21	24	33	599
% Of Scheduled Appointments Missed	< or = 5.0%	0.9%	0.2%	0.3%	0.7%	0.1%
Total Customer Requested Work Orders	-	732	700	665	424	362
# Customer Requested Scheduled Orders Missed	-	26	13	23	9	3
% Customer Requested Scheduled Orders Missed	< or = 5.0%	3.6%	1.9%	3.5%	2.1%	0.8%
CAB Complaints						
Total # of Connections/Customers	-	194,416	48,748	47,995	49,308	49,398
# Of Complaints to Utility from CAB	-	4	2	1	3	2
% Of Complaints to Utility from CAB	< or = 0.10%	0%	0%	0%	0%	0%

IV. CONCLUSION

SGVWC's Los Angeles division complies with the Class A utility performance and reporting requirements of GO 103-A.

Attachment 14-1: (Data received in an email from CAB from Reynolds, F. Alan on 2/17/2022)

FW: San Gabriel Valley Water_2nd data request

RF

Reynolds, F. Alan
To Sharma, Chandrika

San Gabriel Valley Water_2.xls
207 KB

20220214_CAB_DR_Sharma_Chandrika_San Gabriel Water.pdf
491 KB

Category	Service City	Total
Billing	El Monte	9
	Fontana	43
	Hacienda Heights	1
	La Puente	1
	Montebello	4
	NULL	5
	Rancho Cucamonga	2
	Rialto	1
	South El Monte	1
	Whittier	8
Billing Total		75
Not Regulated - No Jur	Bloomington	1
	Fontana	8
	Hacienda Heights	1
	Rosemead	1
	San Francisco	1
Not Regulated - No Jurisdiction Total		12
Policy and Practices	La Mirada	1
Policy and Practices Total		1
Rates	El Monte	1
	Fontana	5
	NULL	1
Rates Total		7
Service	El Monte	1
	Fontana	11
	Hacienda Heights	1
	Montebello	1
Service Total		14
Unknown	Baldwin Park	2
	El Monte	3
	Fontana	11
	Hacienda Heights	1
	La Puente	1
	Montebello	2
	NULL	15
	Tustin	1
	Whittier	1
Unknown Total		37
Grand Total		146

Attachment 14-2: CHA-003 LAC-3 (in response to DR CHA-003 Customer Service Question #3)

Cause	2017	2018	2019	2020	2021	Total
Taste & Odor	6	8	10	7	5	36
Turbidity	1	0	1	0	2	4
Pressure (High or Low)	63	63	51	89	109	375
Sand	3	1	0	0	0	4
Air-Milky-Cloudy	2	4	6	9	5	26
Bill Inquiries	614	633	575	385	280	2487
Leaks - Mains	70	61	78	66	43	318
Leaks - Services	609	508	194	198	410	1919
Leaks - Hydrants	89	85	85	85	71	415
Misc. / Other Complaints	0	15	10	21	11	57
Total	1,457	1,378	1,010	860	936	5641

Attachment 14-3: (CHA-016 ATTACHMENT 1 in response to CHA-016 Customer Service Question #1)

SAN GABRIEL VALLEY WATER COMPANY (LOS ANGELES COUNTY DIVISION)
CUSTOMER SERVICE PERFORMANCE STANDARDS REPORT
YEAR 2018

	Goal	Q1	Q2	Q3	Q4	Year to Date	Comments
PHONE SYSTEM							
Total Calls Received		16,883	17,536	18,624	16,582	69,625	
# Calls Answered in 30 seconds		16,742	17,356	18,378	16,374	68,850	
1(A) % Calls Answered in 30 seconds	> or = 80.0%	**99.2%**	**99.0%**	**98.7%**	**98.7%**	**98.9%**	
# Calls Abandoned		141	180	246	208	775	
1(B) Abandonment Rate	< or = 5.0%	**0.8%**	**1.0%**	**1.3%**	**1.3%**	**1.1%**	
BILLING							
Total Bills Scheduled to Run		145,672	145,676	145,954	145,430	582,732	
Total Bills Rendered		145,672	145,676	145,954	145,430	582,732	
Bills Not Rendered in 7 days (10 for finals)		0	0	0	0	0	
2(A) % Bills Rendered In 7 days	> or = 99.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
Inaccurate Bills Rendered		357	233	245	283	1,118	
2(B) % of Inaccurate Bills Rendered	< or = 3.0%	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	
PAYMENTS							
Total Payments Posted		143,813	141,812	143,655	142,902	572,182	
Payment Posting Errors		8	7	14	11	40	
2 (C) % of Payment Posting Errors	< or = 1.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
METER READING							
Total Number of Meter Reads Scheduled		149,388	149,444	149,473	149,505	597,810	
Total Scheduled Reads Not Read		104	135	148	149	536	
3(A) % Meters Not Read	< or = 3.0%	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	
WORK ORDER COMPLETION							
Total Work Orders Scheduled		2,748	3,021	3,171	3,013	11,953	
# Scheduled Orders Missed		6	4	6	5	21	
4(A) % of Scheduled Appointments Missed	< or = 5.0%	**0.2%**	**0.1%**	**0.2%**	**0.2%**	**0.2%**	
Total Customer Requested Work Orders		164	152	211	173	700	
# Customer Requested Scheduled Orders Missed		2	4	3	4	13	
4(B) % Customer Requested Scheduled Orde	< or = 5.0%	**1.2%**	**2.6%**	**1.4%**	**2.3%**	**1.9%**	
CAB COMPLAINTS							
Total # of Customers		48,686	48,728	48,783	48,796	48,748	
# of Complaints to Utility from CAB		0	0	1	1	2	
5(A) % of Complaints to Utility from CAB	< or = 0.10%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	

SAN GABRIEL VALLEY WATER COMPANY (LOS ANGELES COUNTY DIVISION)
CUSTOMER SERVICE PERFORMANCE STANDARDS REPORT
YEAR 2019

	Goal	Q1	Q2	Q3	Q4	Year to Date	Comments
PHONE SYSTEM							
Total Calls Received		16,477	15,621	15,823	16,306	64,227	
# Calls Answered in 30 seconds		16,177	15,462	15,620	16,086	63,345	
1(A) % Calls Answered in 30 seconds	> or = 80.0%	**98.2%**	**99.0%**	**98.7%**	**98.7%**	**98.6%**	
# Calls Abandoned		300	159	203	220	882	
1(B) Abandonment Rate	< or = 5.0%	**1.8%**	**1.0%**	**1.3%**	**1.3%**	**1.4%**	
BILLING							
Total Bills Scheduled to Run		145,164	145,627	146,680	147,462	584,933	
Total Bills Rendered		145,164	145,627	146,680	147,462	584,933	
Bills Not Rendered in 7 days (10 for finals)		0	0	0	0	0	
2(A) % Bills Rendered In 7 days	> or = 99.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	
Inaccurate Bills Rendered		357	232	274	282	1,145	
2(B) % of Inaccurate Bills Rendered	< or = 3.0%	**0.2%**	**0.2%**	**0.2%**	**0.2%**	**0.2%**	
PAYMENTS							
Total Payments Posted		143,601	142,641	145,905	147,079	579,226	
Payment Posting Errors		8	8	14	11	41	
2 (C) % of Payment Posting Errors	< or = 1.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
METER READING							
Total Number of Meter Reads Scheduled		149,558	149,676	150,194	150,840	600,268	
Total Scheduled Reads Not Read		128	127	162	133	550	
3(A) % Meters Not Read	< or = 3.0%	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	
WORK ORDER COMPLETION							
Total Work Orders Scheduled		1,933	2,181	2,244	2,036	8,394	
# Scheduled Orders Missed		8	6	5	5	24	
4(A) % of Scheduled Appointments Missed	< or = 5.0%	**0.4%**	**0.3%**	**0.2%**	**0.2%**	**0.3%**	
Total Customer Requested Work Orders		168	125	219	153	665	
# Customer Requested Scheduled Orders Missed		5	5	6	7	23	
4(B) % Customer Requested Scheduled Orde	< or = 5.0%	**3.0%**	**4.0%**	**2.7%**	**4.6%**	**3.5%**	
CAB COMPLAINTS							
Total # of Connections/Customers		47,572	47,621	47,890	47,994	47,995	
# of Complaints to Utility from CAB		0	1	0	0	1	
5(A) % of Complaints to Utility from CAB	< or = 0.10%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	

SAN GABRIEL VALLEY WATER COMPANY (LOS ANGELES COUNTY DIVISION)
CUSTOMER SERVICE PERFORMANCE STANDARDS REPORT
YEAR 2020

	Goal	Q1	Q2	Q3	Q4	Year to Date	Comments
PHONE SYSTEM							
Total Calls Received		13,727	17,200	15,780	11,486	58,193	
# Calls Answered in 30 seconds		13,566	17,019	15,664	11,357	57,606	
1(A) % Calls Answered in 30 seconds	> or = 80.0%	98.8%	98.9%	99.3%	98.9%	99.0%	
# Calls Abandoned		161	181	116	129	587	
1(B) Abandonment Rate	< or = 5.0%	1.2%	1.1%	0.7%	1.1%	1.0%	
BILLING							
Total Bills Scheduled to Run		146,602	146,678	146,572	147,749	587,601	
Total Bills Rendered		146,602	146,678	146,572	147,749	587,601	
Bills Not Rendered in 7 days (10 for finals)		0	0	0	0	0	
2(A) % Bills Rendered In 7 days	> or = 99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Inaccurate Bills Rendered		189	184	94	134	601	
2(B) % of Inaccurate Bills Rendered	< or = 3.0%	0.1%	0.1%	0.1%	0.1%	0.1%	
PAYMENTS							
Total Payments Posted		133,383	137,851	137,722	141,640	550,596	
Payment Posting Errors		761	13	9	5	788	
2 (C) % of Payment Posting Errors	< or = 1.0%	0.6%	0.0%	0.0%	0.0%	0.1%	
METER READING							
Total Number of Meter Reads Scheduled		150,901	150,980	151,040	151,112	604,033	
Total Scheduled Reads Not Read		121	149	170	171	611	
3(A) % Meters Not Read	< or = 3.0%	0.1%	0.1%	0.1%	0.1%	0.1%	
WORK ORDER COMPLETION							
Total Work Orders Scheduled		1,547	904	1,102	978	4,531	
# Scheduled Orders Missed		8	12	9	4	33	
4(A) % of Scheduled Appointments Missed	< or = 5.0%	0.5%	1.3%	0.8%	0.4%	0.7%	
Total Customer Requested Work Orders		125	120	107	72	424	
# Customer Requested Scheduled Orders Missed		4	2	3	0	9	
4(B) % Customer Requested Scheduled Orde	< or = 5.0%	3.2%	1.7%	2.8%	0.0%	2.1%	
CAB COMPLAINTS							
Total # of Connections/Customers		49,242	49,302	49,328	49,360	49,308	
# of Complaints to Utility from CAB		1	2	0	0	3	
5(A) % of Complaints to Utility from CAB	< or = 0.10%	0.0%	0.0%	0.0%	0.0%	0.0%	

SAN GABRIEL VALLEY WATER COMPANY (LOS ANGELES COUNTY DIVISION)
CUSTOMER SERVICE PERFORMANCE STANDARDS REPORT
YEAR 2021

	Goal	Q1	Q2	Q3	Q4	Year to Date	Comments
PHONE SYSTEM							
Total Calls Received		12,612	11,066	11,005	10,126	44,809	
# Calls Answered in 30 seconds		12,470	10,938	10,906	10,055	44,369	
1(A) % Calls Answered in 30 seconds	> or = 80.0%	98.9%	98.8%	99.1%	99.3%	99.0%	
# Calls Abandoned		142	128	99	71	440	
1(B) Abandonment Rate	< or = 5.0%	1.1%	1.2%	0.9%	0.7%	1.0%	
BILLING							
Total Bills Scheduled to Run		147,447	146,487	147,267	147,428	588,629	
Total Bills Rendered		147,447	146,487	147,267	147,428	588,629	
Bills Not Rendered in 7 days (10 for finals)		0	0	0	0	0	
2(A) % Bills Rendered In 7 days	> or = 99.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Inaccurate Bills Rendered		185	157	84	156	582	
2(B) % of Inaccurate Bills Rendered	< or = 3.0%	0.1%	0.1%	0.1%	0.1%	0.1%	
PAYMENTS							
Total Payments Posted		131,649	133,113	137,622	138,990	541,374	
Payment Posting Errors		1	3	4	4	12	
2 (C) % of Payment Posting Errors	< or = 1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
METER READING							
Total Number of Meter Reads Scheduled		151,218	151,219	151,302	151,341	605,080	
Total Scheduled Reads Not Read		131	151	146	171	599	
3(A) % Meters Not Read	< or = 3.0%	0.1%	0.1%	0.1%	0.1%	0.1%	
WORK ORDER COMPLETION							
Total Work Orders Scheduled		950	1,155	1,174	1,006	4,285	
# Scheduled Orders Missed		0	0	0	0	0	
4(A) % of Scheduled Appointments Missed	< or = 5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Customer Requested Work Orders		89	81	116	76	362	
# Customer Requested Scheduled Orders Missed		2	1	0	0	3	
4(B) % Customer Requested Scheduled Orde	< or = 5.0%	2.2%	1.2%	0.0%	0.0%	0.8%	
CAB COMPLAINTS							
Total # of Connections/Customers		49,378	49,370	49,408	49,433	49,398	
# of Complaints to Utility from CAB		0	0	2	0	2	
5(A) % of Complaints to Utility from CAB	< or = 0.10%	0.0%	0.0%	0.0%	0.0%	0.0%	

CHAPTER 15 WATER QUALITY

I. INTRODUCTION

This chapter presents the analysis and recommendations of the Cal Advocates regarding the water quality of SGVWC's Los Angeles division.

II. SUMMARY OF RECOMMENDATIONS

The Commission should find SGVWC's Los Angeles division water systems to be compliant with the applicable water quality standards.

III. ANALYSIS

The Los Angeles division consists of the El Monte/Whittier and Montebello Water systems. The sources of water for customers located in Whittier/Santa Fe are the Main San Gabriel Basin and the Central Basin.[254] The main source of water for all other customers is from the Main San Gabriel Basin. Groundwater makes up 95% of the water supply, and 5% is recycled water used for irrigation purposes.[255] According to the most recent Consumer Confidence reports from 2019 and 2020, the Los Angeles division is following all applicable drinking regulations. There are no current outstanding violations based on the Safe Drinking Water Information System for the Division of Drinking Water ("DDW").[256]

A. Violations Since the Last GRC (2019)

SGVWC has had one water quality violation since the last GRC in the Los Angeles division (Citation No.04_22_19N_001). On June 17, 2019, a Ground Water Rule treatment technique violation occurred at Plant No. 1 in El Monte. For more than

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[254] EXHIBIT SG-9 (Zvirbulis) ATTACHMENT E – 2019 and 20202 Consumer Confidence Reports.

[255] EXHIBIT SG-9 (Zvirbulis) SECTION IV. Water Supply and Treatment.

[256] https://sdwis.waterboards.ca.gov/PDWW/

four hours, the chlorine residual for the plant dropped below the minimum of 1.0 part per million to 0.83 part per million, as determined by the chlorine analyzer. SGVWC shut down the plant, and once the chlorine levels rose, the plant was put back in service. SGVWC did issue a public notification for the violation on July 16, 2019, in accordance with Title 22 of the California Code of Regulations, Section 64463.4257. In the previous GRC, on October 22, 2018, the El Monte plant was issued Citation No. 04-22-18C-004, which was also a Ground Water treatment technique violation. During both the 2018 and 2019 disruptions, the same central control operator was on duty. The corrective actions taken by the SGVWC to become compliant after Citation 04_22_19N_001 included terminating the operator on duty, continuing to provide water treatment training to operators, and programming chlorine alarms to shut off if chlorine levels are not in compliance with the minimum and maximum levels.[258] By August 2019, SGVWC had completed the required actions and the Division of Drinking Water had marked them as compliant for Citation 04_22_19N_001.

B. Water Treatment

As a result of monitoring by the State Water Resources Control Board ("SWRCB"), per-and polyfluoroalkyl substances ("PFAS") contamination was found in several groundwater wells and treatment water supply facilities including Plants No. 1, 2, 11, W1, and W6.[259] To mitigate contamination, the Los Angeles division completed the design of an ion exchange treatment plant in July 2021 for Plant No. W6. Additionally, some contaminated wells have begun blending after receiving approval from DDW to combine water from multiple wells to meet the permissible water quality criteria.[260] Cal

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[257] EXHBIT SG-9 (Zvirbulis) ATTACHMENT H – Notice of Violation No. 04_22_19N_001

[258] Attachment 15-1 (CHA-004 ATTACHMENT B in response to DR CHA-004 Water Quality).

[259] EXHIBIT SG-9 (Zvirbulis) Section IV

[260] Attachment 15-2 (CHA-017 ATTACHMENT A in response to CHA-017 Water Quality).

Advocates examines SGVWC's proposed capital projects to address the PFAS pollution in the remaining PFAS-affected wells in Chapter 7.

IV. CONCLUSION

The Commission should find SGVWC's Los Angeles division water systems to be in compliance with the applicable water quality standards.

Attachment 15-1: CHA-004 ATTACHMENT B (in response to DR CHA-004 Water Quality Question #1)

SAN GABRIEL VALLEY WATER COMPANY

October 1, 2019

Shu-Fang Orr, P.E.
District Engineer, Angeles District
State Water Resources Control Board
Division of Drinking Water
500 North Central Avenue, Suite 500
Glendale, CA 91203

Subject: Notice of Violation No. 04_22_19N_001
Groundwater Rule Treatment Technique Violation
El Monte/Whittier System PWSID No. 1910039

Dear Ms. Orr:

On July 31, 2019, San Gabriel Valley Water Company ("San Gabriel") received the notice of Violation No. 04_22_19_001 of a Groundwater Rule Treatment Technique Violation that occurred on June 17, 2019. This letter is to provide the State Water Resources Control Board, Division of Drinking Water ("DDW") San Gabriel's schedule of proposed corrective action plan as described in the incident report dated June 27, 2019. The corrective actions listed are as follows:

1. Investigate the root cause of failure and take corrective action to prevent reoccurance.

   The cause of this incident is San Gabriel's Central Control Operator failed to notify supervisors of a chlorine concentration that fell below the required minimum of 1.0 part per million for a period greater than four hours at Plant No. 1.

2. Enforce disciplinary measures on Central Control Operator involved.

   The Central Control Operator involved was terminated from employment.

3. Contact Tesco to program plant shutdown for low and high residual set points for all entry points.

   Tesco Controls, Inc. has been scheduled to program chlorine alarms to shut down the plant when the chlorine residual falls below or above set points. Project will be completed by November 30, 2019.

4. Provide training for all operators as a reminder of the different types of violations that could occur and how to prevent them from occurring.

   Routine annual training will be provided for operators regarding updates in State and Federal Drinking Water Regulations including the groundwater rule. In addition to annual training, San Gabriel will also provide training on an as needed basis when there are operational changes or changes in routine monitoring requirements.

5. Provide on-line chlorine analyzer calibration procedures for review and approval.

   On-line chlorine analyzers are calibrated on a semi-annual basis by HACH. The last calibration date is August 9, 2019.

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Attachment 15-1: CHA-017 ATTACHMENT A (in response to DR CHA-017 Water Quality Question #1)

SAN GABRIEL VALLEY WATER COMPANY

May 27, 2022

Mehboob Aslam
Water Branch, Cal PA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

(by email)

Re: **Response to Data Request No. CHA-017 (Water Quality)**

Dear Mr. Aslam:

In response to your data request dated May 20, 2022, San Gabriel Valley Water Company (San Gabriel or Company) responds as follows:

REQUEST NO. 1:
As stated in EXHIBIT SG-9 (Zvirbulis) Section IV, because of monitoring by the State Water Resources Control Board, PFAS contamination was found in several of San Gabriel's facilities. Please explain what actions were taken to reduce the contamination along with supporting documentation

RESPONSE NO.1:
Primary sources of PFAS contamination include Chrome Plating Facilities, Airports, Refineries and other industrial operations. Secondary sources of contamination may include storm water runoff, landfills, bio-solid waste, wastewater treatment plants and other sources.

Although there is little San Gabriel can do to reduce PFAS contamination, as explained in **EXHIBIT SG-9** (Zvirbulis), San Gabriel's facilities that are impacted by contamination with PFAS compounds, which include Plant No. 1, Plant No. 2, Plant No. 11, Plant W1, and Plant W6 (See Data Request AA9-004 Response to Request No. 2 and ATTACHMENT C), must be mitigated by implementation of Best Available Treatment ("BAT") technology through construction of new treatment facilities and/or managed by blending where authorized on an interim basis (See **CHA-017 ATTACHMENT A.pdf**) by the State Water Resource Control Board, Division of Drinking Water ("DDW"), until such time as BAT can be constructed and implemented. Initially the primary focus of San Gabriel's mitigation efforts focused on the construction of the BAT technology to remove PFAS through Ion Exchange treatment at Plant W6 and Plant No. 2 due to levels

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exceeding the Response Level. Ion Exchange treatment for Plant W6 was completed in July, 2021 and Plant No. 2 is currently nearing completion. New treatment facilities for employing BAT for PFAS contamination removal at Plant No. 1 and Plant No. 11 are included and described in **EXHIBIT SG-8** (Yucelen).

RESPONDING WITNESSES: Zvirbulis

Sincerely,

/s/ Joel M Reiker

Joel M. Reiker
Vice President, Regulatory Affairs

Cc: Chandrika Sharma chandrika.sharma@cpuc.ca.gov

/encl.

CHAPTER 16 RATE DESIGN

I. INTRODUCTION

Rate design is the structure of prices charged to utility customers for tariffed services. The process for creating a rate design involves determining the revenue requirement, the allocation of revenue recovery between fixed and quantity charges (revenue allocation), finding appropriate tier breakpoints for tiered meter services, calculating the standard quantity rate, and establishing a tiered quantity rate structure for tiered meter services. Effective rate design encourages conservation, offers affordable options for baseline water use, and is revenue neutral.[261]

II. SUMMARY OF RECOMMENDATIONS

- The Commission should adopt a 3-Tier conservation rate design as it is more consistent with other large investor-owned water utilities and statewide conservation efforts.
- The Commission should retain current revenue allocation split of 64.6%/35.4% to quantity and fixed charges, respectively.

III. ANALYSIS

A. Revenue Allocation

In the LA division, the revenue allocation is split 64.6%/35.4% to quantity and fixed charges, respectively. This is the same revenue allocation approved for the LA division in D.10-04-031. The Commission should retain the current revenue allocation as it reasonably promotes conservation and affordability in the LA division.

B. Tier Design

SGVWC proposes to retain the current 2-tier tiered residential metered services ("conservation rate design") in the LA division with a tier break established at 11 CCF.

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[261] D.20-08-047, p. 106.

However, a 2-tier tiered structure may not be sufficient to advance conservation efforts when California may face mandatory water use restrictions and voluntary water use reduction has not been effective as explained in Chapter 2 of this report. The Commission should adopt a 3-tiered meter services to send a stronger conservation price signal and to provide affordable options for baseline water use.

Table 16-1: LA Division Tier Design

LA Division Tier Design	
Tiers	**Tier Width (ccf)**
1	0 to 10
2	10 to 17
3	17+

Cal Advocates' recommendation on rate design in this chapter and the conservation expense budget in CHAPTER 5 of this report helps advance the utility's and the ratepayers' conservation efforts. SGVWC is responsible for improving the conservation outcomes and to meet the Governor's Executive Order (N-10-21) with the conservation expense budget and the conservation rate design. The rate design includes funding for conservation programs and the utility is responsible for the proper implementation of conservation programs and for improving conservation outcomes.

1. Tier 1 Breakpoint

The Commission ordered water utilities to provide analysis in their next GRC to determine the appropriate Tier 1 breakpoint that is not less than the monthly baseline quantity of water necessary for basic human needs for each ratemaking area.[262] The Commission further explained that 6 CCF per household (of three), or 2 CCF per month

[262] D.20-08-047, Ordering Paragraph No.2.

per person, is the minimum monthly quantity of water that should be allocated to Tier 1 of a conservation-oriented rate design.[263]

SGVWC completed a household population estimate in 2020 and estimates that, on average, there are 5.2 persons per household in the LA division.[264] In 2020, the LA division served 49,730 connections with an estimated population of 256,335 people.[265] As such, the Commission should adopt a Tier 1 breakpoint at 10 CCF in the LA division, which effectively allocates a reasonable quantity of water to Tier 1 of a conservation-oriented rate design.

2. Tier 2 Breakpoint

The Commission should adopt a Tier 2 breakpoint at the 85th percentile of the monthly average water use, thereby capturing the highest 15% of consumption in Tier 3. This provides a standardized basis for establishing tier breakpoints and has good customer communication/education properties as well as encouraging conservation. Tier 3 will capture ratepayers that does not meet Governor Newsom's voluntary water reduction goals in TY 2023-2024; the utility needs to follow up with customers in Tier 3 to promote stronger conservation efforts.[266] To wit: *if you are in Tier 3, it means you are in the top 15% of water users. Please consider ways you can use water more efficiently.*

To determine the appropriate Tier 2 breakpoint, Cal Advocates conducted a sales distribution analysis, based on LA division's single-family residential customers' average monthly consumption over the 2019 – 2021 period, in finding the appropriate tier breakpoint that fits the 85th percentile of monthly consumption. As such, the Commission should adopt a Tier 2 breakpoint at 17 CCF in the LA division.

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[263] Based on the standards established in California Water Code Section 10609.4(a).

[264] Exhibit SG-9 (Zvirbulis), Attachment A.

[265] 256,335 people / 49,730 number of customers/households = 5.2 people per household.

[266] https://www.gov.ca.gov/2021/07/08/as-drought-conditions-intensify-governor-newsom-calls-on-californians-to-take-simple-actions-to-conserve-water/

3. Implementing a Third Tier

The Commission should adopt a third tier (17 CCF and above) in tiered metered services to further advance the State's conservation goals. There is uncertainty as to whether ratepayers will be able to meet the State's potential water use reduction mandate. The exact mandatory water use reduction percentage is unknown at the time of filing this report. In January 2014, then California Governor Brown set a 20% voluntary water use reduction goal as part of declaring a drought emergency.[267] The State had trouble reaching this voluntary goal and under Executive Order B-29-15, Governor Brown imposed a water use restriction mandate to achieve a statewide 25% reduction in potable urban water usage compared to recorded 2013 levels.[268] These restrictions were in place until April 2017, when Governor Brown lifted drought emergency restrictions for most of California.[269] Similarly, Governor Newsom may establish a mandatory use reduction goal higher than the current voluntary use reduction goal of 15%.[270] The sales forecast in Chapter 2 accounts for this 15% water use reduction in TY 2023-2024. If Governor Newsom imposes a higher percentage of mandatory water use reduction, then SGVWC's current 2-tier conservation rate design may not adequately meet conservation goals. By implementing a third tier, the Commission will reduce rates for users who conserve water and send a stronger conservation price signal to higher water users.

SGVWC's historical sales data indicates that LA division's residential ratepayers did not reach the targeted 25% water use reduction throughout the drought restricted period. Table 16-2 below summarizes LA division's residential consumption between 2011 and 2020.

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[267] https://www.nytimes.com/2015/04/02/us/california-imposes-first-ever-water-restrictions-to-deal-with-drought.html

[268] https://www.ca.gov/archive/gov39/wp-content/uploads/2017/09/4.1.15_Executive_Order.pdf

[269] https://www.npr.org/sections/thetwo-way/2017/04/07/523031241/gov-jerry-brown-lifts-drought-emergency-for-most-of-california

[270] https://www.gov.ca.gov/2021/07/08/as-drought-conditions-intensify-governor-newsom-calls-on-californians-to-take-simple-actions-to-conserve-water/

Table 16-2: LA Division's Residential Consumption (2011-2020)

LA Division	2011	2012	2013	2014	2015
Total Res. Sales (ccf)	9,235,861	9,485,525	9,543,636	9,319,249	7,937,219
Total Res. Sales % Change		2.7%	0.6%	-2.4%	-14.8%
Res. Customers	41,431	41,466	41,537	41,619	41,732
Sales per Customer (ccf)	222.9	228.8	229.8	223.9	190.2
LA Division	**2016**	**2017**	**2018**	**2019**	**2020**
Total Res. Sales (ccf)	7,923,061	8,102,969	8,185,530	7,736,244	8,401,942
Total Res. Sales % Change	-0.2%	2.3%	1.0%	-5.5%	8.6%
Res. Customers	41,840	41,901	41,990	42,239	42,503
Sales per Customer (ccf)	189.4	193.4	194.9	183.2	197.7

There is uncertainty as to whether ratepayers can meet the mandatory water use reduction level Governor Newsom plans to implement by TY 2023-2024 under the current 2-tier conservation rate design as implemented during Governor Brown's mandatory water use restrictions. While mandatory use restrictions can effectively reduce consumption, it may not reach the levels originally intended and more than one year may be required to reach the target. Implementing a third tier in the conservation rate design will better help meet conservation goals.

C. Rate Ratios

The Commission should adopt the following rate ratio to complement the three-tiered meter services, summarized below.

Tiers	Rate Ratio
Tier 1	89% of SQR
Tier 2	Standard Quantity Rate (SQR)
Tier 3	150% of SQR

The Tier 1's rate ratio is calculated as the plug-in rate to maintain revenue neutrality in the rate design. Tier 3's rate ratio is set at 150% of the Standard Quantity Rate ("SQR") to send a strong price signal to promote and increase conservation. Tier 2's rate ratio is set at the SQR to ensure that Tier 2 incorporates a basic allocation for affordable indoor and outdoor water usage. Based on SGVWC's original application's revenue requirement and the TY 2023-2024 sales forecast recommendation in Chapter 1, the Commission following table illustrates the resulting rates.[271]

Table 16-3: LA Division Rate Ratios & Rates

LA Division Rate Ratios & Rates			
Tiers	Rules	Rate Ratio	Rates
1	Plug-in Rate	89%	$ 4.22
2	SQR	100%	$ 4.77
3	1.5x of SQR	150%	$ 7.15

D. Rate Design Average Bill Analysis

Table 16-4 through 16-6 below summarizes the average bill analysis for residential customers using 10 CCF, 12 CCF, 17 CCF, and 21 CCF per month under a three-tier conservation rate design. The revenue requirement used in the rate design calculation is based on SGVWC's original revenue requirement request in the application and the sales forecast recommendation in Chapter 2.

[271] The actual rates recommended by Cal Advocates are lower as they reflect lower recommended Revenue Requirements.

Table 16-4: LA Division's 3 Tier Conservation Rate Design Bill Analysis

LA Division's 3 Tier Conservation Rate Design Bill Analysis			
Average Bill Analysis (10 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.22	10	$ 42.19
2	$ 4.77	0	$ -
3	$ 7.15	0	$ -
Total		10	$ 42.19

Average Bill Analysis (21 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.22	10	$ 42.19
2	$ 4.77	7	$ 33.36
3	$ 7.15	4	$ 28.59
Total		21	$ 104.14

Average Bill Analysis (12 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.22	10	$ 42.19
2	$ 4.77	2	$ 9.53
3	$ 7.15	0	$ -
Total		12	$ 51.72

Distribution of Consumption	
CCF	% of Distribution
10	66%
12	73%
17	85%
21	90%
An avg ratepayer uses 12 CCF of water monthly.	

Average Bill Analysis (17 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.22	10	$ 42.19
2	$ 4.77	7	$ 33.36
3	$ 7.15	0	$ -
Total		17	$ 75.55

Table 16-5: LA Division's 2 Tier Conservation Rate Design Bill Analysis

LA Division's 2 Tier Conservation Rate Design Bill Analysis			
Average Bill Analysis (10 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.43	10	$ 44.34
2	$ 5.10	0	$ -
Total		10	$ 44.34

Average Bill Analysis (21 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.43	11	$ 48.78
2	$ 5.10	10	$ 50.99
Total		21	$ 99.77

Average Bill Analysis (12 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.43	11	$ 48.78
2	$ 5.10	1	$ 5.10
Total		12	$ 53.88

Distribution of Consumption	
CCF	% of Distribution
10	66%
12	73%
17	85%
21	90%
An avg ratepayer uses 12 CCF of water monthly.	

Average Bill Analysis (17 CCF)			
Tiers	Rates ($)	Usage (ccf)	Quantity Charge ($)
1	$ 4.43	11	$ 48.78
2	$ 5.10	6	$ 30.60
Total		17	$ 79.37

Table 16-6: LA Division's Rate Design Impact

LA Division's Rate Design Impact			
	3-Tier Rate Design Monthly Average Bill	2-Tier Rate Design Monthly Average Bill	% Difference, 3-Tier : 2 Tier Rate Design
Consumption (ccf)	Quantity Charge ($)	Quantity Charge ($)	Quantity Charge Difference (%)
10	$ 42.19	$ 44.34	-5%
12	$ 51.72	$ 53.88	-4%
17	$ 75.55	$ 79.37	-5%
21	$ 104.14	$ 99.77	4%

Ratepayers who can stay under Governor Newsom's voluntary 15% water use reduction will receive an average bill reduction around 5% under a 3-Tier conservation rate design when compared to the traditional 2-Tier conservation rate design.

Conversely, ratepayers who do not manage to reduce water use by 15% will see a bill increase. For example, ratepayers in the 90th percentile of water users (21 CCF) will see a 4% increase to their average monthly bill.

E. Customer Assistance Program Discount

The Commission should adopt SGVWC's request to increase the monthly CAP discount for customers enrolled in the Customer Assistance Program ("CAP") to offset the credit/debit card program's cost. The recommended credit/debit card program budget is discussed in Special Request No.5 of Cal Advocates Report on the General Office. Under the provisions of Public Utilities Code Section 755.5, the cost of the credit/debit card program may not be passed on to customers participating in SGVWC's CAP. As the cost of the program will be recovered in base rates, SGVWC proposes to increase the monthly CAP discount for customers enrolled in the CAP program equivalent to the monthly incremental base rate impact of the credit/debit program, thereby shielding CAP customers from having to pay for the cost of the program. The CAP discount will increase by $0.53 per month to offset the credit/debit card program's base rate impact; the adjustment is based on Cal Advocates' forecast of the program's cost.

IV. CONCLUSION

The Commission should adopt a Tier 1 breakpoint at 10 CCF and require the utility to implement a third tier for residential tiered meter services to better meet the State's conservation initiatives. The Commission should adopt Cal Advocates' recommended rate ratio which complements the three-tiered metered services rate design.

CHAPTER 17 ESCALATION YEAR INCREASES

I. INTRODUCTION

This chapter presents the Public Advocates Office's recommendation for SGVWC's post-test year revenue requirement mechanism. For escalation and attrition filings, Class A Water Utilities should file a Tier 2 advice letter proposing new revenue requirements.[272] Advice letters should follow the escalation procedures set forth in the Revised Rate Case Plan ("RRCP") and must include supporting workpapers.[273] The Commission should require SGVWC to implement a post-test year revenue requirement mechanism to adjust the escalation years 2024-2025 and 2025-2026 revenue requirement whether SGVWC is over-earning or under-earning.

I. SUMMARY OF RECOMMENDATIONS

For SGVWC's 2024-2025 and 2025-2026 escalation/attrition year filings, the Commission should require SGVWC to file a Tier 2 advice letter proposing new revenue requirements and corresponding revised tariff schedules whether the filing results in an increase or decrease in tariff rates.

The Commission should include in the final decision an ordering paragraph containing the following language:

> For escalation years 2024-2025 and 2025-2026, San Gabriel must file Tier 2 advice letters in conformance with General Order 96-B proposing a new revenue requirement and corresponding revised tariff schedule. San Gabriel's filings must include rate procedures set forth in the Commission's Revised Rate Case Plan[274] for Class A Water Utilities and must include appropriate supporting workpapers. The revised tariff schedules must take effect no earlier than July 1, 2024, and July 1, 2025, respectively, and will apply to service rendered on and after their effective

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[272] See General Order 96-B, Section 7.3.2

[273] D.07-05-062

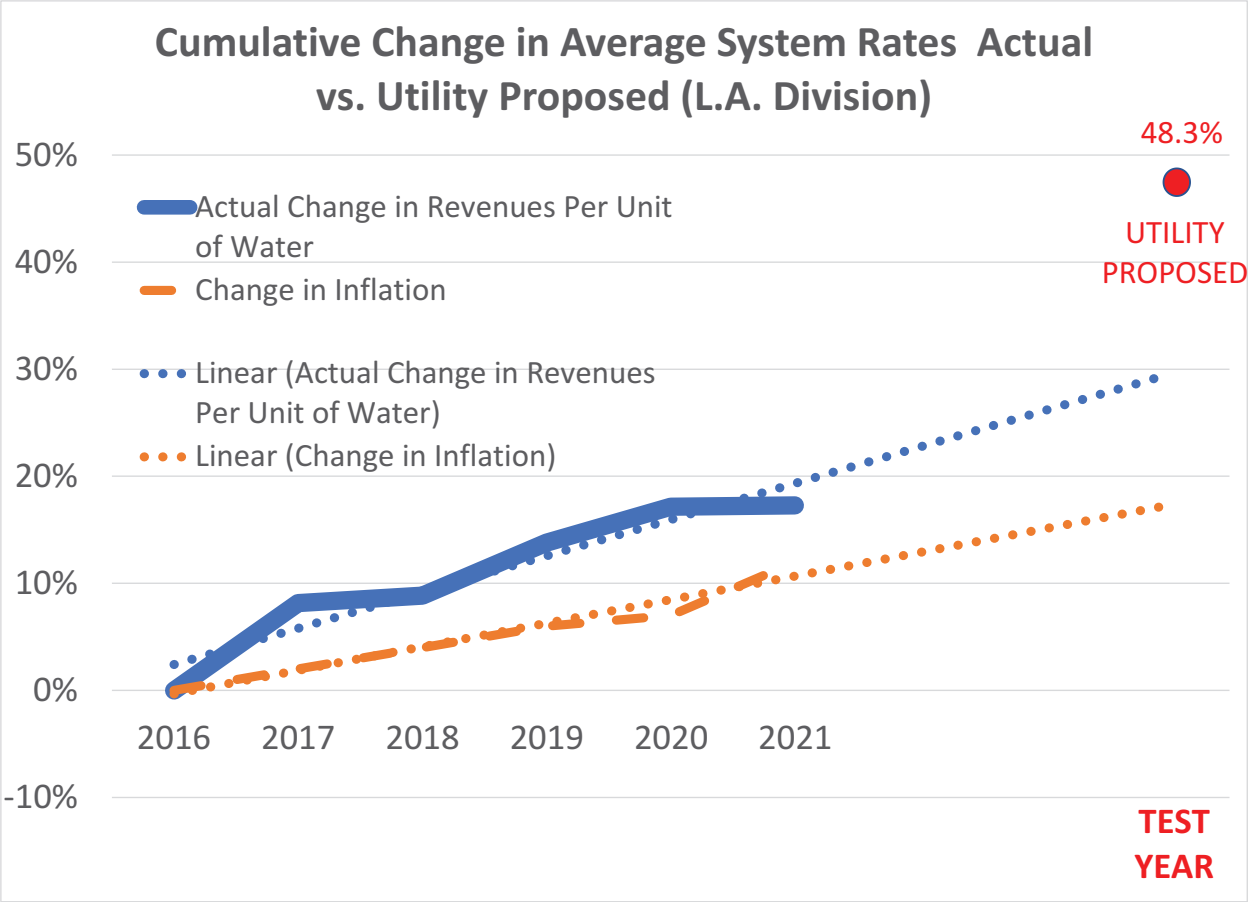
[274] D.07-05-062, Appendix A.

dates. The proposed revisions to revenue requirements and rates must be reviewed by the Commission's Water Division ("Water Division"). The Water Division must inform the Commission if it finds that the revised rates do not conform to the Revised Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing.

II. ANALYSIS

The RRCP does not require Class A Water Utilities to file escalation advice letter to revise revenue requirements and tariff schedules in between the Test Years of a GRC. However, if the decision in this proceeding does not require San Gabriel to file escalation/attrition year revisions, San Gabriel may choose to file escalation advice letters only during the years it is under-earning, while choosing not to file attrition advice letters during the years in which it is over-earning, thereby avoiding any rate decrease regardless of how much, or how often it may be over-earning.

The Commission should do this to mitigate the upward trend in customer bill increases to help ensure that customer rates in the LA division remain affordable. The following graph shows a comparison of cumulative increase of average customer rates with that of the inflation over the past few years (2016-2021).



The Commission should require San Gabriel to submit an earnings test before authorizing Escalation or Attrition Year increases. If San Gabriel is over-earning, the Commission should require San Gabriel to file for the appropriate rate decrease.

The Commission has the authority to require downward adjustments if the utility is over-earning. The Commission's decision for California-American Water Company's 2012 GRC included such a requirement, stating in Ordering Paragraph No. 7:

> For escalation years 2013 and 2014, California American Water Company shall file Tier 2 advice letters in conformance with General Order 96-B proposing a new revenue requirement and corresponding revised tariff schedules for each district. The filings shall include rate procedures set forth in the Commission's Revised Rate Case Plan (D.07-05-062) for Class A Water Utilities and shall include appropriate supporting workpapers. The revised tariff schedules shall take effect

no earlier than January 1, 2013 and January 1, 2014, respectively, and shall apply to service rendered on and after their effective dates. The proposed revisions to revenue requirements and rates shall be reviewed by the Commission's Division of Water and Audits (DWA). DWA shall inform the Commission if it finds that the revised rates do not conform to the Revised Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing.[275]

III. CONCLUSION

For San Gabriel's 2024-2025 and 2025-2026 escalation/attrition year filings, the Commission should require San Gabriel to file a Tier 2 advice letter proposing new revenue requirements and corresponding revised tariff schedules whether the filing results in an increase or decrease in tariff rates.

[275] D.12-06-016, Ordering Paragraph 7.

Appendix-A: Qualifications of Witnesses

QUALIFICATIONS AND PREPARED TESTIMONY
OF
MEHBOOB ASLAM

Q.1 Please state your name and business address.

A.1 My name is Mehboob Aslam. My business address is 320 West 4th Street, Suite 500, Los Angeles, CA 90013.

Q. 2 By whom are you employed and in what capacity?

A. 2 I am employed by the California Public Utilities Commission as a Public utilities Regulatory Analyst (PURA)-V.

Q. 3 Please briefly describe your educational background and work experience.

A. 3 I graduated from the University of Engineering & Technology, Lahore, Pakistan with a Bachelor of Science Degree in Mechanical Engineering, and also graduated from Western Kentucky University with a Master of Science Degree, in Business Administration with an emphasis in Accounting and Finance. I have been employed by the CPUC since 2001. From 2001 through 2002, I was a member of the Consumer Protection and Safety Division, where I was responsible for energy utilities' operating practices to enforce the rules and regulations relating to safe use of the plant and workforce. I Performed engineering reviews and conducted incident investigations for both gas and electric utilities. I have also helped resolve customers' complaints. From 2002 through present, I have been working for Division of Ratepayer Advocates in its Water Branch; mostly dealing with Class-A water utilities. I have performed evaluations of public utility plant and properties, regulation of utility tariffs and rates, studies of cost of service, and studies of the utility's operating practices to enforce the rules and regulations relating to ratemaking. I have presented my findings and recommendations as an

expert witness at public hearings before the Commission. I have also been actively involved with few of Commission's OIR/OII proceedings.

Q. 4 What is your area of responsibility in this proceeding?

A. 4 I am project coordinator in the SGVWC GRC proceeding and responsible for Executive Summary, Introduction and Summary (Chapter 1), and Escalation Years (chapter17) of the Public Advocates Office's Testimony for both LA and FWC division and Executive Summary for the General Office and Special Requests report.

Q. 5 Does this conclude your prepared testimony?

A. 5 Yes, it does.

QUALIFICATIONS AND PREPARED TESTIMONY
OF
SAM LAM

Q.1 Please state your name and address.

A.1 My name is Sam Lam, and my business address is 320 West 4th Street, Suite 500, Los Angeles, California 90013

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the Public Advocates Office – Water Branch and my job title is Public Utilities Regulatory Analyst

Q.3 Please describe your educational and professional experience.

A.3 I received a Bachelor of Science degree in Business Administration from the University of Southern California. I have been with the Public Advocates Office – Water Branch since August of 2019.

Q.4 What is your area of responsibility in this proceeding?

A.4 I am responsible for the preparation of Cal Advocates' testimony on the operating division's sales and rate design and the general office's expenses, rate base, and cost allocations.

Q.5 Does that complete your prepared testimony?

A.5 Yes, it does.

QUALIFICATIONS AND PREPARED TESTIMONY
OF
LAUREN CUNNINGHAM

Q.1 Please state your name and address.

A.1 Lauren Cunningham. 505 Van Ness Ave, San Francisco, California, 94102.

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the California Public Utilities Commission's Public Advocates Office as a Public Utilities Regulatory Analyst.

Q.3 Please describe your educational and professional experience.

A.3 I graduated from Sacramento State University with a Bachelor's degree in Economics and minors in Spanish and Mandarin Chinese. I have been in this position since July 2020.

Q.4 What is your area of responsibility in this proceeding?

A.4 My areas of responsibility in this proceeding include Operations and Maintenance Expenses, Administrative and General Expenses, Conservation Expenses, and Taxes Other Than Income, as well as Health Reimbursement Plan section of the General Office report.

Q.5 Does that complete your prepared testimony?

A.5 Yes, that completes my prepared testimony.

QUALIFICATIONS AND PREPARED TESTIMONY
OF
ANTHONY ANDRADE

Q.1 Please state your name and address.

A.1 My name is Anthony Andrade, and my business address is 320 West 4th Street, Suite 500, Los Angeles, California 90013.

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the Public Advocates Office of the California Public Utilities Commission as a Utilities Engineer.

Q.3 Please describe your educational and professional experience.

A3. I received a Bachelor of Science Degree in Mechanical Engineering from the University of California--Riverside in 2018.

I have been with the Public Advocates Office – Water Branch since October 2018. As a witness for Cal Advocates, I have previously provided testimony regarding Utility Plant-in-Service in Golden State Water Company's 2020 GRC (A.20-07-012), and Utility Plant-in-Service, Depreciation, and Rate Base in SGVWC's 2019 GRC (A.19-01-001) and Liberty Utilities (Apple Valley Ranchos Water) Corp. and Liberty Utilities (Park Water) Corp.'s consolidated 2021 GRC (A.21-07-003 et al). I have also provided testimony regarding the topic of Storage Capacity in SGVWC's proposed acquisition of the City of Montebello Water System (A.20-10-004).

Q4. What is your area of responsibility in this proceeding?

A4. I am responsible for the preparation of Chapter 7 (Utility Plant-in-Service), Chapter 8 (Depreciation), and Chapter 10 (Rate Base) of this testimony.

Q5. Does this conclude your prepared direct testimony?

A5. Yes, it does.

QUALIFICATIONS AND PREPARED TESTIMONY
OF
CHANDRIKA SHARMA

Q.1 Please state your name and address.

A.1 My name is Chandrika Sharma, and my address is 505 Van Ness Avenue San Francisco, CA 94102.

Q.2 By whom are you employed and what is your job title?

A.2 I am employed by the California Public Utilities Commission as a Utilities Engineer.

Q.3 Please describe your educational and professional experience.

A.3 I have a Bachelor of Science Degree in Computer Engineering from San Francisco State University and an MBA from San José State University. I have been with the California Public Utilities Commission since October 2021.

Q.4 What is your area of responsibility in this proceeding?

A.4 I am responsible for Chapter 9 (Historic Rate Base), Chapter 14 (Customer Service), and Chapter 15 (Water Quality).

Q.5 Does that complete your prepared testimony?

A.5 Yes.

QUALIFICATIONS AND PREPARED TESTIMONY
OF
JAWADUL BAKI

Q.1 Please state your name and address.

A.1 My name is Jawadul Baki, and my business address is 505 Van Ness Ave, California 94102.

Q.2 By whom are you employed and what is your job title?

A.2 I am a Public Utilities Regulatory Analyst in the Water Branch of the Public Advocates Office, California Public Utilities Commission.

Q.3 Please describe your educational and professional experience.

A.3 I have a Bachelor of Business Administration degree with a Finance Major and a Master's degree in Applied Economics. I have been with the Public Advocates Office since January 2020. I have prepared written testimony in the Cost of capital proceeding of 4 large Class A Water Utilities and the GSWC General Rate Case proceeding. I have also prepared written testimony for the San Jose Water Company's AMI application. Previously I have analyzed Balancing and Memorandum Accounts, Arrearage data, Low-income Rate Assistance data, and AMI metering technology. I have also conducted legislative Bill analysis related to water utilities and reviewed numerous Advice Letters covering a wide variety of ratemaking and auditing topics. I have presented my findings and recommendations as an expert witness at public hearings before the Commission and have testified in the evidentiary hearing.

Q.4 What is your area of responsibility in this proceeding?

A.4 I am sponsoring Cal Advocates Office's Report on the Results of Operations, Chapter 12 – Income Taxes, and Chapter 13 − Balancing and Memorandum Accounts Review for both Los Angeles and Fontana Water Company Division. I'm also responsible for reviewing SGVWC's Special Request 2 to Special Request 7.

Q.5 Does that complete your prepared testimony?

A.5 Yes, it does.