

SAN GABRIEL VALLEY WATER COMPANY

February 13, 2026

U337W

Carmen Rocha, Utilities Engineer
Water Division
California Public Utilities Commission
505 Van Ness Avenue, Room 3200
San Francisco, CA 94102

(by email)

Subject: Authorized Balancing Account Outstanding Balances for December 2025

Dear Ms. Rocha:

Per Bruce DeBerry's letter dated June 16, 2014, and your January 16, 2015 email, San Gabriel Valley Water Company provides its December 31, 2025 balancing account balances below.

Additionally, San Gabriel identifies each balancing account consistent with the following criteria:

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

RESPONSE: San Gabriel interprets "authorized revenue amount" to be the most recent balance reviewed by Water Division in an advice letter or the balance reviewed by the Commission's Public Advocates Office in San Gabriel's 2025 general rate case A.25-01-001, (whichever is more recent). The following table lists the accounts with a quarter-end balance with more than a 10% differential from the "authorized revenue amount." The table also shows the account balance as a percentage of current authorized revenues in the division.

Div.	Balancing Account	Balance at 12/31/2025	Most Recent Conducted Review		% Differential	Authorized Revenue Requirement for Division	12/31//2025 Balance as % of Authorized Revenue Requirement
			Balance	AL/GRC			
LA	Water Cost	(\$163,195)	\$2,008,917	2025 GRC	108.1%	\$100,480,000	0.2%
LA	WRAM	\$492,705	\$721,064	2025 GRC	31.7%	\$100,480,000	0.5%
LA	Power Cost	\$195,259	\$895,489	2025 GRC	78.2%	\$100,480,000	0.2%
LA	CAP	\$1,294,701	\$1,461,831	2025 GRC	11.4%	\$100,480,000	1.3%
LA	Cons. Prog.	\$128,886	(\$101,846)	2025 GRC	226.5%	\$100,480,000	0.1%
LA	PABBA	\$7,220	\$5,271	2025 GRC	37.0%	\$100,480,000	0.0%
LA	A.19-01-001 Interim Rates	(\$248,379)	(\$371,877)	2025 GRC	33.2%	\$100,480,000	0.2%
LA	Water Rights	(\$1,113,843)	(\$1,701,676)	2025 GRC	34.5%	\$100,480,000	1.1%
LA	A.22-01-003 Interim Rates	\$4,136,483	\$6,718,698	AL 615	38.4%	\$100,480,000	4.1%
LA	Drought Lost Revenue	\$9,442	\$1,790,496	AL 604	99.5%	\$100,480,000	0.0%
LA	Drinking Water Fees	\$35,170	(\$39,520)	2025 GRC	189.0%	\$100,480,000	0.0%
FWC	Power Cost	(\$968,401)	\$1,082,999	2025 GRC	10.6%	\$98,590,000	1.0%
FWC	CAP	\$241,694	\$833,053	2025 GRC	71.0%	\$98,590,000	0.2%
FWC	Cons. Prog.	(\$448,796)	(\$243,786)	2025 GRC	84.1%	\$98,590,000	0.5%
FWC	WRAM	\$244,506	\$452,608	2025 GRC	46.0%	\$98,590,000	0.2%
FWC	PABBA	(\$63,089)	(\$41,686)	2025 GRC	51.3%	\$98,590,000	0.1%
FWC	A.22-01-003 Interim Rates	\$2,889,501	\$4,885,081	AL 615	40.9%	\$98,590,000	2.9%
FWC	Drought Lost Revenue	\$161,307	\$3,218,702	AL 604	95.0%	\$98,590,000	0.2%
FWC	Drinking Water Fees	(\$13,517)	\$25,064	2025 GRC	65.0%	\$98,590,000	0.0%

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

RESPONSE: San Gabriel interprets “authorized revenue amount” to be the most recent balance reviewed by Water Division in an advice letter, or the balance reviewed by the Commission’s Public Advocates Office in San Gabriel’s GRC A.25-01-001, (whichever is more recent). The following table lists the five accounts with the largest authorized balances (i.e. top 25th percentile).

Div.	Balancing Account	Authorized Balance	Balance Reviewed in:
FWC	Water Cost Balancing Account	(\$7,264,572)	2025 (AL 623)
LA	A.22-01-003 Interim Rates Balancing Account	\$6,718,698	2025 (AL 615)
FWC	A.22-01-003 Interim Rates Balancing Account	\$4,885,081	2025 (AL 615)
FWC	Drought Lost Revenue Balancing	\$3,218,702	2024 (AL 604)
LA	Water Cost Balancing Account	\$2,008,917	2025 GRC

(3) *Balancing accounts with fluctuations within 20 percent from the previous semiannual balance.*

RESPONSE: San Gabriel interprets this request as identifying those accounts that have experienced fluctuations of 20 percent or more relative to the previous semiannual balance:

Div.	Balancing Account	Fluctuation from Previous Semi-Annual Balance (%)
LA	Cons. Prog. Balancing Account	21.9%
LA	Power Cost Balancing	63.8%
LA	A.19-01-001 Interim Rates Balancing Account	20.3%
LA	Drinking Water Fees Balancing Account	60.9%
LA	A.22-01-003 Interim Rates Balancing Account	29.9%
LA	Drought Lost Revenue Balancing Account	99.1%
LA	Water Rights Balancing Account	21.3%
FWC	CAP Balancing Account	62.9%
FWC	Power Balancing Account	45.6%
FWC	WRAM	58.3%
FWC	A.22-01-003 Interim Rates Balancing Account	32.3%
FWC	Drought Lost Revenue Balancing Account	91.1%
FWC	Drinking Water Fees Balancing	128.5%

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

RESPONSE: All balancing accounts have been reviewed by the Water Division through the advice letter process or in San Gabriel's most recent general rate case A.25-01-001 within the previous three years. In addition, in 2025 the CPUC's Utility Audits Branch conducted an audit of San Gabriel's balancing accounts for the year 2023, with no findings.

Very truly yours,



Joel M. Reiker
Vice President of Regulatory Affairs

cc:

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San Gabriel Valley Water Company

<u>Utility Name</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Reported Balance as of the End of June 2025</u>	<u>Balance as of End of December 2025</u>	<u>Most Recent Conducted Review/Audit (either GRC or other method)</u>	<u>Notes or Comments</u>
San Gabriel Valley Water Company	Total number of connections per 2025 Los Angeles County Division Annual Report: 51,490						
Los Angeles County Division	Water Cost	Tracks variances in pumped & purchased water related costs	P.U. Code 792.5, Resolution 4505-W	(\$138,288)	(\$163,195)	2025 (GRC A.25-01-001)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	\$538,908	\$195,259	2025 (GRC A.25-01-001)	Note_1
	Water Revenue Adjustment Mechanism (WRAM)	Tracks the quantity rate revenues under Schedule No. LA-1C against revenues that would be collected under single-block quantity rate	D.10-04-031; April 8, 2010 & AL 429	\$577,701	\$492,705	2025 (GRC A.25-01-001)	Note_2
	Customer Assistance Program (CAP)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005	\$1,395,325	\$1,294,701	2025 (GRC A.25-01-001)	
	Conservation Program	Tracks water conservation program related costs	D.11-11-018; November 10, 2011	\$105,719	\$128,886	2025 (GRC A.25-01-001)	Note_1
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	\$7,077	\$7,220	2025 (GRC A.25-01-001)	
	A.19-01-001 Interim Rates Balancing Account	Tracks authorized amortization of balance previously recorded in A.19-01-001 Interim Rate Memo Account	D.24-03-005, March 7, 2024	(\$311,569)	(\$248,379)	2025 (GRC A.25-01-001)	
	Drinking Water Fees Balancing Account (DWBA)	Tracks difference between actual fees charged by State Water Board and amount authorized in rates	Resolution W-4698	\$89,843	\$35,170	2025 (GRC A.25-01-001)	Note_1
	A.22-01-003 Interim Rates Balancing Account	Tracks authorized amortization of balance previously recorded in A.22-01-003 Interim Rate Memo Account	D.24-03-005, March 7, 2024	\$5,899,904	\$4,136,483	2025 (AL 615)	
	Drought Lost Revenue Balancing Account	Tracks authorized amortization of balance previously recorded in Drought Lost Revenue Memo Account	Resolution W-5282	\$1,024,436	\$9,442	2024 (AL 604)	
	Water Rights Balancing Account	Tracks authorized amortization of balance previously recorded in the Water Rights Memo Account	D.24-03-005, March 7, 2024	(\$1,414,559)	(\$1,113,843)	2025 (GRC A.25-01-001)	
				\$7,774,497	\$4,774,449		

Note_1: These balances reflect November 30, 2025 balances. All other Los Angeles account balances reflect Dec 31, 2025 balances.

Note_2: The Water Revenue Adjustment Mechanism is technically a memorandum account.

A positive balance reflects an undercollection.

A negative balance reflects an overcollection.

San Gabriel Valley Water Company

<u>Utility Name</u>	<u>Balancing Account Name</u>	<u>Balancing Account Description</u>	<u>Authorizing Decision or Resolution or Advice Letter</u>	<u>Reported Balance as of the End of June 2025</u>	<u>Balance as of End of December 2025</u>	<u>Most Recent Conducted Review/Audit (either GRC or other method)</u>	<u>Notes or Comments</u>
San Gabriel Valley Water Company	Total number of connections per Fontana Water Company 2025 Annual Report: 48,740						
Fontana Water Company Division	Water Cost	Tracks variances in water production related costs	P.U. Code 792.5, Resolution 4505-W	(\$9,321,111)	(\$7,804,502)	2025 (AL 623)	Note_1
	Power Cost	Tracks variances in purchased power related costs	P.U. Code 792.5, Resolution 4505-W	(\$1,780,113)	(\$968,401)	2025 (GRC A.25-01-001)	Note_1
	Water Revenue Adjustment Mechanism (WRAM)	Tracks the quantity rate revenues under Schedule No. FO-1C against revenues that would be collected under single-block quantity rate	D.10-04-031; April 8, 2010	\$586,666	\$244,506	2025 (GRC A.25-01-001)	Note_2
	Customer Assistance Program (CAP)	Tracks recorded program costs vs. costs reflected in rates	D.05-05-015; May 5, 2005 & D.04-07-034; July 8, 2004	\$652,276	\$241,694	2025 (GRC A.25-01-001)	
	Conservation Program	Tracks water conservation program related costs	D.14-05-001; May 1, 2014	(\$391,164)	(\$448,796)	2025 (GRC A.25-01-001)	Note_1
	Previously Authorized Balances Balancing Account (PABBA)	Tracks residual balances transferred from memo accounts that have been approved and amortized	Resolution W-5043	(\$61,844)	(\$63,089)	2025 (GRC A.25-01-001)	
	A.22-01-003 Interim Rates Balancing Account	Tracks authorized amortization of balance previously recorded in A.22-01-003 Interim Rate Memo Account	D.24-03-005, March 7, 2024	\$4,268,504	\$2,889,501	2025 (AL 615)	
	Drought Lost Revenue Balancing Account	Tracks authorized amortization of balance previously recorded in Drought Lost Revenue Memo Account	Resolution W-5282	\$1,821,217	(\$161,307)	2024 (AL 604)	
	Drinking Water Fees Balancing Account (DWBA)	Track difference between actual fees charged by State Water Board and amount authorized in rates	Resolution W-4698	\$47,371	(\$13,517)	2025 (GRC A.25-01-001)	Note_1
				(\$4,178,198)	(\$6,083,911)		

Note_1 These balances reflect November 30, 2025 balances. All other Fontana account balances reflect Dec 31, 2025 balances.

Note_2: The Water Revenue Adjustment Mechanism is technically a memorandum account.

A positive balance reflects an undercollection.

A negative balance reflects an overcollection.