

SAN GABRIEL VALLEY WATER COMPANY

February 19, 2021

Advice Letter No. 559

U337W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel" or "Company") hereby submits an original and four copies of this advice letter in compliance with California Public Utilities Commission ("CPUC" or "Commission") Resolution M-4849, issued February 12, 2021. The purpose of this advice letter is to demonstrate San Gabriel's compliance with the extension of Emergency Customer Protections to June 30, 2021. In accordance with Ordering Paragraph No. 2 of Resolution M-4849, **this advice letter is designated as Tier 1.**

Background

On March 4, 2020, in response to the COVID-19 pandemic, Governor Newsom officially proclaimed a State of Emergency in California, and on March 13, 2020, the President of the United States proclaimed a National State of Emergency ("COVID-19 Emergency").

On March 17, 2020, San Gabriel notified the Commission's Executive Director that the Company was activating the Emergency Disaster Relief Protections described in Advice Letter ("AL") 542, filed in compliance with Decision ("D.") 19-07-015, to the extent they are applicable during the COVID-19 Emergency ("Emergency Protections"), and that the Company was also activating its Los Angeles County and Fontana Water Company divisions' Catastrophic Event Memorandum Accounts ("CEMA") in order to record the extraordinary costs San Gabriel is incurring as a result of the COVID-19 Emergency.

By letter also dated March 17, 2020, the Commission's Executive Director instructed all Commission-regulated utilities and service providers subject to D.19-07-015 to extend the same applicable Emergency Protections directed in that decision to customers during the COVID-19 Emergency, and to report to the Commission on all measures they implemented in response to COVID-19 as soon as they are implemented.

In compliance therewith, on March 18, 2020, San Gabriel filed AL 546 reporting the community awareness and public outreach measures the Company is taking to notify customers, local government representatives, non-profits and community leaders of the Emergency Protections, and the additional steps the Company is taking including, among other things, suspending terminations of water service for nonpayment.

On April 2, 2020, Governor Newsom issued Executive Order N-42-20 suspending the authority of water utilities to discontinue service for nonpayment to residential customers and small businesses operating in the critical infrastructure sectors.

On April 16, 2020, the Commission issued Resolution M-4842, ratifying the directives issued by the Executive Director on March 17, 2020, and to retroactively apply the Emergency Protections from March 4, 2020. Resolution M-4842 also required Commission-regulated utilities to identify any customer protections set forth in D.19-07-015 that are not applicable during the COVID-19 pandemic, and to provide justification as to why they are not applicable.

In compliance therewith, on April 29, 2020 San Gabriel filed AL 548 setting forth the specific provisions of D.19-07-015 that comprise San Gabriel's Emergency Protections and which provisions are not applicable during the COVID-19 pandemic.

On February 11, 2021, in response to extraordinary circumstances and the ongoing state of emergency related to the COVID-19 pandemic, the Commission issued Resolution M-4849, extending the Emergency Protections for residential and small business customers through June 30, 2021. Resolution M-4849 also extends the memorandum accounts established and/or activated for the purpose of tracking the incremental costs of complying with the Commission's resolution, and requires Commission-regulated utilities to file Tier 1 advice letters describing all reasonable and necessary actions to extend the Emergency Protections through June 30, 2021.

Discussion

The relevant Ordering Paragraphs of Resolution M-4849 are:

1. Electric, gas, communications, and water corporations subject to this Resolution shall continue to apply the customer protection measures for residential and small business customers adopted in D.19-07-015 and D.19-05-025, as ordered by Resolution M-4842, through June 30, 2021.
2. Electric, gas, communications, and water corporations subject to this Resolution shall file a Tier 1 Advice Letter no later than 10 days after this Resolution's approval demonstrating compliance with the extension of Emergency Customer Protections to June 30, 2021. Should any of the actions utilities are taking to implement Emergency Customer Protections need be revised from already disposed Resolution M-4842 Advice Letter compliance filings, or if certain customer protections were inapplicable during the pandemic and not already noted and accepted as such in prior filings, these revisions should be noted in the compliance Advice Letter to this Resolution. Electric and gas corporations shall serve copies of the Advice Letters to R.18-03-011, A.14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists. Water corporations shall serve copies of the Advice Letters to R.18-03-011 and R.17-06-024 proceeding service lists. Communications utilities shall

serve copies of the Advice Letters to the R.18-03-011 proceeding service list.

4. The electric, gas, communications, and water corporations subject to this resolution shall continue to conduct community awareness and public outreach of the customer protection measures adopted in D.19-07-015 and D.19-08-025, as ordered in Resolution M-4842, consistent with the requirements of D.19-07-015, D.19-08-025, and D.20-03-004.

By this advice letter, San Gabriel extends the Emergency Protections implemented by AL 546 to June 30, 2021 in compliance with Resolution M-4849, Ordering Paragraph Nos. 1 and No. 2. As explained below, San Gabriel has incorporated each of the Emergency Customer Protections identified in Resolution M-4849¹ as follows:

- (1) Activation of their Catastrophic Event Memorandum Account (“CEMA”) effective to the date of the Governor’s declaration of a state of emergency – March 4, 2020;*

On March 17, 2020, San Gabriel notified the Commission’s Executive Director that the Company was activating its Los Angeles County and Fontana Water Company divisions’ Catastrophic Event Memorandum Accounts (“CEMA”) in order to record the extraordinary costs San Gabriel is incurring as a result of the COVID-19 Emergency.

- (2) Make insurance claims on all costs and expenses incurred as a result of the pandemic, and credit insurance payments to their CEMA;*

To date, San Gabriel has not suffered any COVID-19 related losses that would be covered by the Company’s business package/general liability insurance policy.

- (3) Work cooperatively with affected customers to resolve unpaid bills, and minimize disconnections for nonpayment;*

San Gabriel continues to work cooperatively with all of its customers during the COVID-19 pandemic to resolve unpaid bills and minimize disconnections for nonpayment. In addition to posting the Company’s Emergency Protections on its websites (www.sgvwater.com and www.fontanawater.com), San Gabriel has periodically mailed notice of such protections to all customers, and has advertised the Company’s Emergency Protections in newspapers of general circulation throughout the Company’s service areas monthly throughout the COVID-19 pandemic. Additionally, San Gabriel has implemented targeted communications directly to customers with aged outstanding balances to inform them of the flexible and extended payment plans that are available to make the payment of overdue account balances more manageable. Regarding the minimization of disconnections for nonpayment, San Gabriel suspended all disconnections for nonpayment as part of the Company’s SB 998 transition plan several weeks prior to the Governors Executive Order N-42-20 implementing a statewide moratorium on such disconnections.

¹ See p. 7.

- (4) Waive reconnection or facilities fees for customers and suspend deposits for customers who must reconnect to the system;*

San Gabriel has waived customer deposits to establish credit and customer reconnection fees as part of the Company's Emergency Protections implemented effective March 4, 2020, and will continue to waive such fees.

- (5) Provide reasonable payment options to customers;*

San Gabriel continues to provide reasonable payment options to customers including flexible payment plans. The terms and conditions of such payment options/plans are being tailored to individual customer needs, which San Gabriel believes is both a reasonable and flexible method of offering such payment options.

- (6) Waive bills for victims who lost their homes or if their homes are rendered uninhabitable;
and*

- (7) Authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.*

Regarding items 6 and 7, on April 29, 2020 San Gabriel filed AL 548 in which the Company explained that these protections are not applicable in the current emergency, as these protections are clearly for customers whose real property has suffered damage or destruction during a wildfire, earthquake, flood or other disaster. The current pandemic emergency is viral and does not damage or destroy real property. Therefore, San Gabriel has not extended these protections to customers and has instead emphasized the pertinent relief available to customers during this emergency. AL 548 was approved on June 11, 2020.

San Gabriel confirms that it shall continue to provide the Emergency Protections as described above and approved in ALs 546 and 548 through June 30, 2021, as required by Ordering Paragraph No. 1 of Resolution M-4849. San Gabriel also confirms that it will continue its ongoing community (customer) awareness and outreach activities, as required by D.19-07-015 and D.19-08-025 (as applicable), as ordered in Resolution M-4842, and as required by Ordering Paragraph No. 4 of Resolution M-4849.

Protest and Responses

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) San Gabriel did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which San Gabriel relies;

- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating a prior order of the Commission.

A protest may not rely on a policy objection to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility. A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a response or protest is:

Email Address:
water.division@cpuc.ca.gov

Mailing Address:
California Public Utilities Commission
Water Division, 3rd Floor
505 Van Ness Avenue
San Francisco, CA 94102

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to San Gabriel addressed as follows:

Email Address:
jmreiker@sgvwater.com

Mailing Address:
San Gabriel Valley Water Company
Vice President of Regulatory Affairs
11142 Garvey Avenue
El Monte, CA 91733

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

The advice letter process does not provide for any further responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period. San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Water Division within five business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response in accordance with General Order 96-B, General Rule 7.4.3.

If you have not received a reply to your protest within ten business days, contact San Gabriel at (626) 448-6183.

San Gabriel Valley Water Company

/s/ Joel M. Reiker

Joel M. Reiker
Vice President of Regulatory Affairs

cc: Bruce DeBerry, CPUC – Water Division
Victor Chan, CPUC – Water Branch, Cal Advocates
Richard Rauschmeier, CPUC – Water Branch, Cal Advocates