

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



June 6, 2025

Kiki Carlson
Director, Regulatory Affairs
Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Dear Ms. Carlson,

The Water Division of the California Public Utilities Commission has approved Suburban Water Systems' Advice Letter No. 411, filed on April 15, 2025, regarding Preliminary Statement Update.

Enclosed are copies of the following revised tariff sheets, effective April 15, 2025, for the utility's files:

P.U.C.	
Sheet No.	Title of Sheet
2026-W	Preliminary Statement (Continued), AG. Volume Related Cost Balancing Account (VRCBA)
2027-W	Preliminary Statement (Continued), AG. Volume Related Cost Balancing Account (VRCBA) (Continued)
2028-W	Table of Contents

Please contact Alison Pafford at APF@cpuc.ca.gov, if you have any questions.

Thank you.

Enclosures

PRELIMINARY STATEMENT

AG. Volume Related Cost Balancing Account (VRCBA) (N)

1. Purpose:

This account is established pursuant to Section 792.5 of the Public Utilities Code and General Rule 9.5.3 of General Order 96-B.

The purpose of this account is to track monies that the Commission has authorized for recovery or amortization in the Company's reserve accounts.

The Company's reserve accounts consist of:

- a. The recorded quantity of production of pumped and purchased water in acre feet (AF) multiplied by the difference between the adopted and recorded price of pumped and purchased water, respectively, plus or minus any necessary expense adjustments.
- b. The recorded quantity of purchased power (electricity and gas) multiplied by the difference between the adopted and recorded quantity rate per Kwh for electricity and per therm for gas, respectively, plus or minus any necessary expense adjustments.

2. Applicability:

The VRCBA applies to all service areas.

3. Accounting procedure for reserve accounts:

Each month, Suburban will make the expense component entries to update the balances in its reserve accounts:

- a. The recorded quantity of production of pumped and purchased water (AF) multiplied by the difference between the adopted and recorded price of pumped and purchased water, respectively, plus or minus any necessary expense adjustments.
The recorded quantity of purchased power (electricity and gas) multiplied by the difference between the adopted and recorded quantity rate per Kwh for electricity and per therm for gas, respectively, plus or minus any necessary expense adjustments.
- b. If the calculated item (a) is a negative number, the result is an under-collection; if item (a) is a positive number, the result is an over-collection.
- c. The company will record the accumulated balance in the account monthly, by adding its entry in item (b) to the prior accumulated monthly balance.
- d. Interest shall accrue monthly by applying one-twelfth of the Federal reserve 3-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance, which will be included as part of Suburban's request for amortization.

(Continued)

(To be inserted by utility)

(To be inserted by Cal. P.U.C.)

Issued by

Advice Letter No. 411-W

Craig D. Gott

Date Filed 04/15/2025

Name

Decision No.

President

Effective 04/15/2025

Title

Resolution No.

PRELIMINARY STATEMENT

AG. Volume Related Cost Balancing Account (Continued) (N)

4. Transition from reserve accounts to balancing accounts:
Suburban may request amortization of its reserve accounts via tier one advice letter filings or general rate case proceedings when the over or under collection balance in the accounts exceeds 2% of the adopted revenue requirement. Following CPUC approval of the amortization of the reserve accounts as reasonable, and pursuant to CPUC Standard Practice U-27-W (Standard Practice for Processing Rate Offsets and Establishing and Amortizing Memorandum Accounts), Suburban will move these amounts to balancing accounts for recovery.
5. Accounting procedure for balancing accounts:
The monies that the Commission has authorized for recovery or amortization are recorded and tracked in the Company's regulatory asset. The surcharges/surcredits collected/credited to recover/refund these authorized amounts are credited/debited to this account.
Each month, Suburban will make the following entries to update the balances in its balancing accounts:
- Authorized balancing account monthly collection/refunds.
 - Recorded surcharges billed/credited to customers.
 - Difference between (a) and (b).
 - If the calculated item (c) is a positive number, the result is an under-collection; if item (c) is a negative number, the result is an over-collection.
 - The company will record the accumulated balance in the account monthly, by adding its entry in item (c) to the prior accumulated monthly balance.
 - Interest shall accrue monthly by applying one-twelfth of the Federal reserve 3-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.
6. The balancing account will terminate when so ordered by the Commission, at which time any remaining debt (under-collection) or credit (over-collection) balance will be amortized through a rate surcharge or surcredit.

(To be inserted by utility)

(To be inserted by Cal. P.U.C.)

Issued by

Advice Letter No. 411-W
Decision No.
Craig D. Gott
Name
President
Title

Date Filed 04/15/2025
Effective 04/15/2025
Resolution No.

Suburban Water Systems
1325 N. Grand Ave., Ste. 100
Covina, CA 91724-4044

Revised
Canceling Revised

Cal. P.U.C. Sheet No. 2028-W

Cal. P.U.C. Sheet No. 2025-W

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President
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**Suburban
Water Systems**

1325 N. Grand Ave. Ste. 100, Covina, CA 91724-4044
Phone: 626.543.2540, Fax: 626.543.2664
SuburbanWaterSystems.com

VIA EMAIL

U-339-W

ADVICE LETTER NO. 411-W

April 15, 2025

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suburban Water Systems ("Suburban") hereby submits for filing with the Commission the following tariff sheets which are attached hereto:

CPUC Sheet No.	Title of Sheet	Canceling CPUC Sheet No.
2026-W - 2027-W	Preliminary Statement (Continued)	New
2028-W	Table of Contents	2025-W

The purpose of this Tier 2 Advice Letter filing is to include Suburban's long-standing practice for pumped and purchased water and purchased power balancing accounts in its preliminary statement.

Pursuant to Public Utilities Code § 792.5, Suburban has maintained these balancing accounts for many years (at least as early as June 1975, the earliest requested offset where Suburban has records), and Suburban's practice is also consistent with CPUC Standard Practice U-27-W paragraph 29. Public Utilities Code § 792.5 states:

(a) Whenever the commission authorizes any change in rates reflecting and passing through to customers specific changes in costs, except rates set for common carriers, the commission shall require as a condition of the order that the public utility establish and maintain a balancing account reflecting the balance, whether positive or negative, between the related costs and revenues, and the commission shall take into account by appropriate adjustment or other action any positive or negative balance remaining in the balancing account at the time of any subsequent rate adjustment.

Suburban has tracked the recorded quantity multiplied by the actual cost per unit compared to the adopted cost per unit for pumped and purchased water along with the purchased power, and amortized the under/over collection balances in these accounts based on the approved amount authorized either in the General Rate Case or by advice letter filing.

At no point in time, however, have the pumped and purchased water and purchased power balancing accounts been included in Suburban's preliminary statement as Suburban has never been required by the Commission to do so.

Nonetheless, for transparency purposes, and in accordance with General Rule 9.5.3 of General Order (GO) 96-B, Suburban proposes to add the Volume Related Cost Balancing Account (VRCBA) to its preliminary statement. General Rule 9.5.3 of GO 96-B states:

“The preliminary statement shall describe or explain: the territory served; the types and classes of service rendered; the general conditions under which services are rendered; the memorandum accounts (if any), balancing accounts, and adjustment clauses that might affect the utility’s rates; and other tariff provisions that do not appear in the tariff rules or rate schedules.”

However, this advice letter filing should not be construed as limiting Suburban’s ability to recover its currently unamortized under-collection balance related to pumped and purchased water and also purchased power. In fact, Suburban plans to soon file for recovery of these balances which originate from July 1, 2022, in addition to lingering balances of previously authorized balancing accounts.

Tier Designation and Effective Date

This is a Tier 2 filing.

Suburban requests that the advice letter is effective on April 15, 2025, the date of the filing of this advice letter.

In compliance with Water Industry Rule 4.3 of General Order 96-B, a copy of this advice letter has been mailed or electronically transmitted to all interested and affected parties as detailed in Attachment A.

Response or Protest

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 may be based upon the following:

- (1) The utility did not properly serve or give notice of the advice letter; or
- (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 the utility relies; or
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions; or
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (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 policy objections to an Advice Letter (AL) where the relief requested in the AL 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. DWA must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed.

The addresses for submitting a response or protest are:

Email Address:
Water.Division@cpuc.ca.gov

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

On the same date any protest or response is submitted to the Water Division, the respondent or protestant must serve a copy of the protest or response to: Suburban Water Systems, Kiki Carlson,

Director of Regulatory Affairs, 1325 N. Grand Ave., Suite 100, Covina, CA 91724-4044, and email kiki.carlson@nexuswg.com

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.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits 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. If you have not received a reply to your protest within ten business days, contact Suburban Water Systems at (626) 543-2500.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Sincerely,

/s/Kiki Carlson

Kiki Carlson
Director, Regulatory Affairs

Enclosures

SUBURBAN WATER SYSTEMS
Distribution List

Attachment A

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Director Of Public Works
City of Whittier
13230 E. Penn Street
Whittier, CA 90602

City Clerk
City of West Covina
1444 W. Garvey Ave. South
West Covina, CA 91790

City Attorney
City of Whittier
13230 E. Penn Street
Whittier, CA 90602

City Clerk
City of La Mirada
P.O. Box 828
La Mirada, CA 90638

Joe Matthews
La Habra Heights County Water District
Joe@Lhhcwg.com

City Attorney
City of Baldwin Park
14406 E. Pacific Ave.
Baldwin Park, CA 91706

City of Azusa
Budget & Revenue Manager
Richard.Lam@Azusaca.gov

County Clerk
Orange County
10 Civic Center Plaza, 3rd. Floor
Santa Ana, CA 92701

City Clerk
City of Covina
125 East College Blvd.
Covina, CA 91723

City Attorney
City of Covina
125 East College Blvd.
Covina, CA 91723

Director of Public Works
City of Buena Park
6650 Beach Blvd.
Buena Park, CA 90621

City of Santa Fe Springs
Department of Public Works
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

Bill Robinson
Upper San Gabriel Valley M.W.D.
1146 East Louisa Avenue
West Covina, CA 91790-1346

City Attorney
City of La Habra
P.O. Box 337
La Habra, CA 90633

City Attorney
City of West Covina
1444 West Garvey Ave. South
West Covina, CA 91790

City Clerk
City of Baldwin Park
14406 E. Pacific Ave.
Baldwin Park, CA 91706

The Prinden Corporation
P.O. Box 712
Park Ridge, NJ 07656-0712

Orchard Dale County Water District
13819 East Telegraph Road
Whittier, CA 90604

SUBURBAN WATER SYSTEMS

Distribution List

Page 2 of 3

City Attorney
City of La Mirada
P.O. Box 828
La Mirada, CA 90638

County Counsel
Orange County
10 Civic Center Plaza, 3rd. Floor
Santa Ana, CA 92701

City Clerk
City of Glendora
116 East Foothill Blvd.
Glendora, CA 91741

City Clerk
City of Walnut
P.O. Box 682
Walnut, CA 91788-0682

Jandy Macias, General Manager
Valley County Water District
jmacias@vcwd.org

Audrey F. Jackson
Golden State Water Company
AFJackson@gswater.com

Rowland Water District
gsanchez@rwd.org

California Domestic Water Company
lnoriega@caldomestic.com

City Clerk
City of La Habra
cc@lahabracal.gov

City of Azusa
Assistant General Manager – Water
Operations
Melissa.Barbosa@azusacal.gov

County Clerk
Los Angeles County
12400 Imperial Hwy, Room 2001
Norwalk, CA 90650

City Clerk
City of La Puente
15900 East Main St.
La Puente, CA 91744

City Attorney
City of Glendora
116 East Foothill Blvd.
Glendora, CA 91741

City Attorney
City of Walnut
P.O. Box 682
Walnut, CA 91788-0682

Liberty Utilities
AdviceLetterService@LibertyUtilities.com

City Clerk, Julie Gutierrez-Robles
City of Industry
jgrobles@cityofindustry.org

Valencia Heights Water Co.
dmichalko@vhwc.org

Carmen Fleming
Walnut Valley Water District
cflaming@wvwd.com

California Advocates Office Water Branch
California Public Utilities Commission
PublicAdvocatesWater@cpuc.ca.gov

City Clerk
City of La Puente
mtorres@lapuente.org

SUBURBAN WATER SYSTEMS

Distribution List

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Regulatory Affairs Department
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San Dimas, CA 91709
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City of Compton Water Department
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Compton, CA 90220
ccornwell@comptoncity.org

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West Covina, CA 91791
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The Public Advocates Office
California Public Utilities Commission
Richard.Raushmeier@cpuc.ca.gov
Hani.Moussa@cpuc.ca.gov

Los Angeles County Supervisor District 2
for Willowbrook and unincorporated LA
500 West Temple Street, Room 866
Los Angeles, CA 90012
HollyJMitchell@bos.lacounty.gov

PRELIMINARY STATEMENT

AG. Volume Related Cost Balancing Account (VRCBA) (N)

1. Purpose:

This account is established pursuant to Section 792.5 of the Public Utilities Code and General Rule 9.5.3 of General Order 96-B.

The purpose of this account is to track monies that the Commission has authorized for recovery or amortization in the Company's reserve accounts.

The Company's reserve accounts consist of:

- a. The recorded quantity of production of pumped and purchased water in acre feet (AF) multiplied by the difference between the adopted and recorded price of pumped and purchased water, respectively, plus or minus any necessary expense adjustments.
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PRELIMINARY STATEMENT

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4. Transition from reserve accounts to balancing accounts:
Suburban may request amortization of its reserve accounts via tier one advice letter filings or general rate case proceedings when the over or under collection balance in the accounts exceeds 2% of the adopted revenue requirement. Following CPUC approval of the amortization of the reserve accounts as reasonable, and pursuant to CPUC Standard Practice U-27-W (Standard Practice for Processing Rate Offsets and Establishing and Amortizing Memorandum Accounts), Suburban will move these amounts to balancing accounts for recovery.
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