

March 24, 2021

**ADVICE 124-W
(U 338-W)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
WATER DIVISION

SUBJECT: Establishment of the Catalina Water Pipeline Assessment Memorandum Account to Track and Record Environmental-Remediation Costs for the Catalina Water Utility

In compliance with Ordering Paragraph (OP) 1 of Decision (D.)21-02-009 (D.21-09-009 or the Decision) dated February 11, 2021, Southern California Edison Company (SCE) hereby submits to the California Public Utilities Commission (Commission) the following changes to its tariffs for water service on Santa Catalina Island. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice letter establishes Preliminary Statement Part S, Catalina Water Pipeline Assessment Memorandum Account (CWPAMA), of SCE's Water Tariffs pursuant to OP 1 of D.21-02-009.

BACKGROUND

SCE's Catalina Water operations is a Class C utility serving approximately 2,000 customer accounts across Santa Catalina Island.¹ SCE acquired the Catalina water utility in 1962² and is the sole water purveyor on the island, providing potable water service to approximately 4,100 residents and 1 million annual visitors to the island.

On January 28, 2020, SCE submitted Advice 116-W seeking authority to establish a memorandum account to record and track all environmental remediation costs relating to the identification, characterization, removal, and disposal of decommissioned pipe throughout the Catalina water system.

¹ 1,490 residential customers, 345 commercial customers, 62 irrigation customers, and 102 fire protection customers.

² D.64420, OP 1. SCE also acquired Catalina gas and electric utility operations.

On February 26, 2020, the Commission's Water Division suspended Advice 116-W, and indicated that SCE's request be reviewed through a formal application.³ On April 13, 2020, SCE filed Application (A.)20-04-010 requesting establishment of the CWPAMA with a narrowed scope and updated cost estimate.

On February 11, 2021, the Commission approved D.21-02-009, authorizing SCE to establish a memorandum account to track the costs to perform a system-wide assessment of Catalina water utility infrastructure. The Decision authorized an effective date of April 13, 2020 for the memorandum account,⁴ the same date SCE filed its application. Finally, the Decision authorized SCE to submit a Tier 1 advice letter to establish the CWPAMA.⁵

PROPOSED TARIFF CHANGES

In accordance with the discussion above, SCE is establishing Preliminary Statement Part S – Catalina Water Pipeline Assessment Memorandum Account.⁶

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Water Industry Rule 7.3.1(3) and OP 1 of D.21-02-009, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

Pursuant to OP 2 of D.21-02-009, the effective date of this advice letter and tariffs is April 13, 2020.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

Director, Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
E-mail: water_division@cpuc.ca.gov
Facsimile: (415) 703-2200

³ On May 7, 2020, SCE withdrew Advice 116-W due to the filing of A.20-04-010.

⁴ D.21-02-009, OP 2.

⁵ *Id.*, OP 1.

⁶ SCE is making an additional clarifying change to Section 2 of Preliminary Statement Part S.

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Gary A. Stern, Ph.D.
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-6396
Telephone: (626) 302-9645
E-mail: AdviceTariffManager@sce.com

and

Tara S. Kaushik
Managing Director, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

SCE is serving copies of this advice filing to the service list for interested parties shown on the attached GO 96-B service list in accordance with Water Industry Rule 4.1 of GO 96-B and A.20-04-010 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

In addition, SCE is complying with the customer notice provisions of Rule 3.1 (Water Utility Rule) of GO 96-B.

For questions, please contact Cooper Cameron at (626) 302-3406 or by electronic mail at Cooper.Cameron@sce.com.

Southern California Edison Company

/s/ Gary A. Stern, Ph.D.
Gary A. Stern, Ph.D.

GAS:cc:jm
Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Southern CA Edison

Date Mailed to Service List: March 24, 2021

CPUC Utility #: WTC 338

Protest Deadline (20th Day): April 13, 2021

Advice Letter #: 124-W

Review Deadline (30th Day): April 23, 2021

Tier 1 2 3 Compliance

Requested Effective Date: April 13, 2020

Decisions 21-02-009 and

Authorization 21-09-009

Rate Impact: \$ N/A
N/A%

Description: Establishment of the Catalina Water Pipeline Assessment Memorandum Account to Track and Record Environmental-Remediation Costs for the Catalina Water Utility

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Darrah Morgan

Utility Contact 2: Jeanette Melgar

Phone: (626) 302-2086

Phone 2: (626) 302-4039

Email: advicetariffmanager@sce.com

Email 2: Jeanette.melgar@sce.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Preliminary Statements S
Preliminary Statements S
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APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 1279-W Original 1280-W	Preliminary Statements S Preliminary Statements S	
Revised 1281-W	Table of Contents	Revised 1219-W



Preliminary Statement

Sheet 1

S. Catalina Water Pipeline Assessment Memorandum Account (CWPAMA)

1. Purpose

The purpose of the Catalina Water Pipeline Assessment Memorandum Account (CWPAMA) is to track and record costs associated with SCE's completion of an island-wide assessment of SCE's Catalina water distribution system, including both in-service and decommissioned pipelines, for the presence of certain hazardous materials (polychlorinated biphenyls (PCBs) and asbestos) regulated under the Toxic Substances Control Act (TSCA) and South Coast Air Quality Management District.

2. Applicability

The CWPAMA will be recovered by customer classes that the Commission designates in its discretion in connection with the proceeding resolving the reasonableness review.

3. Definitions

- a. In-service pipeline: actively supports distribution of water to customers, including stand-by or emergency functions;
- b. Out-of-service pipeline: decommissioned (abandoned) pipe no longer in-service and not supporting distribution of water to customers;
- c. Re-purposed pipeline: pipe no longer in-service and has been re-purposed for another use, such as a culvert or retaining wall, etc.; and
- d. Legacy pipeline: pipe not currently connected to the active distribution system, but can be returned to service, if needed.

4. Operation of the CWPAMA

The following entries will be recorded monthly (if applicable) to the CWPAMA:

A debit entry equal to the recorded costs associated with performing an assessment of the entire Catalina water distribution system, including, but not limited to:

- a. Desktop assessment – compiling existing physical and electronic records, drawing review, and identifying location and accessibility of water pipeline;

(Continued)

(To be inserted by utility)

Advice 124-W
Decision 21-02-009;21-09-009

Issued by

Carla Peterman
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Mar 24, 2021
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Preliminary Statement

Sheet 2

(Continued)

S. Catalina Water Pipeline Assessment Memorandum Account (CWPAMA) (Continued)

4. Operation of the CWPAMA (Continued)

- b. Field assessment – biological/archaeological surveys and monitoring, agency notification and permit preparation, investigation of system areas unable to be verified during the desktop assessment, field sampling of distribution system infrastructure (in-service, out-of-service, re-purposed, and legacy) including surrounding soils; and
- c. Report preparation – summary of findings, map/diagram indicating locations and categories, material composition, and accessibility, and supporting documentation.

5. Interest

Interest expense shall accrue monthly in the CWPAMA by applying one-twelfth of the most recent Federal Reserve three-month Commercial Paper Rate – nonfinancial, from the Federal Reserve’s Statistical Release H.15 (expressed as an annual rate) to the average monthly balance in the CWPAMA. If a nonfinancial rate is not published by the Federal Reserve in a given month, SCE shall use the Federal Reserve’s three-month Commercial Paper Rate – financial.

6. Disposition

Costs recorded in the CWPAMA may be recovered in rates only after a request by SCE, a showing of reasonableness, and approval by the Commission. Disposition of the amounts recorded in the CWPAMA shall be requested in accordance with General Order 96-B, Water Industry Rule 7.3.3(7) and Standard Practice U-27-W; SCE’s next General Rate Case application; or other ratesetting request designated by the Commission.

(To be inserted by utility)

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Decision 21-02-009;21-09-009

Issued by

Carla Peterman
Senior Vice President

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Southern California Edison
Rosemead, California

Revised Cal. PUC Sheet No. 1281-W
Cancelling Revised Cal. PUC Sheet No. 1219-W

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(To be inserted by utility)

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