



Suburban Water Systems

A SouthWest Water Company

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

Phone: 626.543.2500, Fax: 626.331.4848

www.swwc.com

VIA EMAIL

U-339-W

ADVICE LETTER NO. 377-W

October 24, 2022

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suburban Water Systems (“Suburban”) hereby submits for filing with the Commission an original and two copies of the following tariff sheets which are attached hereto:

CPUC Sheet No.	Title of Sheet	Canceling CPUC Sheet No.
1882-W	Preliminary Statement (Continued)	1674-W
1883-W	Preliminary Statement (Continued)	1675-W
1884-W	Table of Contents	1880-W

The purpose of this filing is to request a three-year extension of the “Asbestos Litigation Memorandum Account (ALMA)”, to January 5, 2026 unless the Commission approves a further extension at that time.

The revised Preliminary Statement is submitted pursuant to Decision 18-01-014 which approved a Settlement Agreement reached by Suburban and Public Advocates, paragraph II.D., which states:

Unless the Commission approves an extension, the ALMA shall expire on January 4, 2020.

In addition, Decision 18-01-014 directly addresses the possibility of an extension in Footnote 8 (p.5):

Under the Settlement Agreement, the Parties agree that the Commission should authorize Suburban to track asbestos litigation-related costs incurred on or subsequent to January 6, 2017, and the ALMA expires on January 5, 2020, unless the Commission approves an extension.

In the ALMA proceeding, A.17-01-010, the Prepared Testimony of Robert L. Kelly (see Joint Motion, Appendix B) summarized two asbestos lawsuits that had been filed against Suburban. Following is a summary of the status of those lawsuits:

Walden v. Ford, et al. The case remains pending, with no trial date at this time.

Brogden, et al. v. Ford, et al. Dismissal of Suburban with prejudice was filed by Plaintiff on March 28, 2018.

To date no additional asbestos lawsuits have been filed against Suburban and since the ALMA became effective on February 6, 2017 costs recorded in the ALMA totaling \$20,012.81. Suburban’s need for the ALMA remains compelling. AC pipe remains installed in most Suburban’s distribution systems, and the CPUC originally advocated Suburban installing AC pipe (see Supplemental Testimony of Robert L. Kelly, marked into the record and identified as SWSAC-2).

Tier Designation and Effective Date

This is a Tier 1 filing – the advice letter is a compliance advice letter.

Suburban requests processing by the Commission’s Water Division so the revised Preliminary Statement will become effective on November 23, 2022.

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) The utility 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 the utility 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; 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 relitigating a prior order of the Commission.)

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 protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
Water.Division@cpuc.ca.gov

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, Regulatory Affairs Manager, 1325 N. Grand Ave., Suite 100, Covina, CA 91724-4044, FAX (626) 331-4848, and email kcarlson@swwc.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 5 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.

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

In compliance with General Rule 4.3 and 7.2 and Water Industry Rule 4.1 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.

Sincerely,

/s/Kiki Carlson

Kiki Carlson
Regulatory Affairs Manager

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
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La Mirada, CA 90638

Michael Gualtieri
La Habra Heights County Water District
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Baldwin Park, CA 91706

City Clerk
City of Industry
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Industry, CA 91744

County Clerk
Orange County
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Santa Ana, CA 92701

City Clerk
City of Covina
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Covina, CA 91723

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

Director of Public Works
City of Buena Park
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Buena Park, CA 90621

City of Santa Fe Springs
Department of Public Works
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West Covina, CA 91790-1346

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City of La Habra
P.O. Box 337
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West Covina, CA 91790

City Clerk
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Orchard Dale County Water District
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SUBURBAN WATER SYSTEMS
Distribution List

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County Clerk
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City Clerk
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Walnut Valley Water District
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City Clerk
City of La Habra
cc@lahabraca.gov

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

City of Azusa
Assistant Director - Water Operations
Jmacias@AzusaCa.Gov

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City of La Puente
sgarcia@lapuente.org

SUBURBAN WATER SYSTEMS
Distribution List

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Ronald Moore
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Regulatory Affairs Department
630 E. Foothill Blvd.
San Dimas, CA 91709
RKMoore@gswater.com

The Public Advocates Office
California Public Utilities Commission
Richard.Raushmeier@cpuc.ca.gov
Hani.Moussa@cpuc.ca.gov

PRELIMINARY STATEMENT
(Continued)

S. Asbestos Litigation Memorandum Account (“ALMA”)

1. PURPOSE:

The Asbestos Litigation Memorandum Account (“ALMA”) will track costs, settlement payments, judgments and credits related to litigation arising from alleged exposure to asbestos from asbestos cement (“AC”) water pipes in Suburban’s service areas.

2. APPLICABILITY:

The ALMA is effective beginning January 6, 2017 through January 5, 2026, unless (T) the California Public Utilities Commission authorizes an extension. The ALMA applies to all districts.

3. RATES:

The ALMA has no rate component.

4. ACCOUNTING PROCEDURE:

Suburban shall make the entries described below on a monthly basis. Suburban shall only record costs for outside services related to defending against asbestos litigation lawsuits and seeking indemnification or cost recovery from insurers, developers, contractors, or other involved parties. Suburban shall not record any costs for internal services related to defending against asbestos litigation lawsuits and seeking indemnification or cost recovery from insurers, developers, contractors, or other involved parties. Suburban shall only record the following outside services costs related to asbestos litigation to the memorandum account:

- a. Filing and court fee costs
- b. Attorney fees
- c. Legal representation administrative costs
- d. Legal representation travel costs
- e. Litigation support costs
- f. Investigative costs
- g. Court reporter costs
- h. Deposition costs
- i. Expert witness fees
- j. Expert witness administrative costs
- k. Witness representation costs
- l. Witness travel costs
- m. Insurance coverage attorney costs
- n. Other reasonable and justified costs from outside service providers directly tied to asbestos litigation cases.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 377-W

Craig D. Gott
Name

Date Filed _____

Decision No. 18-01-014

President
Title

Effective _____

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

S. ALMA (Continued)

4. ACCOUNTING PROCEDURE (continued):

Suburban may record in the ALMA payments made according to settlement agreements in litigation related to alleged asbestos exposure. Suburban may record in the ALMA judgments against it in litigation related to alleged asbestos exposure.

Suburban shall record any recovery or compensation of costs from outside sources as a credit to the memorandum account. Any recovery or compensation of costs recorded in the memo account is to be credited against the costs recorded in the memorandum account, including recovery or compensation received after any expiration of the memorandum account. Costs that shall be treated as a credit in the memorandum account include, but are not limited to:

- a. Developer indemnity
- b. Developer reimbursement of expenses
- c. Developer insurance reimbursement
- d. Contractor indemnity
- e. Contractor insurance reimbursement
- f. Contribution by other defendants
- g. Court awards
- h. Settlement awards

Pursuant to Standard Practice U-27-W (“SP U-27”) of the Division of Water & Audits, the ALMA will earn interest at the 90-day commercial paper rate.

5. DISPOSITION:

Suburban shall seek recovery of costs recorded in the memorandum account if triggered under SP U-27, or in the 2030 and/or 2026 GRC filings. The request shall be in a filing that is in accordance with SP U-27 and General Order 96-B, Water Industry Rule 7.3.3. (T)

(To be inserted by utility)

Issued by

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

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Craig D. Gott

Date Filed

Name

Decision No. 18-01-014

President

Effective

Title

Resolution No.

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

Revised
 Canceling Revised

Cal. P.U.C. Sheet No. 1884-W
 Cal. P.U.C. Sheet No. 1880-W

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