

October 6, 2022

**ADVICE 132-W
(U 338-W)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
WATER DIVISION

SUBJECT: Establishment of Memorandum Account to Track and Record Above-Ground Decommissioned Pipe Soil Remediation and Below-Ground Decommissioned Pipe Pre-Construction Activities Costs for the Catalina Water Utility

In compliance Ordering Paragraph (OP) 1 of Decision (D.)22-09-008 (D.22-09-008 or Decision) dated September 15, 2022, 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 U, Catalina Water Decommissioned Pipe Memorandum Account (CWDPMA), of SCE's Water Tariffs pursuant to OP 2 of D.22-09-008.

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 one-million annual visitors to the island.

On June 4, 2021, SCE filed Application (A.)21-06-007 seeking authorization to establish a memorandum account to record and track costs for certain decommissioned pipe pre-construction and soil remediation activities for the Catalina water utility.

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 September 15, 2022, the Commission approved D.22-09-008, authorizing SCE to establish a memorandum account to track the costs to perform soil remediation associated with previously removed above-ground decommissioned pipe and pre-construction activities associated with below-ground decommissioned pipe. The Decision authorized an effective date of June 4, 2021 for the memorandum account,³ the same date SCE filed its application. Finally, the Decision authorized SCE to submit a Tier 1 advice letter to establish the CWDPMA.⁴

PROPOSED TARIFF CHANGES

In accordance with the Decision, SCE is establishing the following tariff:

- Preliminary Statement U – Catalina Water Decommissioned Pipe Memorandum Account.

TIER DESIGNATION

Pursuant to General Order 96-B, Water Industry Rule 7.3.1(3) and OP 1 of D.22-09-008, this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

Pursuant to OP 2 of D.22-09-008, this advice letter and attached tariffs have an effective date of June 4, 2021.

NOTICE

Anyone wishing to protest this advice letter may do so only electronically. Protests must be received no later than 20 days after the date of this advice letter. Protests should be submitted to the CPUC Water Division:

Director, Water Division
California Public Utilities Commission
E-mail: water_division@cpuc.ca.gov

³ D.22-09-008, OP 2.

⁴ Id, OP 1.

In addition, protests and all other correspondence regarding this advice letter should be sent electronically to the attention of:

Connor Flanigan
Managing Director, State Regulatory Operations
Southern California Edison Company
E-mail: AdviceTariffManager@sce.com

Tara S. Kaushik
Managing Director, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
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 and A.21-06-007 service list in accordance with Water Industry Rule 4.1 of GO 96-B. Address change requests to the GO 96-B Water 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/ Connor Flanigan
Connor Flanigan

CF:cc:bs
Enclosures

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

Advice Letter Cover Sheet

Utility Name: Southern CA Edison

Date Mailed to Service List: Oct 06, 2022

CPUC Utility #: WTC 338

Protest Deadline (20th Day): Oct 26, 2022

Advice Letter #: 132-W

Review Deadline (30th Day): Nov 05, 2022

Tier 1 2 3 Compliance

Requested Effective Date: Jun 04, 2021

Authorization Decision 22-09-008

Rate Impact: \$

Description: Establishment of Memorandum Account to Track and Record Above-Ground Decommissioned Pipe Soil Remediation and Below-Ground Decommissioned Pipe Pre-Construction Activities 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: advicetariffmanager@sce.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

| <u>DATE</u> | <u>STAFF</u> | <u>COMMENTS</u> |
|-------------|--------------|-----------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

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

Advice Letter Cover Sheet

Preliminary Statements U

Table of Contents

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|--------------------------|-------------------------------------|
| Original 1364-W | Preliminary Statements U | |
| Revised 1365-W | Table of Contents | Revised 1352-W |

PRELIMINARY STATEMENT

Sheet 1

U. Catalina Water Decommissioned Pipe Memorandum Account (CWDPMA)

1. Purpose

The purpose of the Catalina Water Decommissioned Pipe Memorandum Account (CWDPMA) is to record costs associated with planning and project development activities necessary for the remediation of below-ground decommissioned pipe facilities characterized during a system-wide assessment of SCE's water distribution infrastructure. Additionally, SCE will record soil remediation costs associated with previously removed above-ground decommissioned pipe as authorized in D.22-09-008.

2. Applicability

Costs tracked in the CWDPMA will be recovered from customer classes that the Commission designates in its discretion in connection with the proceeding resolving the reasonableness review of the recorded costs.

3. Operation of the CWDPMA

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

A debit entry equal to the recorded costs associated with performing planning and project development activities relating to below-ground decommissioned pipe and/or soil remediation activities relating to above-ground decommissioned pipe on Catalina.

4. Interest

Interest expense shall accrue monthly in the CWDPMA 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 CWDPMA. 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.

5. Disposition

The costs recorded in the CWDPMA may be recovered in rates only after a request by SCE, a showing of reasonableness, and approval by the Commission. The costs recorded in the CWDPMA shall be presented to the Commission for review of reasonableness and recovery in a future application, consistent with D.22-09-008.

(Continued)

(To be inserted by utility)

Advice 132-W
Decision 22-09-008

Issued by
Michael Backstrom
Vice President

(To be inserted by Cal. PUC)

Date Filed Oct 6, 2022
Effective _____
Resolution _____



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.
Sheet No.

| | | |
|---|-----------------------|-----|
| TITLE PAGE | 881-W | |
| TABLE OF CONTENTS - RATE SCHEDULES | 1365-1353-W | (T) |
| TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS..... | 1307-W | |
| TABLE OF CONTENTS - RULES | 1307-W | |
| TABLE OF CONTENTS - SAMPLE FORMS | 1307-W | |
| PRELIMINARY STATEMENT: | | |
| A. Territory Served by the Utility | 848-W | |
| B. Types and Classes of Service | 848-W | |
| C. Description of Service..... | 848-W | |
| D. Procedure to Obtain Service | 848-W | |
| E. Symbols | 848-W | |
| F. Income Tax Component of Contributions Provision | 309-310-W | |
| G. Tax and Depreciation Change (TDC) Memorandum Account . . . | 330-331-W | |
| H. Water Related Costs and Fees (WRCF) Memorandum Account | 337-338-W | |
| I. Water Contamination Litigation Expense Memorandum Account | 351-W | |
| J. Water Quality Balancing Account..... | 466-467-W | |
| K. Office of Drinking Water User Fees Balancing Account..... | 468-469-W | |
| L. Deferred Revenue Requirement Tracking Account (DRRTA) | 418-W | |
| M. Purchased Power Expenses Memorandum Account (PPEMA) | 425-W | |
| N. Catalina Water CARE Memorandum Account | 437-W | |
| O. Catalina Water Rationing Memorandum Account (CWRMA) | 582-W | |
| P. Catalina Water Lost Revenue Memorandum Account (CWLRLMA)..... | 816-W | |
| Q. Water Revenue Adjustment Mechanism / Modified Cost Balancing Account (WRAM/MCBA)..... | 1020-1021-1022-W | |
| R. Consumption Adjustment Mechanism | 1092-1093-1094-1095-W | |
| S. Catalina Water Utility Hazardous Substances Memorandum Account | 1279-1280-W | |
| T. Catastrophic Event Memorandum Account (CEMA)..... | 1193-W | |
| U. Catalina Water Decommissioned Pipe Memorandum Account | 1364-W | (N) |
| SERVICE AREA MAP | 3-W | |

(Continued)

(To be inserted by utility)
Advice 132-W
Decision 22-09-008

Issued by
Michael Backstrom
Vice President

(To be inserted by Cal. PUC)
Date Filed Oct 6, 2022
Effective _____
Resolution _____