

**SCHEDULE E-2**  
**DESCRIPTION OF LOW-INCOME RATE ASSISTANCE PROGRAMS**

*For all low income rate assistance programs offered by water utility, provide detailed responses to the following items:*

1. *Brief description of each low-income rate assistance program provided, by district. This shall include but is not limited to the percent of discount, the dollar amount of discount, what rate is discounted (service charge, quantity, or total bill), qualifying income level, dollar rate increase to remaining customers to pay for this program.*

In 2005, San Gabriel Valley Water Company (“San Gabriel”) initiated separate but identical California Alternative Rates for Water (CARW) programs in each of its two ratemaking divisions. To qualify for the CARW program, a customer must be within the Residential class, reside in a single family dwelling or duplex, be served through a 1-inch or smaller meter, and have a household income within the standards published annually by the California Public Utilities Commission. Customers also automatically qualify for the CARW program if they have qualified for the Energy Utility CARE Program. The monthly fixed-charge discounts below were established by D.20-08-006 for the Los Angeles County Division and for the Fontana Water Company Division.

<u>Meter Size</u>	<u>LA County</u>	<u>Fontana</u>
5/8” x 3/4”	\$9.82	\$9.82
3/4”	\$9.82	\$9.82
1”	\$9.82	\$9.82

In the Los Angeles County division, forecasted costs are recovered through a \$0.2158/Ccf surcharge billed to non-CARW customers, subject to later true-up. In the Fontana Water Company division, forecasted costs are recovered through a \$0.2389/Ccf surcharge billed to non-CARW customers, subject to later true-up.

2. *Participation rate for Year 2020 (as a percent of total residential customers served).*

At year end, 20,519 customers or 52.6% of the adopted 38,974 residential single-family customers with a 1-inch or smaller meter qualified for the CARW program in the Los Angeles County division, and 24,237 customers or 56.9% of the adopted 42,585 residential single-family customers with a 1-inch or smaller meter qualified for the CARW program in the Fontana Water Company division.

3. *Details of balancing or memorandum account authorized to record expenses incurred and revenues collected for low income rate assistance program.*

At year end, the total undercollected balance in the CARW balancing accounts was \$854,208.

**SCHEDULE E-3**  
**DESCRIPTION OF WATER CONSERVATION PROGRAMS**

**San Gabriel Valley Water Company (“San Gabriel” or the “Company”) hereby provides responses to Schedule E-3 of the Annual Report, Description of Water Conservation Programs in conformance with Commission Decision No. 11-05-004.**

*1. Provide a brief description of each water conservation program offered by the water company, by district. This description shall include but not limited to the type of program offered (such as provision of low-flow plumbing fixtures, leak detection, leak repair, written water conservation tips, or other similar programs to its customer, whether offered with a third party, whether direct install or rebate, and length of time the program was offered.*

Los Angeles County Division

- 1) Recycled Water – In 2020, the Company collaborated with Upper San Gabriel Valley Municipal Water District, Central Basin Municipal Water District and Sanitation Districts of Los Angeles County to deliver 1,502 acre feet (approximately 5% of the Company’s total supply) of recycled water to various customers for non-potable landscape irrigation in place of limited drinking water supplies.
- 2) Low-Flow Plumbing Fixture Rebates – The Company offers its residential customers a rebate on high efficiency clothes washers (“HECW”), landscape rotating nozzles and weather-based irrigation controllers. The Company offers its commercial, industrial, and institutional (“CII”) customers a rebate on large rotary nozzles, high efficiency toilet (“HET”), zero water urinals, pH-cooling tower conductivity controllers, dry vacuum pumps, connectionless food steamers, and ice-making machines.
- 3) Large Landscape Irrigation Efficiency – The Company facilitates installation of wireless irrigation management systems to assist large landscape customers with monitoring water usage and reducing their irrigation demands.
- 4) CII Water Use Audit – The Company offers its CII customers a water audit to identify inefficient indoor water fixtures and outdoor irrigation systems that need to be retrofitted or replaced. Each customer receives a report that describes the needed improvements and resulting estimated water savings.
- 5) CII Retrofit – The Company provides financial assistance to CII customers to help offset the cost of implementing the improvements recommended in the CII Audit Reports.
- 6) HET – The Company hired EcoTech Services, Inc. to deliver HETs to its customers. Each residential customer is eligible to receive a maximum of two HETs per household and have them installed within one month. After a month, participants of the programs are subject to a random inspection.
- 7) Water Conservation Kits – Water Conservation Kits (“Kits”) include 1.5 gallons per minute (“GPM”) showerhead, a 1.5 GPM flow dual spray kitchen aerator, and a 1 GPM aerator. The Kits are distributed to residential and CII customers at the Company’s commercial offices, during

conservation events and after completion of a residential water audit conducted at the customer's home.

- 8) Single-Family Residential Audits – The Company offers free water conservation surveys to assist residential customers who are interested in reducing their indoor and outdoor water usage.
- 9) School Conservation Education – The Company contracted with the Eco Voices to provide educational presentations in schools within its Los Angeles County division service area. Due to Covid-19, all conservation education performants were cancel.
- 10) HECW Distribution with Southern California Gas Company – Low Income Residential customers are eligible to receive a HECW.
- 11) Education/Public Outreach – All local public events in calendar year 2020 were cancel due to Covid-19.

#### Fontana Water Company Division

- 1) HET Direct Installation for California Alternative Rate for Water Customers – The Company works with EcoTech Services Inc. to provide and install a maximum of two HETs per eligible California Alternative Rates water customer.
- 2) CII Water Use Audit – The Company offers its CII customers a water audit to identify inefficient indoor water fixtures and outdoor irrigation systems that need to be retrofitted or replaced. Each customer receives a report that describes the recommended improvements and resulting estimated water savings.
- 3) Water Conservation Kits – Water conservation kits include a 1.5 GPM showerhead, a 1.5 GPM flow dual spray kitchen aerator, and a 1 GPM aerator distributed to residential and CII customers at the Company's commercial office, during conservation events, and after residential water audits at the customer's home.
- 4) Single-Family Residential Audits – The Company offers free water conservation surveys to assist residential customers who are interested in reducing their indoor and outdoor water usage.
- 5) Weather Based Irrigation Controller (WBIC) and High Efficiency Nozzle Residential Retrofit and Installation Pilot Program – The Company hired EcoTech Services, Inc. to evaluate the customer's existing irrigation system and to install the WBIC and nozzles. Upon completion of the retrofit and installation, EcoTech confirms that the irrigation system is working properly and trains the customer on their new WBIC, including how to make adjustments and program it.
- 6) SoCal Gas – Low Income Residential High Efficiency Clothes Washer Rebate Program with Southern California Gas Company. The Gas Company determines customer eligibility based on income level and then installs a new high efficiency clothes washer.
- 7) Recycled Water On-Site Retrofit Program - This program offers funding to commercial, industrial, and institutional customers to help offset the cost of converting their existing on-site potable water irrigation system or eligible industrial processes to recycled water.

- 8) Pilot Study on Toilet Leak Sensor for Multi-Family Homes – This program provides a monitoring system and sensor to help with leaks for multi-unit homes. The sensor was install on the water line feeding a toilet and monitors water flow. The sensor has a small computer that sends out flow data to a cloud server for the artificial intelligence learning algorithms to provide usage and insights on water usage and possible leaks.
- 9) Education/Public Outreach – The Company participated in numerous local public events by providing water conservation materials and helping customers become more water efficient. Due to the worldwide COVID-19 pandemic Fontana Water Company refrained from participating in public outreach events for 2020.

*2. For each water conservation program described above, prepare an estimated conservation savings report in the following basic format (If it is necessary to deviate from this table, provide estimated program savings).*

See Attachment for details.

### **INFORMATION-ONLY CONSERVATION DATA REPORT**

*1. Baseline average (from 2003-2007 or 10-year baseline if it includes 2003-2007 and only includes years prior to the adoption of a conservation rate design) estimated monthly per customer or service connection consumption by ratemaking district, separated by customer class and meter size. If the water company elects to use a baseline in reliance on the Department of Water Resources methodology developed to implement SBX7-7 without calendar years 2003-2007, the water company shall attach workpapers to support the use of that baseline.*

San Gabriel utilized the methodologies developed by Department of Water Resources to calculate baseline per capita water use expressed in gallons per capita per day (“GPCD”). These baselines, which are detailed in the Company’s adopted 2015 Urban Water Management Plans, on file with the Commission, are 161 GPCD for the Los Angeles County division and 220 GPCD for the Fontana Water Company division.

*2. Average estimated monthly per customer consumption in one hundred cubic feet by ratemaking district, separated by customer class and meter size.*

San Gabriel’s conservation tiered rate design applies only to the residential single family customer classification.

**Los Angeles County Division**

Meter Size	Average Monthly Residential Consumption (Ccf)	Average Residential Connections	Average Monthly Consumption per Customer (Ccf)
5/8"	379,745	31,141	12.2
3/4"	49,604	2,926	17.0
1"	74,583	5,093	14.6
1 1/2"	3,223	82	39.3
2"	1,765	26	67.9

**Fontana Water Company Division**

Meter Size	Average Monthly Residential Consumption (Ccf)	Average Residential Connections	Average Monthly Consumption per Customer (Ccf)
5/8"	355,438	22,790	15.59624
3/4"	1,225	69	17.75242
1"	333,453	19,347	17.2354
1 1/2"	356	13	27.40385
2"	304	8	38.03125

3. Comparison table including baseline and annual average estimated consumption by ratemaking district, separated by customer class and meter size, for each year following implementation of conservation rate designs, with the percentage reduction in consumption calculation by district and by customer class and meter size within in ratemaking district.

San Gabriel’s baseline per capita water use is 161 GPCD for the Los Angeles County division and 220 GPCD for the Fontana Water Company division. The method to calculate per capita water use in GPCD is not comparable to the annual average estimated consumption in hundred cubic feet. However, the following Table shows 2020 annual average consumption by ratemaking district.

**Los Angeles County Division**

Meter Size	Annual Residential Conservation Rate Customer Consumption (Ccf)	Average Residential Conservation Rate Connections	Annual Average Consumption (Ccf)
5/8"	4,556,945	31,141	146.3
3/4"	595,247	2,926	203.4
1"	894,247	5,093	175.6
1 1/2"	38,675	82	471.6
2"	21,176	26	814.5

**Fontana Water Company Division**

Meter Size	Annual Residential Conservation Rate Customer Consumption (Ccf)	Average Residential Conservation Rate Connections	Annual Average Consumption (Ccf)
5/8"	4,265,259	22,790	187.2
3/4"	14,699	69	213.0
1"	4,001,439	19,347	206.8
1 1/2"	4,275	13	328.8

4. Average estimated monthly consumption per tier or block separated by ratemaking district, by meter size, and by customer class, and the number of customers in each sub-grouping.

**Los Angeles County Division**

	Average Monthly Residential Conservation Rate Customer Consumption (Ccf)	Average Residential Conservation Rate Connections	Monthly Average Consumption (Ccf)
5/8"	379,745	31,141	12.2
Tier 1	292,624	31,141	9.4
Tier 2	87,121	31,141	2.8
3/4"	49,604	2,926	17.0
Tier 1	20,360	2,926	7.0
Tier 2	19,244	2,926	6.6
1"	74,583	5,093	14.6
Tier 1	48,160	5,093	9.5
Tier 2	26,423	5,093	5.2
1 1/2"	3,223	82	39.3
Tier 1	869	82	10.6
Tier 2	2,354	82	28.7
2"	1,765	26	67.9
Tier 1	270	26	10.4
Tier 2	1,494	26	57.5

**Fontana Water Company Division**

	Average Monthly Residential Conservation Rate Customer Consumption (Ccf)	Average Residential Conservation Rate Connections	Monthly Average Consumption (Ccf)
5/8"	355,438	22,790	15.6
Tier 1	262,635	22,790	11.5
Tier 2	92,803	22,790	4.1
3/4"	1,225	69	17.8
Tier 1	814	69	11.8
Tier 2	411	69	5.9
1"	333,453	19,347	17.2
Tier 1	234,076	19,347	12.1
Tier 2	99,377	19,347	5.1
1 1/2"	356.25	13	27.4
Tier 1	105	13	8.1
Tier 2	251	13	19.3
2"	304	8	38.1
Tier 1	78	8	9.7
Tier 2	226	8	28.3

5. *Estimated monthly number of customers by district, monthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment, and number of customers reconnected.*

**Los Angeles County Division**

	Monthly Average
Total Residential Conservation Rate Customers	39,267
Disconnection Notices	Not Available
Disconnected for Non-Payment	25
Reconnected	12

**Fontana Water Company Division**

	Monthly Average
Total Residential Conservation Rate Customers	42,226
Disconnection Notices	4,660*
Disconnected for Non-Payment	266*
Reconnected	109*

\*Due to Executive Order N-25-20 related to COVID-19, Emergency Customer Protections stopped all disconnections in March 2020.

6. *Estimated monthly Best Management Practice (“BMP”) compliance costs, by district, separated by customer class, coverage goals or flex track menu (by measure).*

The estimated monthly BMP compliance cost for 2020 was \$37,402 for the Los Angeles County division and \$43,135 for Fontana Water Company Division.

7. *Any other district-specific factor (such as changes in weather, increases in supply from recycled water, or economic factors) that might contribute to consumption changes.*

San Gabriel’s Los Angeles County division delivered 1,502 acre feet (654,270 Ccf) of recycled water and Fontana Water Company division delivered 387 acre feet (168,459Ccf) in 2020 to its CII customers. Recycled water is accounted for in the DWR per-capita water use calculation, and as such its increased use in place of potable water would lower GPCD water use.

## INFORMATION-ONLY FILING LOW-INCOME DATA REPORT

1. Average estimated monthly per customer or service connection low-income customer consumption in one hundred cubic feet by ratemaking district, separated by meter size

### Los Angeles County Division

Meter Size	Average Monthly Residential Conservation Rate Low-Income Consumption (Ccf)	Average Low-Income Residential Conservation Rate Connections	Average Monthly Consumption (Ccf)
5/8"	212,157	16,882	12.6
3/4"	14,323	863	16.6
1"	23,750	1,891	12.6

### Fontana Water Company Division

Meter Size	Average Monthly Residential Conservation Rate Low-Income Consumption (Ccf)	Average Low-Income Residential Conservation Rate Connections	Average Monthly Consumption (Ccf)
5/8"	242,796	15,310	15.8
3/4"	586	34	17.2
1"	144,288	8,265	17.4

2. Average estimated monthly consumption per tier or block separated by ratemaking district, by meter size, and by customer class for low-income customers and the number of customers in each sub-grouping.

### Los Angeles County Division

	Average Monthly Residential Conservation Rate Low-Income Consumption (Ccf)	Average Low-Income Residential Conservation Rate Connections	Average Monthly Consumption (Ccf)
5/8"	212,157	16,882	12.6
Tier 1	163,881	16,882	9.7
Tier 2	48,276	16,882	2.9
3/4"	14,323	863	16.6
Tier 1	8,918	863	10.3
Tier 2	5,405	863	6.3
1"	23,750	1,891	12.6
Tier 1	17,550	1,891	9.3
Tier 2	6,201	1,891	3.3



**Fontana Water Company Division**

	Average Monthly Residential Conservation Rate Low-Income Consumption (Ccf)	Average Low-Income Residential Conservation Rate Connections	Average Monthly Consumption (Ccf)
5/8"	242,796	15,310	15.9
Tier 1	180,979	15,310	11.8
Tier 2	61,817	15,310	4.1
3/4"	586	34	17.2
Tier 1	418	34	12.3
Tier 2	168	34	4.9
1"	144,288	8,265	17.4
Tier 1	102,047	8,265	12.3
Tier 2	42,241	8,265	5.1

3. Estimated monthly number of participating low-income customers by district, monthly or bimonthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment and number of customers reconnected, for all low-income customers;

**Los Angeles County Division**

	Monthly Average
Total Low-Income Conservation Rate Customers	19,637
Disconnection Notices	Not Available
Disconnected for Non-Payment	13
Reconnected	6

**Fontana Water Company Division**

	Monthly Average
Total Low-Income Conservation Rate Customers	23,609
Disconnection Notices	Not Available
Disconnected for Non-Payment	169*
Reconnected	73*

\*Due to Executive Order N-25-20 related to COVID-19, Emergency Customer Protections stopped all disconnections in March 2020.

4. Average low-income customer household size and average estimated monthly consumption by ratemaking district for low-income households of 5 or more, and the number of customer in each subgrouping;

**Los Angeles County Division**

	Monthly Average
Average Low-Income Conservation Rate Customer Household Size	6
Average Estimated Consumption for Low-Income Conservation Rate Customer's Households of 5 or more	14.4

**Fontana Water Company Division**

	Monthly Average
Average Low-Income Conservation Rate Customer Household Size	6
Average Estimated Consumption for Low-Income Conservation Rate Customer's Households of 5 or more	17.2

5. *Low-income customers that participate in conservation programs*

- *Describe the water conservation programs by ratemaking district(s),*

The Los Angeles County division, in cooperation with its regional wholesale water suppliers, provides a number of programs to residential low-income customers. These programs include rebates, direct installation of high efficiency water saving devices, water audits, high-efficiency toilet distribution program and education and public outreach.

Fontana Water Company division has various programs in cooperation with its regional wholesale water suppliers, high-efficiency toilet installation programs, residential water surveys, gardening classes and education and public outreach.

- *Identify whether it is offered with a third party,*

The Los Angeles County division coordinates its low-income programs with the Metropolitan Water District of Southern California, Upper San Gabriel Valley Municipal Water District and Central Basin Municipal Water District.

Fontana Water Company division coordinates its low-income program with the Inland Empire Utilities Agency.

- *Specify how low-income customers are targeted by or included in the program, describe outreach efforts used to reach low-income program participants (application, re-certification, separate outreach), length of time the program been offered, and criteria used to establish the success of the program.*

Low-income program applications are available in San Gabriel's commercial offices, our website [www.sgvwater.com](http://www.sgvwater.com) and [www.fontanawater.com](http://www.fontanawater.com), and during conservation events. San Gabriel uses a number of methods to inform low-income customers about various conservation programs. Each year, all customers receive a bill insert that provides information and application regarding the California Alternative Rates program. Targeted programs to low-income customers included direct mailing of post cards, distributing flyers at public events and posting information in each of the Company's commercial offices.

**Schedule E-3  
Los Angeles County Division  
2020**

A	B	C	D	E	F	G	H	I	J
Name of Measure, as listed in Decision or Settlement	Description of Measure	Authorized \$	# of Units/activities purchased, provided, performed	\$ per unit activity, etc.	Total \$ spent	Designed water saving per unit per year	Unit lifespan **	Estimated Annual measure savings (AFY)	Estimated Lifetime measure savings (AF)
					(D X E)			(D X G)	(I X H)
Direct Installation of High Efficiency Clothes Washer Program with Southern California Gas Company	High Efficiency Clothes Washer		73	150	\$10,950	0.1075	20	7.8	157.0
Controller and Nozzle Retrofit	WBIC		246	600		0.325	7.5	80.0	599.6
	Sprinkler Nozzles		11052	6	\$329,441	0.0044	5	48.6	243.1
High Efficiency Toilet Distribution Program	High Efficiency Toilets		159	250	\$39,725	0.0517	20	8.2	164.3
Create Your Garden					\$20,584				
Recycle Water Retrofit					\$0		0	0.0	0.0
Educational Materials and Outreach	Promotional materials, postage, conservation meetings, event sponsorships, CUWCC dues, employee education, over time, and ads				\$48,130				
<b>Grand Total</b>		<b>\$512,677</b>			<b>\$448,830</b>			<b>145</b>	<b>1,164</b>

\* If not specifically listed, state the category in which the activity and or program falls and rationale for including this particular activity

\*\* This may not apply to all activities, e.g., public information/education

Schedule E-3  
Fontana Water Company Division  
2020

A	B	C	D	E	F	G	H	I	J
Name of Measure, as listed in Decision or Settlement*	Description of Measure	Authorized \$	# of Units/activities purchased, provided, performed	\$ per unit activity, etc.	Total \$ spent	Designed water saving per unit per year	Unit lifespan **	Estimated Annual measure savings (AFY)	Estimated Lifetime measure savings (AF)
					(D x E)**			(D x G)	(I x H)
1. Rebates Incentives	IEUA rebate program for both Residential and CII customers. ***		2537	varries	\$0	varries	varries	51.2	694.2
2. Water Conservation Kits	1.5 GPM showerhead, 1.5 GPM kitchen aerator, and 1.0 GPM aerator Less 30% of Uninstalled Kits		150		\$0				
			105			0.1466	10.0	15.4	153.9
3. Weather Based Irrigation Controller and High Efficiency Nozzle Residential Retrofit and Installation Pilot Program	Varrious WBIC models		69	\$395 - \$470	\$56,492	0.325	7.5	22.4	168.2
	Varrious Sprinkler Nozzles models		2628	\$5 - \$9		0.0044	5.0	11.6	57.8
	Supplies and Ads for program				\$503				
4. High Efficient Toilet Direct Install Program for CARW	Replacing and installing 3.5 GPF toilets with new 0.8 GPF toilet for CARW customers. Program with EcoTech.		302	\$225 to \$340	\$61,700	0.0425	20	12.8	256.7
5. Water Wise Smart Gardening Workshops	FWC offers gardening workshops to provide customers information about efficient landscape and water use. Eligablitie to customers who attended on participating in WBIC & Nozzle install program.		0		\$0				
5. HE Clothes Washers for CARW customers	Replacing clotheswashers with new HE units. Program with SoCal Gas Co.		233	\$150	\$34,950	0.0345	14	8.0	112.5
6. Recycled Water On-Site Retrofit Program	Program to help offset the cost of converting their existing on-site potable water system to recycled water.		14 meters	6 sites	\$321,229	varries	75	106.3	7968.8
7. Pilot Study on Toilet Leak Sensor for Multi-Family Homes	Program is a monitoring system and sensor to help with leaks for multi-unit homes.		90	1 site	\$18,240	varries	15	0.26	3.9
<b>Education and Public Outreach</b>									
8. Education and Public Outreach Materials / Other	Promotional materials, postage, conservation meetings, event sponsorships, membership dues, employees education, over time, and ads.				\$15,194				
<b>Grand Total</b>		<b>\$447,500</b>			<b>\$508,308</b>			<b>227.9</b>	<b>9416.1</b>

\* If not specifically listed, state the category in which the activity and or program falls and rationale for including this particular activity  
 \*\* This may not apply to all activities, e.g., public information/education  
 \*\*\* Based off IEUA Annual Water Use Efficiency Program Reports

## **Appendix B**

Compliance Plan Included as Part of  
San Gabriel Valley Water Company's  
2020  
Annual P.U.C. Report

California Public Utilities Commission  
Affiliate Transaction Rule VIII.C.  
Compliance Plan

Adopted in D.10-10-019  
And Amended Pursuant to Resolution No. W-4984

San Gabriel Valley Water Company

Affiliated Company Transaction Procedures

April 20, 2021

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### ATTACHMENTS

ATTACHMENT A – List of Affiliates Required by RULE VIII.C.1.

ATTACHMENT A-1 – List of Shared Officers and Directors

ATTACHMENT B – Services Agreement

ATTACHMENT C – Verification

ATTACHMENT D – Verification

## INTRODUCTION

As a Class A water utility subject to California Public Utilities Commission (“Commission”) regulation, San Gabriel must follow the applicable affiliate transaction rules (“ATRs”) adopted in Commission decision 10-10-019 in Order Instituting Rulemaking (“OIR”) 09-04-012 and supplemented pursuant to Resolution W-4984. The Affiliated Company Transaction Procedures provides employees who perform support services for affiliated companies with guidance in the form of procedures or rules concerning transactions between San Gabriel and its affiliates.

Employees are directed to follow these written procedures regarding the permitted and restricted transactions and use of proprietary or confidential utility information between San Gabriel and its affiliates. Failure to comply with these rules could subject the company to Commission imposed sanctions.

### **I. Affiliates of San Gabriel**

**Attachment A** contains a list of all affiliates of San Gabriel and a description of each affiliates business activities. All transactions between San Gabriel and the affiliates listed in **Attachment A** are subject to the cost allocation rules described in the Services Agreement which is attached hereto as **Attachment B**. Other rules may or may not apply depending on the circumstance of each rule separately.

### **II. Shared Corporate Support**

The ATRs permit San Gabriel to continue performing corporate support services on behalf of its affiliates including, among other things, corporate governance and oversight, tax planning and preparation services, accounting services, insurance, financial planning and reporting, and



legal services, etc. The provision of corporate support services shall not provide a means for the transfer of confidential non-public information from San Gabriel to an affiliate that would create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion or create significant opportunities for cross-subsidy of affiliates.

San Gabriel has been providing such services for its affiliates since September 1, 1993 pursuant to the Services Agreement entered into as a result of the stipulation for settlement between San Gabriel and Commission Staff, adopted and approved by the Commission in D.93-09-036 and subsequently approved by the Commission in numerous rate case decisions. That agreement continues to apply to San Gabriel and its affiliates and is incorporated with minor updates, into this Affiliated Company Transaction Procedures as **Attachment B**.

### **III. Utility Operations and Service Quality**

- A. San Gabriel is now and shall continue to be in compliance with applicable Federal and State statutes, laws and administrative regulations.
  
- B. San Gabriel shall not:
  - 1. Offer non-tariffed products or services, unless the company's executive management having oversight responsibility first approves doing so and puts into place procedures complying with the Commission's ATRs;
  
  - 2. Solicit business on behalf of its affiliates nor acquire information on behalf of or to provide to its affiliates;

3. Share proprietary, non-public or confidential information with affiliates except its parent;
4. Share customer information unless first obtaining the written consent, or a Standard Customer Information Release Form signed by the customer, or if so directed by a Commission decision or resolution;
5. Give the appearance that San Gabriel speaks on behalf of its affiliates;
6. Represent that its affiliates or customers of its affiliates will receive different treatment by San Gabriel than the treatment San Gabriel provides to other unaffiliated companies or their customers.

#### **IV. Separation**

- A. San Gabriel shall continue to implement the Financial Separation Plan submitted with Advice Letter 395, as supplemented pursuant to Resolution W-4984 and Advice Letter 395-A to comply with ATR VII.E regarding measures to prevent San Gabriel from being pulled into a potential bankruptcy of its parent company.
- B. San Gabriel shall continue to provide a list of shared directors and officers between it and affiliated companies in its Annual Report.
- C. No later than 30 days following a change to the list of shared directors and officers, San Gabriel shall notify the Director of the Commission's Water Division and the Director of the Public Advocates Office of such change(s).

- D. In the event of employee transfers between San Gabriel and an affiliated company, such transfer shall be tracked and reported to the Commission.

## **V. Pricing of Goods or Services between San Gabriel**

San Gabriel does not offer goods or services to its affiliates – other than shared corporate support as authorized in Rule II – in the regular course of its business. Should an occasional circumstance arise where goods or services other than shared corporate support services are transferred to an affiliate, San Gabriel or the affiliate shall obtain an independent appraisal showing the fair market value of the goods or services. Transfers from San Gabriel to an affiliate shall be at no less than fair market value and transfers from an affiliate to San Gabriel shall be at no more than fair market value.

## **VI. Financial Health**

- A. Utility Investment Company shall ensure that San Gabriel has adequate capital to fulfill its obligations as a public utility.
- B. San Gabriel shall not guarantee or allow its assets to be used as security for any debt of Utility Investment Company or another affiliated company.

## **VII. Regulatory Oversight**

- A. San Gabriel shall continue to make available for examination by the Commission, its staff or agents the relevant books and records relating to costs associated with transactions between San Gabriel and an affiliate where costs are being sought to be recovered in rates through a rate case proceeding.
- B. Not later than sixty (60) days after the creation of a new affiliate by San Gabriel or Utility Investment Company, San Gabriel shall notify the Commission – by a Tier

3 advice letter – Director of the Water Division and the Director of the Public Advocates Office.

#### **VIII. Compliance Plans**

- A. San Gabriel submitted its 2011 Affiliates Rules Compliance Plan required by ATR VIII.C with its Annual Report to the Commission on March 31, 2012 and will include a Compliance Plan as part of its Annual Report biannually thereafter.
- B. Signed verification of the adequacy of San Gabriel's Affiliated Company Transaction Procedures to assure that San Gabriel is not utilizing its parent company or an affiliate not covered by the ATRs as a conduit to circumvent any of these ATRs are attached as **Attachment C and D**.

**ATTACHMENT A**  
**San Gabriel Valley Water Company Affiliates**

<b>Company Name</b>	<b>Company's Line of Business (products or services offered)</b>	<b>ATR Rule IB Affiliate</b>
Utility Investment Company	Utility Investment Company has no operations and no employees. It exists for the purpose of holding the common stock of San Gabriel Valley Water Company and Arizona Water Company and for financial separation ("Ring Fencing") purposes.	No
United Resources, Inc.	United Resources, Inc. has no operations and no employees. It exists for the purpose of holding the common stock of Utility Investment Company and Rosemead Properties, Inc. and for financial separation ("Ring Fencing") purposes.	No
Arizona Water Company	Arizona Water Company is a public water utility operating in Arizona and is subject to the regulatory jurisdiction of the Arizona Corporation Commission. Arizona Water Company is operated and managed by its own management and employees with its headquarters office located in Phoenix, Arizona and has no operations in common with San Gabriel.	Yes As To Rules IV.B and X Only
Rosemead Properties, Inc.	Rosemead Properties, Inc. has no employees. Its primary business involves ownership of office buildings and parcels of vacant land. The office buildings are operated and managed by contract office management companies paid for entirely by Rosemead Properties, Inc. To the extent any employee of San Gabriel Valley Water Company provides services to Rosemead Properties, Inc. (or other affiliates), that time, including fringe benefits and overhead is charged through regular monthly billing and San Gabriel Valley Water Company is reimbursed therefore pursuant to a Services Agreement.	No

Attachment A-1

As of December 31, 2020

**UNITED RESOURCES, INC.**

President, Director ..... M. L. Whitehead  
 Vice President, Assistant Secretary, Director ..... R. W. Nicholson  
 Secretary ..... T. J. Ryan  
 Treasurer ..... J. D. Harris  
 Director ..... K. M. Moseley  
 Director ..... S. R. Thomas  
 Assistant Secretary ..... A. R. Reyes  
 Assistant Treasurer ..... C. Hutangkura

**UTILITY INVESTMENT COMPANY**

President, Director ..... M. L. Whitehead  
 Vice President, Director ..... R. W. Nicholson  
 Secretary ..... T. J. Ryan  
 Treasurer ..... J. D. Harris  
 Director ..... K. M. Moseley  
 Director ..... S. R. Thomas  
 Assistant Secretary ..... A. R. Reyes  
 Assistant Treasurer ..... C. Hutangkura

**ROSEMEAD PROPERTIES, INC.**

President, Director ..... M. L. Whitehead  
 Vice President, Director ..... R. W. Nicholson  
 Vice President ..... R. J. DiPrimio  
 Secretary ..... T. J. Ryan  
 Treasurer ..... J. D. Harris  
 Director ..... K. M. Moseley  
 Director ..... S. R. Thomas  
 Assistant Secretary ..... A. R. Reyes  
 Assistant Treasurer ..... C. Hutangkura

**ARIZONA WATER COMPANY**

Chairman of the Board and Chief Executive Officer, Director ..... R. W. Nicholson  
 President and Chief Operating Officer, Director ..... F. K. Schneider  
 Vice President and Treasurer ..... J. D. Bradshaw  
 Vice President – Engineering ..... A. J. Haas  
 Vice President – Operations ..... D. E. Allen  
 Vice President and General Counsel, Secretary ..... E. R. Spear  
 Vice President – Rates and Revenues ..... K. M. Hauert  
 Assistant Secretary and Assistant Treasurer ..... J. R. Craig  
 Assistant Secretary, Director ..... R. J. DiPrimio  
 Director ..... K. M. Moseley  
 Director ..... S. R. Thomas  
 Director ..... W. M. Garfield

**SAN GABRIEL VALLEY WATER COMPANY**

Chairman of the Board and Chief Executive Officer, Director ..... M. L. Whitehead  
 President, Director ..... R. W. Nicholson  
 Senior Vice President ..... R. J. DiPrimio  
 Vice President and Treasurer ..... J. D. Harris  
 Vice President and General Counsel, Secretary ..... T. J. Ryan  
 Vice President of Regulatory Affairs ..... J. M. Reiker  
 Vice President – Engineering ..... M. Y. Yucelen  
 Vice President ..... M. E. Zvirbulis  
 Vice President and General Manager of Fontana Water Company ..... J. M. Swift  
 Assistant Secretary ..... A. R. Reyes  
 Assistant Treasurer ..... C. Hutangkura  
 Director ..... K. M. Moseley  
 Director ..... S. R. Thomas

**ATTACHMENT B**  
**SERVICES AGREEMENT**

This Agreement entered into as of September 1, 1993 as amended and supplemented on June 30, 2011 by and between San Gabriel Valley Water Company ("San Gabriel") and Utility Investment Company ("UIC") is made a part of the Affiliated Company Transactions Procedures dated June 30, 2011:

A. UIC, a holding company, is the parent of San Gabriel and Arizona Water Company. United Resources, Inc., also a holding company, is the parent of UIC and Rosemead Properties, Inc.

B. From time to time the affiliated companies desire to utilize San Gabriel's services.

NOW THEREFORE, the parties hereto agree as follows:

1. San Gabriel agrees to provide the affiliated companies with services under and subject to all of the terms, conditions, and provisions hereof.

2. San Gabriel hereby agrees to provide the services of corporate officers and support personnel to the affiliated companies from time to time as required during the term of this Agreement. Nothing in this Agreement shall require San Gabriel personnel to provide services that would interfere with the performance of their duties and responsibilities for San Gabriel or that would diminish San Gabriel's resources or activities in a manner that would result in degradation of the reliability, efficiency, adequacy, or cost of utility service or have an adverse impact on customer service. San Gabriel will continue its ongoing compliance with General Order 103-A.

3. San Gabriel will charge UIC for all services provided to the affiliated companies on a fully-allocated cost basis that includes charges for the time each

employee devotes to affiliate matters, corresponding fringe benefits, related overheads, and general office supplies. San Gabriel will provide UIC with a monthly summary of time spent and charges for providing such services to the affiliated companies.

4. San Gabriel's employees that devote time to affiliate matters shall track such time by recording entries, to the nearest one-tenth of an hour, on the time sheet attached. The completed time sheet shall be provided to the Accounting Department on the first business day of the subsequent month.

5. San Gabriel will issue an invoice to UIC for all charges incurred pursuant to this Agreement. UIC shall pay such invoice on or before the tenth (10) day following receipt thereof.

6. San Gabriel employees providing services to the affiliated companies shall be considered to be employees of San Gabriel. To the extent any such employee is compensated by an affiliated company as an officer or director, any services provided by that employee in such capacity shall not also be billed to UIC under this Agreement.

7. San Gabriel shall maintain its accounting records in accordance with the Commission's Uniform System of Accounts, Commission decisions and resolutions, and the California Public Utilities Code. Such records shall be maintained and located in California.

8. San Gabriel agrees that all books and records relating in any manner whatsoever to the business of the affiliated companies and all other files, books and records, and other materials owned by the affiliated companies or used by them in connection with the conduct of their businesses, whether prepared by San Gabriel personnel or otherwise coming into San Gabriel's possession, shall be the exclusive property of the affiliated companies regardless of who actually prepared the original material. No such books and records or other materials shall be disclosed without the prior written consent of the affiliated companies.

Attachment B



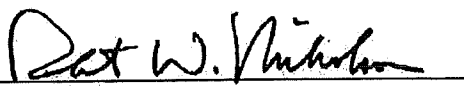
9. San Gabriel employees shall not disclose proprietary or confidential information pertaining to San Gabriel that would create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross subsidy of affiliates.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement as amended and supplemented to be executed as of the 30<sup>th</sup> day of June, 2011.

UTILITY INVESTMENT COMPANY

SAN GABRIEL VALLEY WATER  
COMPANY

By   
M. L. Whitehead, President

By   
R. W. Nicholson, President

## VERIFICATION

I, the undersigned, am an officer of Utility Investment Company and am authorized to make this verification on its behalf. I have read the attached San Gabriel Valley Water Company's Affiliated Company Transaction Procedures and know the contents thereof and believe based on my own knowledge that San Gabriel Affiliated Company Transaction Procedures provide mechanisms and procedures that will ensure that San Gabriel is not utilizing Utility Investment Company or an affiliate not covered by these Rules as a conduit to circumvent such Rules.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed at El Monte, California, on April 20, 2021.



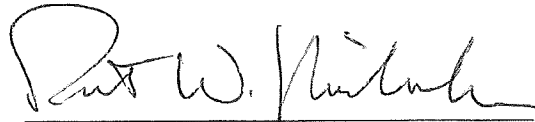
M.L. Whitehead  
President

## VERIFICATION

I, the undersigned, am an officer of San Gabriel Valley Water Company ("San Gabriel") and am authorized to make this verification on its behalf. I have read the attached Affiliated Company Transaction Procedures and know the contents thereof and believe based on my own knowledge that San Gabriel's Affiliated Company Transaction Procedures provide mechanisms and procedures that will ensure that San Gabriel is not utilizing Utility Investment Company or an affiliate not covered by these Rules as a conduit to circumvent such Rules.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed at El Monte, California, on April 20, 2021.

A handwritten signature in black ink, appearing to read "Robert W. Nicholson", written over a horizontal line.

Robert W. Nicholson  
President