CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

Utility Name: San Gabriel Valley Water Co.

Date Mailed to Service List: 04/01/21

District: Companywide

CPUC Utility #: U337W

Protest Deadline (20th Day): 04/21/21

Advice Letter #: 561

Review Deadline (30th Day): 05/01/21

Tier Authorization ☐1 ☒2 ☐3 ☒ Compliance

Requested Effective Date: 05/01/21

Rate Impact: $0
0.0%

Description: This advice letter provides San Gabriel's Transition Plan for the expiration of Emergency Customer Protections in compliance with Resolution M-4849.

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: Joel M. Reiker
Phone: (626) 448-6183
Email: jmreiker@sgvwater.com

Utility Contact: Christine Sluss
Phone: (626) 423-2235
Email: csluss@sgvwater.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[ ] APPROVED [ ] WITHDRAWN [ ] REJECTED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: _____

SAN GABRIEL VALLEY WATER COMPANY

April 1, 2021

FILED
APR 01 2021
PUBLIC UTILITIES COMMISSION
WATER DIVISION

Advice Letter No. 561 **U337W**

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Gabriel Valley Water Company ("San Gabriel" or "Company") hereby submits an original and four copies of this advice letter in compliance with California Public Utilities Commission ("CPUC" or "Commission") Resolution M-4849, issued February 12, 2021. The purpose of this advice letter is to provide San Gabriel's transition plan for the expiration of the emergency customer protections implemented in response to the COVID-19 Emergency ("Emergency Protections"). In accordance with Ordering Paragraph No. 5 of Resolution M-4849, **this advice letter is designated as Tier 2**.

Background

On February 12, 2021, in response to extraordinary circumstances related to the COVID-19 Emergency, the Commission issued Resolution M-4849, extending the Emergency Protections for residential and small business customers through June 30, 2021. Resolution M-4849 required Commission-regulated utilities to file Tier 1 advice letters within ten days of its adoption describing all reasonable and necessary actions to extend the Emergency Protections through June 30, 2021. Resolution M-4849 also requires Commission-regulated utilities to file, by April 1, 2021, transition plans for the expiration of Emergency Protections. On February 19, 2021, San Gabriel filed Advice Letter ("AL") 559 demonstrating the Company's compliance with the extension of Emergency Protections to June 30, 2021.

Discussion

The relevant Ordering Paragraphs of Resolution M-4849 are:

5. Electric, gas, and water corporations subject to this Resolution shall each file Tier 2 Advice Letters with their transition plans for the expiration of Emergency Customer Protections by April 1, 2021. The transition plans shall include 1) a timeline of new start and resumed activities, 2) a marketing, education and outreach (ME&O) strategy, 3) an explanation of the activities timeline and ME&O strategy accounts for compliance and safety, and 4) a progress tracking and reporting plan. The goal of the transition plan is to proactively enroll customers in programs to manage their utility bills and inform relevant customers of the changes to programs they are already on, to effectively ease customers through a transition off of Emergency Customer Protections (and, in the case of water IOUs, the future expiration of the disconnect moratorium in the Governor's

11142 GARVEY AVENUE – P.O. BOX 6010 – EL MONTE, CALIFORNIA 91734-2010 – (626) 448-6183 – (626)448-5530

Executive Order N-42-20). Electric and gas corporations shall serve copies of the Advice Letters to R.18-03-011, A.14-11-007, A.15-02-001, A.19-11-003, A.20-03-014, R.15-03-010, R.18-07-006, R.18-07-005, R.12-06-013, and A.19-09-014 proceeding service lists, and the service list of any new proceeding established to address energy utility customer bill debt accumulated during the coronavirus pandemic. Water corporations shall serve copies of the Advice Letter to R.18-03-011 and R.17-06-024 proceeding service lists.

6. By February 25, 2021, electric, gas and water corporations subject to this Resolution shall submit drafts of Transition Plan Advice Letters to CPUC staff (Gillian.Weaver@cpuc.ca.gov), who will share them with the LIOB.

With this advice letter, San Gabriel provides, as **ATTACHMENT A**, the Company's COVID-19 Transition Plan for the expiration of the Emergency Protections.

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) San Gabriel 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 San Gabriel 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;
(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 a policy objection to an advice letter where the relief requested in the advice letter 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. 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 response or protest is:

Email Address:	Mailing Address:
water.division@cpuc.ca.gov	California Public Utilities Commission Water Division, 3rd Floor 505 Van Ness Avenue San Francisco, CA 94102

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to San Gabriel addressed as follows:

Email Address:	Mailing Address:
jmreiker@sgvwater.com	San Gabriel Valley Water Company Vice President of Regulatory Affairs 11142 Garvey Avenue El Monte, CA 91733

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.

The advice letter process does not provide for any further responses, protests or comments, except for San Gabriel's reply, after the 20-day comment period. San Gabriel will reply to each protest and may reply to any response. Each reply must be received by the Water Division 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 in accordance with General Order 96-B, General Rule 7.4.3.

If you have not received a reply to your protest within ten business days, contact San Gabriel at (626) 448-6183.

San Gabriel Valley Water Company

/s/ Joel M. Reiker

Joel M. Reiker
Vice President of Regulatory Affairs

cc: Bruce DeBerry, CPUC – Water Division
Victor Chan, CPUC – Water Branch, Cal Advocates
Richard Rauschmeier, CPUC – Water Branch, Cal Advocates

ATTACHMENT A

Resolution M-4849
COVID-19 Transition Plan

I. INTRODUCTION

San Gabriel Valley Water Company ("San Gabriel" or "Company") files this COVID-19 Transition Plan ("Transition Plan") in compliance with California Public Utilities Commission ("CPUC") Resolution M-4849, issued February 12, 2021 extending through June 30, 2021 the emergency customer protections implemented in accordance with Decision ("D.") 19-07-015 to support California customers in response to the COVID-19 pandemic ("Emergency Protections). Ordering Paragraph No. 5 of Resolution M-4849 directs utilities to file transition plans for the expiration of these Emergency Protections, including 1) a timeline of new and resumed activities, 2) a marketing, education and outreach ("ME&O") strategy, 3) an explanation of how the plan accounts for compliance and safety, and 4) a proposal for progress tracking and reporting. Although the date of which is still unknown, this Transition Plan also incorporates the anticipated expiration of the Governor's Executive Order N-42-20 suspending the authority of water utilities to disconnect residential and small business customers for nonpayment.

II. BACKGROUND

On March 4, 2020, in response to the COVID-19 pandemic, the Governor officially proclaimed a State of Emergency in California, and on March 13, 2020, the President of the United States proclaimed a National State of Emergency ("COVID-19 Emergency").

On March 17, 2020, San Gabriel notified the CPUC's Executive Director that the Company was activating the Emergency Disaster Relief Protections described in Advice Letter ("AL") 542 and filed in compliance with D.19-07-015, to the extent they are applicable during the COVID-19 Emergency ("Emergency Protections"), and that the Company was also activating its Los Angeles County and Fontana Water Company divisions' Catastrophic Event Memorandum Accounts ("CEMA") in order to record the extraordinary costs San Gabriel is incurring as a result of the COVID-19 Emergency.

By letter also dated March 17, 2020, the Commission's Executive Director instructed all Commission-regulated utilities and service providers subject to D.19-07-015 to extend the same applicable Emergency Protections directed in that decision to customers during the COVID-19 Emergency, and to report to the Commission on all measures they implemented in response to the emergency as soon as they are implemented.

In compliance therewith, on March 18, 2020, San Gabriel filed AL 546 reporting the community awareness and public outreach measures the Company was taking to notify customers, local government representatives, non-profits and community leaders of the Emergency Protections, and the additional steps the Company was taking including, among other things, suspending terminations of water service for nonpayment.

On April 2, 2020, Governor Newsom issued Executive Order N-42-20 formally suspending the authority of water utilities to discontinue service for nonpayment to residential customers and small businesses operating in the critical infrastructure sectors.

On April 16, 2020, the Commission issued Resolution M-4842, ratifying the directives issued by the Executive Director on March 17, 2020, and to retroactively apply the Emergency Protections from March 4, 2020. Resolution M-4842 also required Commission-regulated utilities to identify any customer protections set forth in D.19-07-015 that are not applicable during the COVID-19 Emergency, and to provide justification as to why they are not applicable.

In compliance therewith, on April 29, 2020 San Gabriel filed AL 548 setting forth the specific provisions of D.19-07-015 that comprise San Gabriel's Emergency Protections and which provisions are not applicable during the COVID-19 Emergency.

On February 11, 2021, in response to extraordinary circumstances and the ongoing COVID-19 Emergency, the Commission issued Resolution M-4849, extending the Emergency Protections for residential and small business customers through June 30, 2021. Resolution M-4849 also requires Commission-regulated utilities to file transition plans for the expiration of Emergency Protections. Accordingly, San Gabriel provides this Transition Plan for the expiration of the following Emergency Protections implemented in response to the COVID-19 pandemic:

- Suspend all deposit and waive reconnection fees for residents seeking to re-establish service for up to one year for affected customers
- Expedite responses to turn-on and turn-off service requests
- Create payment plan options
- Provide support for low-income customers (including the suspension of verification/recertification of Eligibility for low income assistance program)
- Work with affected customers to resolve unpaid bills and minimize disconnections for non-payment

As previously noted, the water service disconnection moratorium enacted under the Governor's Executive Order N-42-20 is independent from the Emergency Protections listed above, and does not contain an express end date, but instead is intended to be in place until lifted in a subsequent executive order. Pursuant to the Commission's guidance in Resolution M-4849,[1] San Gabriel notes that the dates on which certain activities will commence in this Transition Plan are unknown due to the uncertainly related to the expiration of Executive Order N-42-20. Accordingly, placeholder dates (e.g. 10 days, 20 days, etc.) are used in this plan, as appropriate.

[1] p. 24

III. OBJECTIVES AND GUIDING PRINCIPLES

The objectives of this Transition Plan are:

- Reduce customers' anxiety about Emergency Protections ending.
- Effectively ease customers through a transition from Emergency Protections by implementing programs or initiatives, and enrolling customers in these programs/initiatives, to continue to assist them in bill management.
- Proactively communicate with customers to inform them of changes in protections and help enroll them in programs to manage their bills.

The guiding principles of this Transition Plan are:

- Easy and effortless customer experience.
- Easy to operationalize.
- Focus on affordability.
- Engage stakeholders and customers.

IV. ACTIVITIES TIMELINE

The following activities timeline provides a schedule of activities associated with programs or initiatives that assist customers in bill management.

A. Resumption of Verification/Recertification of Eligibility for Low Income Customer Rate Assistance Program

To qualify for San Gabriel's low income customer rate assistance program, known as California Alternative Rates for Water ("CARW"), a customer must either have a household income within the standards published annually by the CPUC, be enrolled in a qualifying public assistance program, or be enrolled in their electric or gas utility provider's low-income customer rate assistance program (known as California Alternative Rates for Energy, or "CARE"). Customers who are already enrolled in their electric or gas utility provider's CARE program will be automatically enrolled in San Gabriel's CARW program when the Company exchanges low-income program enrollment data with energy utilities. Qualifying residential customers can also enroll in San Gabriel's CARW program by completing and submitting an application directly to San Gabriel. Customers who submit an application for enrollment in the CARW program directly to San Gabriel are required to self-certify that the information they provided is true and correct. By submitting application, customers also agree to provide proof of their income if asked, and agree to inform San Gabriel if they no longer qualify for the program. Upon receiving an application for enrollment in the CARW program, San Gabriel verifies the applicant's name,

account number, service address and telephone number. Customers who are enrolled in the CARW program must renew their application every two years or annually if requested. In addition to the low-income data exchange with energy utilities, San Gabriel mails an application for the CARW program to all current and potential CARW enrollees annually for purposes of renewing/recertifying existing CARW program enrollees and informing potential new enrollees. Notwithstanding this, San Gabriel relies upon the energy utility data exchanges to recertify/verify approximately 70% of the customers enrolled in the CARW program.

June 1, 2021	*San Gabriel will begin sending out written notices to all customers enrolled in the CARW program informing them that the Company may resume its CARW verification/recertification process on July 1, 2021.*
July 1, 2021	*San Gabriel may resume the CARW verification/recertification process for CARW customers.*

B. Deposits and Reconnection Fees

Pursuant to Rule No. 7 of San Gabriel's tariffs on file with and approved by the CPUC, the Company may charge metered service customers a deposit to establish credit equal to twice the estimated average monthly bill. Upon discontinuance of service, San Gabriel will refund, with interest, the balance of the customer's deposit in excess of any unpaid bills for that service for which a deposit was made. Additionally, Pursuant to Rule No. 11 of San Gabriel's tariffs on file with and approved by the CPUC, the Company charges a reconnection charge when service has been discontinued for violation of the Company's tariff rules or for nonpayment of bills. San Gabriel may charge $25.00 for reconnection of service during regular working hours or $40.00 for reconnection of service during non-working hours ("after hours"). San Gabriel notes that these charges are significantly lower than the maximum reconnection charges permitted under Senate Bill ("SB") 998, known as the Water Shutoff Protection Act, for reconnections performed during regular business hours and after hours of $50.00 and $150.00, respectively. As part of the Company's Emergency Protections implemented in response to the COVID-19 Emergency, San Gabriel suspended deposit and reconnection fees.[2]

June 1, 2021	*San Gabriel will begin sending out written notices to all customers informing them that the utility may resume applying the standard deposit and reconnection fees under its tariffs on July 1, 2021.*
July 1, 2021	*San Gabriel may resume applying standard deposit and reconnection fees to customer accounts*

[2] While some utilities may have suspended late fees as part of their Emergency Protections, San Gabriel notes that it does not charge late fees.

C. Resumption of Disconnections for Non-Payment

The water service disconnection moratorium enacted under Executive Order N-42-20 is independent from the Emergency Protections listed above. The timing of when the Executive Order may be lifted ("Moratorium Lifting Date") is uncertain, and it is unclear how much notice water utilities may receive in advance of such a date. Therefore, the timeline for the resumption of disconnections for non-payment set forth below is set around a "Disconnection Policy Resumption Date." *The Disconnection Policy Resumption Date will occur 60 days after the Moratorium Lifting Date, but no sooner than July 1, 2021.*

60 days prior to Disconnection Policy Resumption Date	*San Gabriel will begin sending out notices to customers informing them that the Company will resume applying standard disconnection procedures pursuant to Rule No. 11 of the Company's tariffs on file with and approved by the CPUC on the Disconnection Policy Resumption Date. Customers will be informed of the need to stay current on their bills and will be provided information on how to contact San Gabriel to enroll in a payment plan, if needed. The standard disconnection procedures are based on the timeline and requirements established by the Legislature under SB 998 (2018 Water Shutoff Protection Act).*
Disconnection Policy Resumption Date	*San Gabriel will resume standard disconnection procedures under the timeline established under SB 998 and Rule No. 11 of the Company's tariffs on file with and approved by the CPUC, and will begin counting the 60-day period prohibiting disconnections mandated under Health & Safety Code § 116908(a)(1)(A) for bills that are delinquent (past the due date) as of the Disconnection Policy Resumption Date. San Gabriel will notify each customer that has a delinquent bill as of the Disconnection Policy Resumption Date and will offer an opportunity and encourage them to participate in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment (the choice of which will be appropriately determined by the water utility based upon the specific circumstances of the individual customer). Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement or extension to avoid disruption of service. Options include splitting payments, spreading payments out over an agreed-upon period of time, deferring payment, or some other alternative payment plan. If a customer is engaged in one of those types of payment assistance plans and is making timely payments under that plan, they will not be disconnected.*

60 days after Disconnection Policy Resumption Date	*San Gabriel may begin disconnecting customers for nonpayment pursuant to the rules and procedures set forth in Rule No. 11 of the Company's tariffs on file with and approved by the CPUC, which were filed in accordance with the provisions of SB 998. Prior to any disconnection for nonpayment, San Gabriel will provide advance notice pursuant to the Company's tariff Rule Nos. 8 and 11, as required by SB 998, and as further explained below. Notices of discontinuance for nonpayment relating to residential services will be in English, the languages listed in Section 1632 of the Civil Code, (Spanish, Chinese, Korean, Vietnamese and Tagalog), and any other language spoken by 10 percent or more of the customers in the utility's service area.*
At least 7 business days prior to Disconnection Date (residential customers)	*No less than seven business days before discontinuation of residential service for nonpayment, San Gabriel will contact the customer named on the account by telephone or written notice pursuant to Health & Safety Code § 116908(a)(1)(A).* *a. Written notice will be mailed to the address of the customer of the residence to which the residential service is provided.* *b. If the customer's address is not the address of the property to which residential service is provided, the notice also will be sent to the service address with "Occupant" as the addressee.* *The Notice will include:* *1. The name and address of the customer whose account is delinquent.* *2. The amount of the delinquency.* *3. The date by which payment or arrangements for payment is required in order to avoid discontinuance.* *4. A description of the process to apply for an extension of time to pay.* *5. The Procedures to petition for bill review and appeal to the Commission.* *6. The procedure by which the customer may request a deferred payment plan.* *7. The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state, or federal sources, if applicable.* *8. San Gabriel's contact information, where customers can obtain additional information, including information about enrolling in a payment plan.*

	c. Telephone notice will be to the customer of record. In providing notice by telephone, San Gabriel will offer to: (i) provide the customer with a written copy of the Company's policy on discontinuation of service due to nonpayment, and (ii) discuss options available to the customer to avert discontinuance, including alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and procedures to petition for bill review and appeal. *d. If San Gabriel is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned as undeliverable, San Gabriel will visit the residence and leave (or make other arrangements for placement in a conspicuous place) such notice, along with a copy of San Gabriel's policy on discontinuation of water service for nonpayment.* *For residential occupants of individually metered multi-unit complexes who are not the customer of record - At Least 10 calendar days before disconnection (if applicable) – San Gabriel will send written notice pursuant to Health & Safety Code § 116916(b) at least 10 calendar days prior to any possible disconnection.* *Where individually metered water service is provided, San Gabriel will inform the occupants by means of a notice at least 10 days prior to any discontinuance, when the account is in arrears, that service will be discontinued. San Gabriel will inform the occupants that, if the Company's verification and other requirements are met, they have the right to become a customer, to whom the service will then be billed, without being required to pay any amount which may be due to the delinquent account.* *Where master metered service is provided, the written notice will be made at least 15 days prior to discontinuance of service and the notice will also be posted on the door of each residential unit. If it is not reasonable or practical to post the notice on the door of each residential unit, San Gabriel will post two copies of the notice in each accessible common area and at each point of access to the structure.*
At least 10 days prior to Disconnection Date (non-residential customers)	*In accordance the Company's tariff Rule Nos. 8 and 11 as required by SB998, San Gabriel will contact (i) the customer of record by mailing a separate notice at least 10 days prior to discontinuance, or (ii) an adult person on the customer's premises by telephone or in person at least 24 hours prior to any discontinuance.*

V. MARKETING, EDUCATION, AND OUTREACH STRATEGY

The following ME&O Strategy supports this Transition Plan in effectively easing customers through a transition off of the Emergency Protections (and the future expiration of the disconnection moratorium in the Governor's Executive Order N-42-20) by proactively communicating with customers to enroll them in programs to manage their utility bills and informing them of the changes to programs in which they are already enrolled.

A. Target Audiences

- The ME&O Strategy is intended to reach customers at large, with specifically targeted categories of customers as follows:
    - Customers enrolled in bill management programs.
    - Customers with large outstanding balances.
    - Customers that may qualify for disconnection preventions due to medical needs pursuant to SB 998.
    - Customers on assistance programs.
    - Customers who are hard-to-reach, underserved, disadvantaged, and low-income.

B. ME&O Activities for All Customers

- San Gabriel will leverage ongoing communications channels to educate and engage customers about the June 30, 2021 expiration of Emergency Protections; programs available to help customers maintain service; water efficiency and conservation programs that can help customers use less water, and therefore reduce their water bill; and where necessary, information about the extension of customer protections.
- Tools include bill inserts, website messaging, customer service talking points and training, and office signage (when reopened to the public).
- Outreach for all customers will convey the following information, as appropriate:
    - The resumption of deposit and reconnection fees.
    - Payment plans and options available to help customers maintain service or manage arrearages.

- Bill assistance programs.
- CARW Program enrollment applications.

C. Targeted Outreach

- In addition, San Gabriel will undertake proactive outreach to targeted customers. Tools may include the following, as appropriate:
  - Direct mail targeted at specific audiences.
  - Phone calls targeted at specific audiences.
  - Door hangers.
- Targeted outreach will convey the following information, as appropriate:
  - Reminders to pay delinquent balances.
  - Noticing of risk of disconnection.
  - San Gabriel's written policy on discontinuation, which includes information about qualifying for disconnection preventions due to medical needs pursuant to SB 998.
  - Needed customer actions, including re-certifications, to remain eligible for the CARW program.
  - San Gabriel is notifying its customers of financial assistance available through the California Department of Housing and Community Development's ("HCD") rental and utility bill relief program in the following ways:
    - Direct mail – Every bill issued during the month of April 2021 will include a message informing customers that financial assistance for past-due water bills is available to renters impacted by COVID-19, with information on where to obtain more information about the program.
    - HCD marketing materials related to the program have been posted on San Gabriel's social media accounts (e.g. Facebook, Instagram, and Twitter).
    - HCD marketing materials have been posted prominently in all of San Gabriel's customer service centers.

- HCD marketing materials will be posted on San Gabriel's websites (www.sgvwater.com and www.fontanawater.com)
- San Gabriel has partnered with local community organizations to conduct email marketing regarding the HCD rental and utility bill relief program.

D. Additional ME&O Activities and Tools by Class A Companies

- San Gabriel may undertake additional channels for customer communication and targeted outreach, as resources allow, including:
  - Social media.
  - News releases to local media.
  - Advertising (print, social media, or other).

E. Partnerships

- Industrywide Partnership Activities – The California Water Association may also help to coordinate the following additional potential avenues and partnerships:
  - The California Special Districts Association ("CSDA") and their local service providers to promote programs offered by local regulated water utilities.
  - San Gabriel anticipates doing up to four, and no less than three, data exchanges with energy investor-owned utilities in 2021, to identify potential customers who could benefit from water utility assistance programs.
  - Seeking partnerships with diverse suppliers to assist regulated water utilities in implementing customer ME&O activities and tools.

F. Incremental ME&O Costs (Optional)

- Resolution M-4849 provides that "If an IOU estimates that it cannot both comply with this Resolution and maintain compliance with existing Decision mandates leveraging only existing authorized budgets, it shall note in its Advice Letter the cost estimate, with details of the incremental new activity, and use the memorandum account to record and track incremental costs associated with transition plan implementation."
  - San Gabriel anticipates that it will incur incremental costs for implementing the ME&O strategy related to the following items:
    - Customer Noticing – Bill Inserts - $5,000 for 96,000 inserts

- Customer Noticing – Special Mailing - $26,800 for 96,000 notices
- Translations (7 languages) - $2,350 per notice
- Newspaper Advertising - $4,100 per ad

San Gabriel does not have an existing ME&O budget, and the Company's existing authorized budget for conservation is intended to address those important programs. Accordingly, San Gabriel will record and track these incremental costs in the Company's Catastrophic Event Memorandum Account ("CEMA").

VI. COMPLIANCE AND SAFETY

Resolution M-4849 provides that "Each IOU must explain in their Transition Plan Advice Letter how the transition plan maintains alignment with program enrollment targets, program eligibility requirements, and customer protections in effect outside the Emergency Protections (e.g., bans on requirements that energy customers pay a deposit to enroll in 12-month payment plan) established by Commission Decisions for relevant programs as outlined in Section 1, Activities Timeline."

A. Alignment with Program Enrollment Targets and Requirements

- As previously noted, On March 17, 2020, San Gabriel notified the CPUC's Executive Director that the Company was activating the Emergency Disaster Relief Protections in compliance with D.19-07-015, to the extent they are applicable during the COVID-19 Emergency ("Emergency Protections"), and that the Company was also activating its Los Angeles County and Fontana Water Company divisions' CEMAs in order to record the extraordinary costs San Gabriel is incurring as a result of the COVID-19 Emergency. On March 18, 2020, San Gabriel filed AL 546 reporting the community awareness and public outreach measures the Company was taking to notify customers, local government representatives, non-profits and community leaders of the Emergency Protections. Specifically, San Gabriel implemented the following measures:
    - Targeted Outreach to Impacted Customers – San Gabriel has notified impacted customers by mail, on its websites (www.sgvwater.com and www.fontanawater.com), and by posting in the windows of its commercial offices notice of the Emergency Protections.
    - Local Government Representatives, Nonprofits and Community Leaders – San Gabriel notified local governments, elected officials, nonprofits and community leaders including mayors, council members, state assembly representatives, and county supervisors by email, telephone or direct contact of the Emergency Protections.

- Newspaper Advertising – San Gabriel has published notice of the Emergency Protections in newspapers of general circulation within each of its service areas once per month since the beginning of the COVID-19 Emergency.

- Additional customer protections and measures San Gabriel implemented in response to the COVID-19 Emergency include:

  - San Gabriel suspended disconnections for nonpayment prior to the enactment of Executive Order N-42-20 implementing a statewide moratorium on such disconnections.

  - San Gabriel temporarily closed its commercial offices in order to protect the health and safety of the Company's customers and employees.

  - San Gabriel has regularly updated its websites (www.sgvwater.com and www.fontanawater.com) with customer notifications to communicate the responsive steps the Company is taking, and to instruct customers on the best way to communicate with the Company during the COVID-19 Emergency.

  - San Gabriel formed an internal emergency response task force to assess the impact of the COVID-19 pandemic on both its employees and customers.

  By Resolution M-4849 the CPUC has extended the Emergency Protections through June 30, 2021. Further, Executive Order N-42-20 implemented a moratorium on residential and small business water service disconnections for non-payment. That moratorium and the other customer protections therein will continue to be in place even when the Commission's Emergency Customer Protections are lifted.

- SB 998, also known as the Water Shutoff Protection Act, was approved by the Governor in 2018 to add Chapter 6, Discontinuations of Residential Water Service, to Part 12 of Division 104 of the California Health and Safety Code. SB 998 is intended to minimize the number of Californians who lose access to water service due to inability to pay, and mandates certain requirements and procedural protections and safeguards with respect to disconnections even after the Emergency Protections are lifted. SB 998 does the following:

  - Prohibits residential water service from being disconnected under specified circumstances. Requires a water utility that discontinues residential service to provide the customer with information on how to restore service, and limits the reconnection charge imposed on a residential customer with a household income below 200% of the federal poverty line.

  - Requires the water utility to have a written policy in multiple languages on discontinuation of residential water service for nonpayment, including a

process for entering into alternative payment arrangements. The water utility must post its discontinuation policy on its website, and shall offer to provide the policy to customers who are at risk of discontinuation no less than seven days prior to discontinuation of service for nonpayment.

- Requires a water utility to inform occupants of residential structures who are not customers of the utility that service will be terminated and that the residential occupants have the right to become customers of the utility.

- Includes a health, safety and financial hardship exception that prohibits the discontinuance of residential water service for nonpayment where discontinuance will pose a threat to a customer's health or safety, the customer is experiencing financial hardship, and is willing to enter into an extended payment arrangement.

- Requires water utilities to report the number of annual discontinuations of residential service on its website and to the State Water Resources Control Board.

On December 19, 2019, San Gabriel filed AL 544[3] revising the Company's Tariff Rules 1, 5, 8, 10, and 11 to incorporate and comply with the provisions of SB 998. Likewise, the timeline of resumed activities and ME&O strategy described in this Transition Plan are consistent with the provisions of SB 998. As described above, San Gabriel will resume standard disconnection procedures under the timeline established under SB 998 and will begin counting the 60-day period prohibiting disconnections mandated under SB 998. San Gabriel will also notify each customer that has a delinquent bill as of the Disconnection Policy Resumption Date and will offer an opportunity to participate in an alternative payment arrangement, consistent with SB 998.

B. Number and Percentage of Customers Projected to be Facing Disconnection for Nonpayment after June 30, 2021

- San Gabriel projects that approximately 5,500 customer accounts, or 5.6% of the Company's approximately 97,600 customers, will be technically delinquent and at risk of disconnection under SB 998 as of June 30, 2021.

C. Ensuring that Activities are Safe and Consistent with All Appropriate State and Local Health Orders

- San Gabriel Valley Water Company ("San Gabriel") must comply with all orders issued by the California, Los Angeles County and San Bernardino County Public Health Departments as well as with any orders and regulations issued by the United

[3] As supplemented by AL 547.

States Center for Disease Control and Cal-OSHA. San Gabriel must also comply with all local, state, and federal government enacted laws and regulations, including but not limited to, California enacted Assembly Bill 685. In order to achieve compliance with the above referenced orders, laws and regulations, San Gabriel has developed internal protective measures and procedures for its employees and the public and has hired an outside legal consultant to review and develop its COVID-19 Plan. Additionally, San Gabriel's Safety Department regularly conducts inspections of its facilities and employees to assure compliance and conducts COVID-19 employee training based on guidance issued by the above referenced government entities. San Gabriel's commitment to its employee and public safety is of the utmost importance and San Gabriel continues to remain abreast of the new health orders, laws and regulations.

VII. PROGRESS TRACKING AND REPORTING

Resolution M-4849 provides that "IOUs must include a plan for reporting progress on activities in the timeline, and present metrics they will track and report to monitor success in achieving the goal of effectively easing customers through a transition off of Emergency Customer Protections (and, in the case of water IOUs, the future expiration of the disconnect moratorium in the Governor's Executive Order N-42-20) by proactively enrolling customers in programs to manage their utility bills and informing relevant customers of the changes to programs in which they are already enrolled. Reporting frequency shall be monthly and the first report shall include baseline data associated with progress metrics."

A. Background and Protocols for Progress Tracking and Reporting

- The Class A water utilities, including San Gabriel, have been and will continue providing monthly data reports related to the impact of the COVID-19 Emergency on customers as part of Phase 2 of the water low-income rate assistance rulemaking proceeding R.17-06-024, which is specifically opened for this purpose. The data San Gabriel currently provides to the Commission pursuant to rulings in R.17-06-024 includes:
    - Number of customers seeking bill assistance
    - Number of customers newly enrolled in a low income assistance program
    - Number of overall customers enrolled in a low income assistance program
    - Number of customers late or behind on their bill
    - Average arrearage amount
    - Median arrearage amount
    - Range of arrearage amounts

- Overage arrearage amount
- Number of customers making partial payments

San Gabriel proposes that the Company will continue to track and report the above data in R.17-09-024 and submit copies to the Water Division until directed otherwise.

Additionally, San Gabriel will track and report the CARW and payment program enrollment metrics outlined below as part of the monthly data reports submitted in rulemaking proceeding R.17-06-024. San Gabriel will track and report such information on a monthly basis following the end of the Commission-mandated Emergency Customer Protections on June 30, 2021. To the extent feasible and available, San Gabriel will report each metric on a monthly basis going back to February 2020 before the Emergency Customer Protections were implemented.

B. Metrics to Track Continued Enrollment in CARW

- San Gabriel will provide the following metrics to track whether those customers that have enrolled in a bill assistance program during the period when the Emergency Protections were in place have been successful in sustaining their enrollment in the program if they still meet eligibility criteria.
  - Number and percent of newly enrolled customers that are able to stay on the water utility CAP program post June 30, 2021.
  - Number and percent of customers required to take actions to remain on the water utility CAP programs (e.g., recertification, post enrollment verification) that successfully complete those actions.

C. Metrics to Track Enrollments of Impacted Customers in Alternative Payment Plans

- San Gabriel will provide the following metrics to track the enrollment of impacted customers in extended payment plans:
  - Number and percentage of customers enrolled in extended payment plans (defined as enrollment in an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment).
  - Number and percentage of customers that are disconnected for nonpayment.
  - Change in arrearage amounts (to the extent such information is not already tracked as part of the Rulemaking R.17-06-024 reporting requirements).

D. Metrics to Track Payments Pursuant to the California Department of Housing and Community Development ("HCD") Emergency Rental Assistance Program ("ERAP")

- The ERAP is designed to provide assistance to low-income households who have unpaid rent and/or utility debt or who are unable to make current rents or utility payments.

    - San Gabriel will provide the number and dollar amount of ERAP payments received and applied to customers' water bills.

VIII. DEFINING SUCCESS

The success of this Transition Plan is dependent upon a number of factors which are still unknown. For example, the state of California's economy at the time of the lifting of Executive Order N-42-20 can reasonably be expected to have an impact on customers' ability to pay their water bills. Additionally, the disposition of funding made available through H.R. 133, the Consolidated Appropriations Act of 2021, H.R. 1319, The American Rescue Plan Act of 2021, and the HCR's rental and utility bill relief program, among other sources, to disadvantaged and low income communities like those served by San Gabriel will likely have an impact on customers' ability to pay their water bills. For these reasons, it would be premature to include a definition of success for this Transition Plan at this time. San Gabriel notes, however, that such a definition should ultimately be standardized across the CPUC-regulated water utility industry.

END

ADVICE LETTER DISTRIBUTION LIST
San Gabriel Valley Water Company
Los Angeles County Division
Advice Letter No. 561

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

City Clerk, City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

California-American Water Company
655 W. Broadway, Suite 1410
San Diego, CA 92101

City of El Monte Water Department
11333 Valley Boulevard
El Monte, CA 91734

Industry Public Utilities
Post Office Box 3165
City of Industry, CA 91744

City Clerk, City of Irwindale
5050 North Irwindale Avenue
Irwindale, CA 91706

City Clerk, City of La Puente
15900 East Main Street
La Puente, CA 91744

La Puente Valley County Water District
112 North 1st Street
La Puente, CA 91744

City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640

City of Monterey Park Water Department
320 West Newmark Avenue
Monterey Park, CA 91754

City of Pico Rivera Water Department
6615 Passons Boulevard
Pico Rivera, CA 90660

Pico Water District
Post Office Box 758
Pico Rivera, CA 90660-0758

City Clerk, City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790

City Clerk, City of Rosemead
8838 Valley Boulevard
Rosemead, CA 91770

City Clerk, City of San Gabriel
425 South Mission Drive
San Gabriel, CA 91778

San Gabriel County Water District
8366 East Grand Avenue
Rosemead, CA 91770

City of Santa Fe Springs Water Department
Post Office Box 2120
Santa Fe Springs, CA 90670

City Clerk, City of South El Monte
1415 Santa Anita Avenue
South El Monte, CA 91733

Golden State Water Company
Attn: Ronald Moore, Regulatory Affairs
630 East Foothill Boulevard
San Dimas, CA 91773

Suburban Water Systems
Attn: Bob Kelly
1325 N. Grand Ave., Suite 100
Covina, CA 91724

Valley County Water District
14521 East Ramona Boulevard
Baldwin Park, CA 91706

City of Whittier Water Department
13230 East Penn Street
Whittier, CA 90602

California Public Utilities Commission
Office of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102-4208

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com

Liberty Utilities (Park Water) Corp.
9750 Washburn Road
P.O. Box 7002
Downey, CA 90241
AdviceLetterService@LibertyUtilities.com

ADVICE LETTER DISTRIBUTION LIST
San Gabriel Valley Water Company
Fontana Water Company Division
Advice Letter No. 561

Kendall H. MacVey, Esq.
Best, Best & Krieger, LLP
3390 University Avenue 5th Floor
Riverside, CA 92501

City of Colton Water Department
650 North La Cadena Drive
Colton, CA 92324

Cucamonga Valley Water District
Post Office Box 638
Rancho Cucamonga, CA 91730

Debbie Brazill
Deputy City Manager
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

Chuck Hays
Public Works Director
City of Fontana Public Service Department
16489 Orange Way
Fontana, CA 92335

Marvin T. Sawyer, District Counsel
Fontana Unified School District
Business Services Office
9680 Citrus Avenue
Fontana, CA 92335

Samuel Martinez, Executive Officer
Local Agency Formation Commission for
San Bernardino County
1170 West Third Street, Unit 150
San Bernardino, CA 92415-0490

City of Ontario Water Department
303 East B Street
Ontario, CA 91764

City of Rialto Water Department
150 South Palm Avenue
Rialto, CA 92376

West Valley Water District
Post Office Box 920
Rialto, CA 92377

Kiki Carlson
Suburban Water Systems
kcarlson@swwc.com

Gordon Nichols
Building Industry Association of Southern California –
Baldy View Chapter
PO Box 867
Ontario, CA 91762