

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 12, 2020

Ronald K. Moore
Senior Regulatory Analyst
Golden State Water Company
630 East Foothill Blvd.
San Dimas, CA 91773

Dear Mr. Moore,

The Commission has approved Golden State Water Company's Advice Letter No. 1817, filed on May 1, 2020, regarding your Emergency Customer Protections Implementation.

Enclosed is a copy of the advice letter with an effective date of May 1, 2020 for the utility's files.

Please contact Jefferson Hancock at 415-703-3453, if you have any questions.

Thank you,

/s/ROBIN BRYANT

Robin Bryant
Water & Sewer Advisory Branch
Water Division

Enclosures



May 1, 2020

Advice Letter No. 1817-W

(133 W)

California Public Utilities Commission

Golden State Water Company ("GSWC") hereby transmits its Emergency Customer Protections implementation plan to support its customers during the Novel Coronavirus pandemic (also known as "COVID -19"). Pursuant to California Public Utilities Commission ("Commission") Resolution No. M-4842, dated April 16, 2020, GSWC is filing this Tier 2 advice letter to confirm compliance with the implementation of its Emergency Customer Protections and to request exemption from two customer protections that do not apply in this emergency.

BACKGROUND

On March 4, 2020, California Governor Gavin Newsom ("Governor") declared a State of Emergency for the State of California, in order to combat and minimize the threat of COVID-19. Governor Newson issued two executive orders to that effect:

- Executive Order N-25-20, dated March 12, 2020, recognizes that individuals exposed to COVID-19 may be unable to report to work due to illness or self-quarantine.
- Executive Order N-28-20, dated March 16, 2020, orders the Commission to monitor the measures undertaken by public and private utilities to implement customer service protections in response to COVID-19;

Additionally, on March 19, 2020, the Governor issued a statewide shelter-in-place order directing Californians to remain in their homes except to meet essential needs.

In response to the Governor's State of Emergency Proclamation and Executive Orders, the Commission issued Resolution No. M-4842 for utilities under its jurisdiction to file a Tier 2 advice letter describing all reasonable and necessary actions it intends to implement for their respective Emergency Customer Protections. Additionally, in this resolution, the Commission authorized utilities to establish a memorandum account to track incremental costs associated with complying with Resolution No. M-4842.

DISCUSSION

In Resolution No. M-4842, the Commission ordered water utilities under its jurisdiction to make effective immediately the following actions:

- (1) activation of their Catastrophic Event Memorandum Account ("CEMA"), effective March 4, 2020 to coincide with the date of the Governor's State of Emergency declaration;

- (2) make insurance claims on all costs and expenses incurred as a result of the pandemic, and credit insurance payments to their CEMA;
- (3) work cooperatively with affected customers to resolve unpaid bills, and minimize disconnections for non-payment;
- (4) waive reconnection or facilities fees for customers and suspend deposits for customers who must reconnect to the system;
- (5) provide reasonable payment options to customers;
- (6) waive bills for victims who lost their homes or if their homes are rendered uninhabitable; and
- (7) authorize a pro rata waiver of any fixed element of a water bill for the time that the home is uninhabitable, even if the reason for it being uninhabitable is not loss of water service.

Please note, GSWC believes Items 6 and 7 of the customer protections above do not apply to customers affected by the COVID-19 pandemic, because there is no threat of homes, apartments or small businesses being rendered uninhabitable due to COVID-19. GSWC believes that the intent of these protections were to support customers affected by a natural disaster such as wildfire, earthquake or flood. On March 19, 2020, the Governor issued a "shelter-in-place" order for all Californians to stay at home, as such, Items 6 and 7 should not apply to this specific event. GSWC requests exemption from these two customer protections.

COMPLIANCE

GSWC hereby notifies the Commission that it will implement the Emergency Customer Protections described in M-4842, effective March 4, 2020 with the exception of Items 6 and 7 noted for the reasons above. Additionally, GSWC has already activated a CEMA to track and recover incremental costs associated with implementing the Emergency Customer Protections. GSWC is filing this Tier 2 advice letter in compliance with the most recent directives from the Commission and amends the customer protections previously prescribed in Advice Letter No. 1814-W.

CEMA ACTIVATION

GSWC activated a CEMA to track incremental costs (not already reflected in authorized rates) associated with this declared State of Emergency. These costs shall include, but are not limited, to the following:

- (1) restoring utility service to the utility customers;
- (2) repairing, replacing, or restoring damaged utility facilities;

- (3) complying with governmental agency orders;
- (4) emergency customer protection activities during and after declared disasters;
- (5) any other Resolution No. M-4842 compliance costs

GSWC informed the Commission of its intent to activate a CEMA account for the COVID-19 emergency, effective March 4, 2020, in Advice Letter No. 1814-W. This advice letter was filed on March 19, 2020 and approved on April 3, 2020. In addition, on March 27, 2020, GSWC transmitted a letter to the Commission's Executive Director Alice Stebbins informing her of the activation of our CEMA account for all ratemaking areas and providing a description of the effects of the emergency on our facilities. See Attachment A for a copy of GSWC's March 27, 2020 letter to Executive Director Stebbins.

Prior Advice Letter

On March 19, 2020, GSWC filed Advice Letter No. 1814-W to notify the Commission of its Emergency Customer Protections implementation and CEMA activation. This was in response to Executive Director Alice Stebbins's March 17, 2020 letter, which stated that the Commission "expect[s] the utilities and service providers subject to D.19-07-015 and D.19-08-025 to extend the same applicable customer protections directed in D.19-07-015 and D.19-08-025 to customers in response to the declared state of emergency due to the spread of the COVID-19." D.19-07-015, dated July 11, 2019, Order Instituting Rulemaking Regarding Emergency Disaster Relief Program, codified the Emergency Customer Protections in the Commission's Resolution No. M-4833, dated November 9, 2017. In D.19-07-015, the Commission established the following permanent set of emergency customer protections that the utilities are to implement in the event of a declared emergency:

- A moratorium on discontinuing service shutoffs for non-payment
- Cease late payment fees
- Offer customer payment options for up to one year
- Restoration of service to previously shut-off customers
- Waive reconnection or facilities fees for affected customers and suspend deposits for affected customers who must reconnect to the system

Additionally, GSWC restored any water services previously disconnected (prior to March 19, 2020) due to non-payment.

GSWC communicated all these customer protections via its website, through bill message and email, press release, social media, and office signage in English and Spanish.

Lastly, to assist those residential customers affected financially during this time, GSWC will be posting on its website and mailing enrollment applications for its low income California Alternate Rates for Water ("CARW") program for a 20% bill discount. Current low income customers enrolled in the CARW program will remain enrolled in the program, regardless of the two-year recertification requirement.

TIER DESIGNATION

As directed by Resolution No. M-4842, this advice letter is submitted with a Tier 2 designation. GSWC is requesting an effective date of March 4, 2020.

CUSTOMER NOTICE

Pursuant to Water Industry Rule No. 3.2 in the Commission's General Order 96-B, this advice letter does not require a customer notice nor a customer notice verification.

RESPONSE OR PROTEST

Anyone may submit a response or protest for this Advice Letter ("AL"). When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

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 AL in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL 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 policy objections to an AL where the relief requested in the AL 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.

Water Division ("DW") must receive a response or protest via email (**or** postal mail) within 20 days of the date the AL is filed. When submitting a response or protest, **please include the utility name and advice letter number in the subject line.**

The addresses for submitting a response or protest are:

Email Address:

Water.Division@cpuc.ca.gov

Mailing Address:

CA Public Utilities Commission
Water Division
505 Van Ness Avenue
San Francisco, CA 94102

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to Golden State Water Company at:

Email Address:
regulatoryaffairs@gswater.com

Mailing Address:
Golden State Water Company
Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform WD, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

REPLIES

The utility shall reply to each protest and may reply to any response. Any 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 on each person who filed the protest or response to the AL.

The actions requested in this advice letter are not now the subject of any formal filings with the California Public Utilities Commission, including a formal complaint, nor action in any court of law.

No individuals or utilities have requested notification of filing of tariffs. Distribution of this advice letter is being made to the attached service list in accordance with General Order No. 96-B. Please note: some recipients on GSWC's General Order No. 96-B service list will experience a delay in receiving a hard copy of this advice letter. This delay is attributed to the reduced access to GSWC facilities and printing capabilities at this time, however, a copy of this advice letter will be posted on GSWC's website for review and printing.

Sincerely,

/s/ Ronald Moore
Ronald Moore
Regulatory Affairs Department
Golden State Water Company

c: James Boothe, CPUC - Water Division
Eileen Odell, CPUC- Cal PAO
Victor Chan, CPUC- Cal PAO
Richard Smith, CPUC- Cal PAO
Alice Stebbins, Executive Director

Lucian Filler, Deputy Executive Director
Bruce DeBerry, CPUC - Water Division

Attachment A



March 27, 2020

Via email to Leslie.Palmer@cpuc.ca.gov

Lee Palmer
Director, Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: Golden State Water Company's Response to Executive Director Stebbin's March 20, 2020 Letter Regarding Business Continuity and COVID-19 Response Plan

Dear Director Palmer:

In response to your letter dated March 20, 2020, Golden State Water Company (GSWC) hereby submits its responses to your inquiries. GSWC has been committed to carefully monitoring the rapidly evolving situation regarding COVID-19 and has taken steps to continue to inform and provide high quality service to its customers while also protecting its workforce. Since March 11, GSWC's response team (Sr. Executives, Human Capital Management, Emergency Management Employees) conduct daily calls to address concerns and/or determine actions needed based on latest information from the Center for Disease Control and Prevention (CDC) and other guidance. As a member of the California Utility Emergency Association, GSWC receives daily Cal-OES status reports, which are forwarded to the entire management team. In addition, CDC guidance and informational posters have been distributed to GSWC offices and facilities for posting.

GSWC maintains a business continuity plan to address emergency situations such as the COVID-19 pandemic. GSWC's business continuity plan is designed to protect its employees, continue to provide high quality, safe drinking water for its customers, and to maintain water operations at optimal levels during any crisis. As it relates to our business continuity plan, GWSC provides the following responses to your inquiries:

- 1.) Which essential functions can and cannot be performed remotely or transferred between locations:

Response:

All essential functions can be performed remotely except for the following:

- i. Distribution System Operations: Field operations, including meter reading, service repairs, main leak and appurtenance maintenance and repairs, distribution system water quality sampling
 - ii. Plant Operations: Water treatment plant operations and maintenance, chemical delivery and operations, water quality sampling and field testing, SCADA alarm checks and verification of system operations, response to site security alarms
 - iii. Capital Asset Management: Construction activities, including continuation of fire-hardening and critical projects needed for continued health and safety of customers, inspection activities
 - iv. Customer Call Center/Customer Service Office: Some customer calls can be taken by existing remote operators. However, given the specialized technology and equipment needed for remote call service, most customer service representatives must continue to report to their respective offices.
 - v. Response to regulatory requirements: Depending on the regulatory agency involved, facility inspections, and legal requirements, attendance at hearings, public meetings and other legal obligations may have to take place without the ability to participate remotely.
- 2.) How your company responds when employees are unable to work at their assigned job sites.
- Response:
All employees, except those listed above, have been accommodated to work remotely.
- 3.) How your company is responding to shelter in place orders, including for employees whose homes or job sites are in locations where such orders are in effect.
- Response:
The State of California has ordered shelter in place for all locations. Please see the response to item 1 and 2, and the opening paragraph for a description of actions taken to accommodate employees.
- 4.) Whether continuity planning differs for pandemics versus events such as earthquakes or wildfires.
- Response:
GSWC's business continuity plan is suited to cover most, if not all, catastrophic events.

- 5.) Whether your company has already activated your business continuity plan in response to COVID-19.

Response:

Yes, GSWC has activated its business continuity plan and is monitoring the unprecedented, evolving COVID-19 conditions to make modifications to its business continuity plan, where necessary.

Additional Inquiries:

Please provide a copy of communications distributed to employees or customers about potential impacts to operations and service that may occur as a result of your company's COVID-19 response.

Response:

Refer to the following attachments for copies of communications distributed to our employees, customers, vendors and stakeholders about potential impacts to operations and service resulting from GSWC's COVID-19 response.

Attachment A contains COVID-19 employee communications.

Attachment B contains COVID-19 customer communications.

Attachment C contains COVID-19 vendor communication.

Attachment D contains COVID-19 stakeholder (civic) communication.

Attachment E contains COVID-19 Customer Service Office communication.

Has your company implemented the CDC's interim guidance?

Response:

The CDC interim guidance has been changing frequently throughout the Government's response to COVID-19. GSWC has been monitoring the site, and implementing the guidance as best as practical. For example, where the CDC guidance has called for increased sanitization of work facilities, GSWC has implemented these measures as long as cleaning products have been available. GSWC notes that it has been difficult to augment supplies of hand-sanitizers and other cleaning agents given the shortages around the Country. GSWC has implemented social distancing for those employees who must report to work by implementing staggered shifts or moving employees into conference rooms or offices vacated by teleworkers.

What effects might the spread of COVID-19 have on your call center?

Response:

GSCW is able to respond to customer calls via our Call Center, with agents at our Customer Service Area (CSA) offices spread around the State, and by

teleworkers who have the proper equipment to take calls from their homes. GSWC will continue to operate to the best of its ability given the availability of staff at the Call Center, in our CSA offices and with remote workers. At the Call Center and CSA offices, we have separated employees to meet the “social distancing” guidelines, including moving some telephone operators to conference rooms and available offices to ensure proper separation. If employees are impacted by COVID-19 and unable to keep up with call volume, our customer response times will suffer. Should the Customer Service Center staff levels fall, GSWC has the capability to backfill Customer Service Center staff with Customer Service Office Representatives from the CSA offices. Customers also have the options to use our Customer Self-Service Portal via our website, and can contact the company via a general e-mail address.

What effects might the spread of COVID-19 have on your credit and collections processes?

Response:

GSWC may experience delays in our collections process depending on the health and well-being of those employees who are responsible for this function.

Have you taken any actions or are you planning any actions for customers impacted by COVID-19, such as suspending disconnections or implementing bill payment plans?

Response:

GSWC has suspended all disconnections for non-payment, and is extending payment plans for our customers. Additionally, GSWC has suspended the removal of any customers from its low-income program, California Alternate Rates for Water.

How will you communicate to the public about COVID-19 and your operations?

Response:

GSWC has been utilizing its website and social media platforms with frequent updates to inform the public and its customers about actions being taken in response to COVID-19.

On March, 19, GSWC filed Advice Letter No. 1814-W to activate its Catastrophic Event Memorandum Account (CEMA) to track incremental costs, not already reflected in authorized rates, associated with the Governor of the State of California’s March 4, 2020

Proclamation of a State of Emergency concerning the outbreak of COVID-19. Advice Letter No. 1814-W has been approved, with an effective date of March 4, 2020.

The current COVID-19 pandemic exacerbates the need for immediate financing considerably. During this time, we are suspending water shutoffs for non-payment and have enacted our Emergency Customer Protection and Outreach Plan to offer additional protections to customers who may be impacted by COVID-19. As a result, we anticipate a significant increase in accounts receivable aging, bad debt and/or other customer account adjustments which will put additional strain on GSWC's cash flow. GSWC urges the Commission to expedite processing of financing applications that have been pending before it, most of which are unopposed and non-controversial, and to process any new applications for financing authority in a timely manner.

The ability of water utilities to issue debt, stock or other financing mechanisms is governed by Pub. Util. Code §§ 816-830, which require the utility to obtain express authorization from the Commission prior to issuing certain financing instruments. This financing authority is necessary for water utilities to meet cash requirements in constructing facilities, maintaining safe and reliable service, and other important customer service needs. It is essential that the Commission process these applications quickly in order to provide water utilities with sufficient financing authority to address the significant cash-flow challenges that several utilities are now facing and are anticipated to worsen, and to weather the significant uncertainty in the financial markets. GSWC respectfully urges the Commission to process any financing applications as expeditiously as possible.

In conclusion, please know that GSWC puts the health and safety of our customers and employees first and all decisions concerning COVID-19 will continue to be made with that commitment top of mind. GSWC stays committed to providing safe and reliable water service to its customers throughout this unprecedented time.

Sincerely,

/s/Keith Switzer

Keith Switzer

Vice President, Regulatory Affairs

- c: Executive Director Alice Stebbins, California Public Utilities Commission
 Executive Director Elizabeth Echols, Public Advocates Office of the California
 Public Utilities Commission
 Richard Smith, Public Advocates Office of the California Public Utilities
 Commission
 Pat Ma, Public Advocates Office of the California Public Utilities
 Commission
 Lucian Filler, Deputy Executive Director, California Public Utilities Commission
 Bruce DeBerry, Water Division, California Public Utilities Commission