CALIFORNIA PUBLIC UTILITIES COMMISSION
Water Division

CREATING AND MODIFYING STANDARD PRACTICES

UNDER GENERAL ORDER 96-B

Standard Practice U-1-W

SAN FRANCISCO, CALIFORNIA
July, 2007

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A – PURPOSE AND SCOPE

1. The purpose of this standard practice is to provide guidance to Water Division (Division or staff), to the public and to water and sewer utilities (utility or utilities) as to the creation and modification of Water Division Standard Practices. A Standard Practice is:

   a. A Water Division document that provides procedural guidelines (1) to the public and Utilities for preparing, and filing with the Water Division or the Commission, various documents, including formal applications and advice letters, and (2) to Staff for reviewing such documents and creating Water Division work products.[1]
   b. A document, the purpose of which includes:
      i. Standardizing the preparation of analyses, minimizing the amount of work necessary in developing information and promulgating standard forms.[2]
      ii. Assisting in providing a uniform, non-discriminatory administration of the Public Utilities Code, Commission Orders and utility tariffs.[3]
      iii. Providing information to allow consistent and complete implementation of Commission proceedings.[4]
      iv. Providing uniformity of appearance and standard location of information.[5]

2. The California Public Utilities Commission has used Standard Practices for over 50 years. Because they originally applied only to staff work-products, and specified the content and format of staff reports, these Standard Practices did not have an impact on utility filings. General Order 96-B, effective July 1, 2007, expanded the definition of Standard Practices to include procedures used by the utilities to make filings. Prior to that time the utilities were given individual instructions by letter (May 10, 1990—Net to Gross Multiplier; January 18, 1991—Service Charge Ratios; August 7, 1991—Connection Fees; May 1, 1995—New Procedures for Filing Step Increase, Attrition and Offset Advice Letters; etc.) These letters required the utilities to maintain a file of instructions, burdened the

[1] Decision (D.)07-01-024, January 15, 2007, Appendix C, Rule 1.10
[2] SP U-5 PREPARATION OF FIXED CAPITAL AND RATE BASE CHAPTERS OF REPORTS ON MAJOR UTILITY OPERATIONS, July 1, 1952, Doc. Mgmt. #266586
[3] SP U-6 MANUAL FOR THE GUIDANCE OF THE UTILITY CONSUMER SERVICES UNIT, Revised January 3, 1966, Doc. Mgmt. #266590
[4] SP U-8 CALIFORNIA RAILROAD COMMISSION, Public Utilities Department, PROCEDURE FOR FILING OF TARIFF SCHEDULES UNDER GENERAL ORDER NO. 96, Special Study No. S-105, San Francisco, California, Effective January 1, 1943, Superseding Instructions of January 1, 1938, Doc. Mgmt. #264217.
[5] SP U-10 STANDARD PRACTICE FOR PREPARATION OF DRAFTS AND TYPING OF RESULTS OF OPERATIONS REPORTS, December 4, 1951, Doc. Mgmt. #266705

staff with maintaining and knowing about these letters, and created a problem for new companies who did not have the instructions available. Also, certain orders of the Commission (D.92-03-093, March 31, 1992—Risk Phase 1; D.94-06-039, June 22, 1994—Risk Phase 2; D.99-10-064, October 21, 1999--Acquisition and Mergers; etc.) contain rules and agreements that must be considered when filing Advice Letters with the Commission. Keeping track of these decisions can be a burden for both utilities and staff. General Order 96-B envisions Standard Practices that include these instructions and all future instructions. The Standard Practices will be modified as required, to keep current with Commission rulings and changes to Water and Sewer System regulatory procedures.

B – EXISTING STANDARD PRACTICES

3. Staff will modify existing Standard Practices as necessary and send them out for review and publication as described for new Standard Practices below.

C – CREATING A NEW STANDARD PRACTICE

4. Staff, the Division of Ratepayer Advocates (DRA), the utilities or the public may suggest the creation of a new standard practice by informing the Director of the Water Division (Director) of the need and what the standard practice should contain. At the Director's discretion, staff will prepare a draft of the new standard practice. After Director review, the Division will send a copy to all regulated water and sewer system utilities and to DRA for comment. After the Division receives comments, staff will modify the draft standard practice as appropriate and the Director will issue it as a final standard practice. For complex standard practices or when requested, the Division will host a workshop on the standard practice.[6] Some new rules may be so controversial as to require an Order Instituting Rulemaking.[7]

D – FORMAT OF A STANDARD PRACTICE

5. Each standard practice shall have a cover sheet containing the following information: On the first line in Times New Roman font, bold, 16-point type, centered: "**CALIFORNIA PUBLIC UTILITIES COMMISSION,"** with non-bold "Water Division" centered directly underneath. The title of the standard practice shall be in the center of the page in Times New Roman font, 16-point type, double-spaced, centered, all caps and underlined. The words "Standard Practice" and the standard practice number (U-X-W for all water and sewer system utilities or U-X-SM for non Class A water or sewer system utilities) will be in Times New Roman font, 14 point type, centered two lines below the title. At the bottom of the page, centered in Times New Roman font, bold, 12-point type, "**SAN FRANCISCO, CALIFORNIA,"** with the month and year of issuance in Times New Roman font,12-point type centered underneath. Revisions to a standard practice shall state the month and years of issuance and "Revising" the month and year of the prior standard practice. The CPUC document management document number and version number will be in the footer at the lower left of the cover page.

6. The standard practice shall consist of sections, lettered consecutively, followed by a dash and the section's title, all caps, Ariel font, 12 point type, and bold. Subsections will be Times New Roman 12 point type, bold, unnumbered.

[6] See SP U-31-W PLANNING AND CONDUCTING WORKSHOPS
[7] See Article 3.5 of the Commission's Rules of Practice and Procedure

7. Each paragraph shall be numbered consecutively, in Times New Roman font, 12-point type. Subparagraphs shall be identified by lower case letters, and subsections of subparagraphs shall be numbered using lower case Roman numerals. Each page will be numbered, centered. The standard practice number in the form "SP U-#-W (or SM)", with date, shall be in the header, upper left, and the Document Management (Doc. Mgmt.) document number (#) and version (v.) shall be in the footer, lower left.

8. Each standard practice shall have a Table of Contents listing the sections and appendices and the page number on which each section or appendix starts. If necessary the standard practice shall include in a reference appendix a list of references following the body of the standard practice, and additional appendices containing example letters, forms, and work products, as required. Appendices shall be identified with the word Appendix and the capital letter centered in the header. The standard practice designator and date shall be in the header, upper left. Each page in the appendix shall be numbered, starting with the Appendix letter and "-#" with the Doc. Mgmt. # in the footer, lower left..

E – REVISING STANDARD PRACTICES

9. When the public, staff, a utility or DRA sees the need to revise a standard practice, it will forward the suggested changes to the Director. The Division will consider the suggestions, coordinate with all affected parties and modify the existing standard practice as appropriate. After the Director' review, staff will send the modified standard practice out for comment. After staff receives comments, the Director will finalize and issue as a revised standard practice. Revised standard practices will state the month and year of issuance followed by "Revising" the month and year of the prior standard practice. The revised standard practice will be mailed to all water and sewer system utilities and will be posted and replace the old standard practice on the CPUC web site. This revision method eliminates the updating requirements contained in SP U-21 SUBJECT REFERENCE SYSTEM, March 16, 1966, Doc. Mgmt. #266725.

F – DEVIATING FROM STANDARD PRACTICES

8. Standard practices are guidelines, and deviations are allowed for good cause.[8] A utility requesting a deviation should support the request in the body of the advice letter or other documentation required by the standard practice. Deviations normally require the approval of the Director, Water Division.

G – AVAILABILITY

9. Copies of all active standard practices are available from the Water Division and are posted on the CPUC website at www.cpuc.ca.gov.

[8] Provisions of a Standard Practice established by Commission Order shall require an exemption from the underlying Order.