APPENDIX A

STATE OF CALIFORNIA

ARNOLD S GER, Governor

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
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To: All Class A Water Companies

In December 2005, the Commission adopted a Water Action Plan. To date, the record for Class A Water Companies submitting proposals that implement the Water Action Plan Objectives has been spotty.

Earlier this month, I solicited comments on how best to implement the WAP (my letter dated July 7, 2006). This letter addressed the WAP, and it also seeks more efficient procedural changes to the Rate Case Plan for Class A Water Companies (D.06-02-010).

Since this process may be lengthy, let me share with you my expectations on what the Class A companies should prepare in their GRC filings (or in a separate application). Please refer to the check list enclosed with this letter.

I will also be recommending that the Assigned Commissioner for Class A formal filings include this check list in the scoping memo.

Very truly yours,

Kevin P. Coughlan
Director
Water Division

Enclosure

Cc: Cynthia Walker
Division of Ratepayer Advocates

Water Action Plan
GRC Rate Case Plan
Check List

Water Quality

- Separate Report in GRC to include (the first seven items are required pursuant to D.04-06-010):

    1. Since the last GRC has the utility complied with DHS drinking water standards?
    2. Explain in detail each MCL exceedence
    3. Explain deviation from accepted water quality procedures
    4. Provide a copy of Consumer Confidence Report for each year not covered by the last GRC
    5. Provide copies of DHS citations, if any
    6. Provide copy of last annual inspection report and issue letters
    7. Provide information on all responsive actions taken by the utility
    8. List instances where a source has exceeded 50% of and MCL and explain what if any actions may be necessary in the future
    9. Provide details of any monitored Notification Levels exceeded standards or rules and explain that were or maybe necessary
    10. Explain how regulations likely to be promulgated in the next 5 years may affect your operations

Conservation

- Meter Service (Percentage of metered customers. Plan to eliminate all flat rate customers)
- Membership in CUWCC (For those companies that are a member of CUWCC, submit a Separate Report that list the company's compliance with the 14 BMP's. For those companies that are not members of CUWCC, submit a Separate Report on the implementation of CUWCC's BMPs)
- Increasing block rates (Submit a proposal)
- Decoupling sales from revenues (Submit a proposal)

- Financial incentives (Submit a proposal)
- 10% energy reduction in 3 years (Submit a plan)
- Unaccounted for water (if more than ≈ 7% for each district or service area, submit a plan to reduce it to 7%). Show cost and benefit
- Leak detection program
- Leak repair time

Infrastructure Investment

- The latest Department of Water Resources Water Management Plan GRC
- Distribution System Improvement Charge (Submit a Plan)
- Security (Confirm compliance with EPA Vulnerability Assessment and Office of Emergency Services Response Plan

Low-Income Ratepayer Assistance

- Tariff filing (Include proposal)

(END OF APPENDIX A)