

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 21, 2009

Draft Resolution W-4781  
Agenda ID #8720

TO: All Interested Parties

Enclosed is draft Resolution W-4781 of the Division of Water and Audits. It will be on the Commission's August 20, 2009 agenda. The Commission may act then act on this resolution or it may postpone action until later.

When the Commission acts on a draft resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding on the parties.

Parties to this matter may submit comments on this draft resolution. An original and two copies of the comments, with a certificate of service, should be submitted to:

Division of Water and Audits, Third Floor  
Attention: Terence Shia  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Parties may submit comments on or before August 10, 2009. Parties may submit reply comments on or before August 17, 2009. The date of submission is the date the comments are received by the Division of Water and Audits. Parties must serve a copy of their comments on Golden State Water Company on the same date that the comments are submitted to the Division of Water and Audits.

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft resolution, a table of authorities and appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on the factual, legal, or technical errors in the draft resolution, and shall make specific reference to the record or applicable law. Comments which fail to do so will be accorded no weight and are not to be submitted.

Persons interested in comments of parties may write to Terence Shia or telephone him at (415) 703-2213.

/s/RAMI S. KAHLON

Rami Kahlon, Director  
Division of Water and Audits

Enclosures: Draft Resolution W-4781  
Certificate of Service  
Service List

**DRAFT**

**WATER/RSK/FLC/JB5/TS2/jlj**

**AGENDA ITEM #8720**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**DIVISION OF WATER AND AUDITS  
Water and Sewer Advisory Branch**

**RESOLUTION NO. W-4781  
August 20, 2009**

**R E S O L U T I O N**

**(RES. W-4781), THIS RESOLUTION AFFIRMS THE DIVISION OF WATER & AUDITS' (DWA) PROCEDURE, AS STATED IN STANDARD PRACTICE U-40-W (SP 40), IN PROPERLY DISPOSING OF TARIFF SCHEDULE 14.1 FILINGS MADE BY GOLDEN STATE WATER COMPANY (GSWC).**

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**SUMMARY**

This Resolution approves, with modifications, DWA's disposition of GSWC's Advice Letters (AL) 1326-W, 1327-W, 1328-W, 1329-W, 1330-W, and 1332-W. This resolution also approves GSWC's pending AL's 1335-W and 1336-W. All these ALs were filed pursuant to Standard Practice U-40-W<sup>1</sup> and include requests to implement Tariff Schedule 14.1 (Schedule 14.1)<sup>2</sup> to address mandatory rationing that may be enforced if voluntary measures do not yield the necessary reduction in consumption. The

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<sup>1</sup> SP 40 outlines the general procedure for utilities to request and implement Tariff Rule 14.1 and Schedule 14.1. Rule 14.1 is implemented in response to requests for voluntary rationing in order to reduce consumer consumption. This may be accomplished by voluntary enforcement of water use restrictions such as outside watering or vehicle washing.

<sup>2</sup> Schedule 14.1 is implemented in response to a governing agency such as a water wholesaler or governing water agency declaring a water shortage and imposing mandatory rationing on a utility that may result in a reduction of customer water allocation based on a percentage of historical usage.

governing water agencies, in response to the reduced allocation program from the Metropolitan Water District of Southern California (MWD), issued declarations to GSWC that reduced its allocations by percentages ranging from 10 – 15 %. GSWC must then flow through this reduced allocation to its customers and keep track of any additional income (in the form of penalties to customers for consumption over their allotments) generated from Schedule 14.1 along with tracking incremental administrative and operating expenses resulting from the implementation of Schedule 14.1 in a memorandum account. In addition, utilities filing for a memorandum account to track the revenue shortfall associated with the implementation of Schedule 14.1 must follow the restrictions set forth in this resolution, and the expenses eligible to be tracked must be outside the scope of any existing conservation related adjustment mechanism.

The Division of Ratepayer Advocates (DRA) protested ALs 1326-W, 1327-W, 1328-W, 1329-W, 1330-W, and 1332-W. DWA in its disposition of these items denied DRA's protests. DRA is seeking Commission review and resolution pursuant to Rule 7.7.1 of General Order 96-B. DRA requests Commission review of the following questions:

1. Are GSWC's requests to establish Schedule 14.1s filed as Tier 2 ALs subject to DWA disposition the appropriate procedure?
2. Should GSWC's requests to implement Schedule 14.1s via Tier 1 ALs be permitted?
3. Is DWA's approval of GSWC's Schedule 14.1 in which customer allocations are based on historical use the appropriate policy?
4. Is DWA's approval of GSWC's Schedule 14.1 where customer penalties are based on billing-period allocations as opposed to annual allocations the appropriate policy?
5. Is DWA's approval of GSWC's Schedule 14.1 where customers in different service areas are subject to the same rationing regime the appropriate policy?
6. Are GSWC's requests to establish memorandum accounts that are not pre-authorized by the Commission subject to DWA disposition?
7. Is DWA's approval of memorandum accounts to track "lost revenues" due to rationing the appropriate policy?

We resolve these matters by adopting the procedures set forth in DWA's SP 40 (Attached as Appendix A) as the policy for dealing with establishing and implementing Schedule 14.1. Lastly, we order GSWC to revise its tariffs from those filed with the above advice letters as detailed in this Resolution.

## **BACKGROUND**

GSWC, a California corporation, is a Class A utility and a subsidiary of American States

Water Company. As one of California's largest Commission-regulated water utilities, it serves approximately 240,000 customers in districts throughout the state. GSWC serves approximately 13,200 customers in the City of Simi Valley and vicinity. The Region II service territories include: Artesia, Bell, Bell Gardens, Carson, Cerritos, Compton, Cudahy, Culver City, Downey, El Segundo, Gardena, Hawaiian Gardens, Hawthorne, Huntington Park, Inglewood, Lakewood, La Mirada, Lawndale, Long Beach, Norwalk, Paramount, Santa Fe Springs, South Gate, and the communities of Athens, Lennox, Willowbrook, Moneta, Florence-Graham, Del Aire and other unincorporated areas in Los Angeles County. The Region III service territories include: Claremont, Orange County, San Dimas and San Gabriel. The above mentioned service territories are all provided wholesale water by MWD and its member agencies.

Advice Letter Filings

ALs 1326 & 1327 were filed by GSWC for its Simi Valley Customer Service Area (SVCSA) on May 26, 2009 in response to MWD implementing a reduced allocation program that would affect its member agencies, including Calleguas Municipal Water District (CMWD). CMWD supplies approximately 89% of the water for the SVCSA. On April 14, 2009, MWD approved its reduced allocation plan, with an effective date of July 1, 2009. In the plan, MWD will limit supplies and impose penalty rates on member agencies for any water use above the target levels. As a result, MWD reduced CMWD's allocations for fiscal year 2009/2010. In turn, CMWD has reduced GSWC's allocation based on its historical 2004-2006 average usage. With GSWC's reduced allocation from CMWD, Simi Valley Customers will have to reduce their usage in order for GSWC to stay within CMWD's allocation. Additionally, CMWD is implementing the same penalty rate structure that MWD is imposing on its member agencies. If GSWC stays within its historical average, there will be no penalty charges assessed to GSWC. GSWC is utilizing a similar penalty rate structure for its customers as it is receiving from its wholesalers.<sup>3</sup>

AL 1327 was filed by GSWC to request establishment of two memorandum accounts: (1) the Simi Valley Conservation Rationing Implementation Memorandum Account (SIMCRIMA), which would track all expenses to implement Schedule 14.1 as well as penalty charges imposed on GSWC by CMWD and additional penalty income from its customers generated from implementing Schedule 14.1; and (2) the Simi Valley Water

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<sup>3</sup> GSWC's customer penalty amounts are similar to what GSWC is subject to from its water wholesaler. However, GSWC has chosen to impose customer penalties on a billing period basis as opposed to the annual penalties it is subject to from its water wholesalers.

Rationing and Conservation Memorandum Account (SIWRCMA) in which the revenue shortfall associated with the implementation of Schedule 14.1 would be tracked.

AL 1328 was also filed on May 26, 2009 by GSWC for its Orange County Service Area also in response to MWD's allocation program. The member agency responsible for supplying GSWC's customers is the Municipal Water District of Orange County (MWDOC). Similarly, MWDOC is imposing the same types of restrictions as CMWD. The only difference is in the lower percentage of supply (39.84%) that MWDOC provides to the Orange County Service Area. GSWC has requested the same type of implementation program for its SVCSA and Orange County Service Area.

AL 1329 was filed by GSWC for its Region II Service Area on May 28, 2009 in response to a reduced allocation program from MWD's member agencies including Central Basin Municipal Water District (CBMWD) that supplies according to GSWC approximately 24% of the water for Region II and West Basin Municipal Water District (WBMWD) that supplies approximately 70% of the water for Region II.

AL 1330 was filed by GSWC to request implementation of one memorandum account: the Region II Mandatory Conservation Rationing Implementation Memorandum Account (MEMCRIMA), which would track all expenses to implement Schedule 14.1 as well as penalty charges imposed on GSWC by CBMWD and WBMWD and additional penalty income from its customers generated from implementing Schedule 14.1.

AL 1332 was filed by GSWC for its San Dimas and Claremont Customer Service Areas (SDCCSA) on June 5, 2009 in response to a reduced allocation program from MWD's member agency, Three Valleys Municipal Water District (TVMWD). TVMWD supplies approximately 66% of the total water supply in San Dimas and approximately 35% of the total water supply in Claremont.

AL 1335 was filed on June 10, 2009 by GSWC to request implementation of one memorandum account: the Region III Mandatory Conservation Rationing Implementation Memorandum Account (R3MCRIMA), which would track all expenses to implement Schedule 14.1 as well as penalty charges imposed on GSWC by MWD, which supplies approximately 32% of the total water supply for Region III, and additional penalty income from its customers generated from implementing Schedule 14.1.

AL 1336 was filed by GSWC for its San Gabriel Customer Service Areas (SGCSA) on June 11, 2009 in response to a reduced allocation program from MWD's member agency, Upper San Gabriel Valley Municipal Water District (USGVMWD), which supplies a portion of the water or approximately 7% of the total water supply for

SGCSA.

DRA's Protests

On June 15, 2009, DRA filed protests to ALs 1326-W, 1327-W, and 1328-W. In response to AL 1326 & 1328, DRA raised the following issues in its protest: (1) "Filing Schedule 14.1 as a Tier 2 advice letter violates Commission order, which states that rationing plans must be authorized by Commission resolution;" and (2) "the proposed Schedule 14.1 allows GSWC unduly broad discretion over the implementation of rationing; the allocation design penalizes customers who have conserved water in the past; and GSWC is imposing a greater burden on its customers than it is facing from its wholesaler." With regards to AL 1327, DRA raised a number of issues in its protest: (1) "The Commission should reject GSWC's request for the SIWRCMA to track lost revenues associated with the implementation of Schedule 14.1 as DRA recommends that any other "additional income" generated as a result of implementing Schedule 14.1 should be tracked in the Water Revenue Adjustment Mechanism (WRAM) and Modified Cost Balancing Account (MCBA) effective when GSWC implements mandatory rationing rather than waiting for the effective date of a decision in A.08-09-010, which is expected to occur in the Fall of 2009; (2) Memorandum accounts are not the appropriate mechanism for tracking lost revenues due to conservation; (3) GSWC should terminate the SIMCRIMA when GSWC no longer has costs associated with implementing Schedule 14.1; and (4) The Commission should direct GSWC to revise AL-1327-W to allow customers to "bank" their allocations from billing period to billing period, if a Schedule 14.1 is approved for Simi Valley.

GSWC's Response

On June 22, 2009, GSWC responded to each point of DRA's protest. With respect to the Tier Designation for AL 1326 & 1328, GSWC argues that SP 40 allows for utilities to file a Tariff Schedule 14.1 through a Tier 2 AL. GSWC argues that DRA's request to have these filings require a resolution delays the process for meeting the water supply restrictions imposed on GSWC by MWD's member agencies.

GSWC contends it is the most capable entity for managing the implementation of rationing as it can monitor wholesale supplies, local groundwater supplies and changes in usage patterns to determine which stage is most appropriate to address current supply deficiencies. GSWC cites California Water Code 350 as specifically allowing a privately-owned public water supplier to determine when "ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection."

On June 24, 2009, DWA filed a disposition resolving ALs 1326, 1327, and 1328 consistent with SP 40. DRA then filed a Request for Review of the disposition on July 6, 2009. Similarly, DRA protested ALs 1329 & 1330 on June 18, 2009 with GSWC filing a reply on June 25, 2009. DWA filed the disposition of these two ALs on June 29, 2009 followed by DRA's request for review on July 9, 2009. AL 1332-W was dealt with similarly with a DRA protest received June 25<sup>th</sup>, a GSWC reply received July 2<sup>nd</sup>, and a DWA disposition filed on Jul 6<sup>th</sup>. ALs 1335 and 1336 raise similar issues. Both have been protested by DRA. Given the overlapping procedural and policy questions, DWA suspended ALs 1335 and 1336 on July 10<sup>th</sup>. Given the similarity of issues and for administrative efficiency, these advice letters are reviewed in this Resolution.

### **NOTICE AND PROTESTS**

GSWC gave public notice of the Water Conservation and Rationing Program for the Simi Valley in the Region I Service Area; the Region II Service Area; and in Orange County, San Dimas-C Claremont, and San Gabriel in the Region III Service Area. All of the affected customers in GSWC's Service Area received notices in the mail about the Schedule 14.1 filings with the CPUC and the time and location for public meetings in their district. Additionally, legal advertisements were placed in local newspapers in advance of the meetings. The public meetings informed customers of the background about GSWC, the water shortage, and the impact of the proposed plan on customers. An outline was provided of GSWC's Rule and Schedule 14.1 filing, including information about how customers can contact the Commission with comments and the proposed process for filing for an exception to the a customer's historical allotments. GSWC also gave indoor and outdoor water efficiency tips and resources for more water conservation information. The utility also maintained a booth to distribute free water conservation kits, shower timers, automatic shut-off nozzles, and brochures. A question and answer session followed GSWC's presentation in order for customers to voice their concerns. The meeting minutes were then provided to DWA staff with customer comments and questions being noted.

In addition to DRA's protests, more than sixty letters in opposition were received from customers in regards to the above-mentioned advice letters. Many stated that the rationing program was unreasonable and unjust, since GSWC was issuing penalties on a bi-monthly billing period compared to the penalties assessed by MWD and its member agencies on an annual basis. Several letters raised concerns that the conservation program would negatively affect their rates that are being reviewed concurrently in GSWC's existing general rate case proceeding, A.08-07-011. These letters also referenced their current hardships of higher rates and tough economic times. A

few also claimed that they did not understand why they should be “punished” with a surcharge when they have been conserving water in response to the drought, while a

few others disagreed with GSWC’s authorized rate of return being “guaranteed” through these rate recovery mechanisms.

## **DISCUSSION**

We address DRA’s request for review on the outstanding procedural and substantive issues that were disputed in DWA’s dispositions. Our review of the substantive issues raised by DRA is guided by the principle that GSWC’s management of the reduced allocation from its water wholesalers to its customers should be consistent with, to the extent possible, the allocation methodology being imposed by the wholesale water agencies.

### *Procedural Questions:*

- Are GSWC’s requests to establish Schedule 14.1s filed as Tier 2 ALs subject to DWA disposition the appropriate procedure?

SP 40 shown in Appendix A outlines the process for a utility to establish and implement a Tariff Schedule 14.1 by Tier 2 and Tier 1 advice letters, respectively. During the 4<sup>th</sup> Quarter of 2008, DWA began to encourage participation from the Class A utilities and DRA in revising SP 40. A workshop was held on December 1, 2008 to address the utilities’ water supply concerns and discuss the implementation of various conservation programs. An initial draft of the revised SP 40 was issued on February 2, 2009 to all parties for comments and input on the process for Schedule 14.1 filings. These comments were then incorporated into a second draft of the revised SP 40 before being circulated one more time. After making the necessary revisions, DWA issued SP 40 on March 30, 2009.

SP 40, Section – F, Mandatory Rationing outlines the procedure used by GSWC in establishing and activating its Schedule 14.1. Forcing each Schedule 14.1 AL to go through the resolution process, as DRA advocates, would extend the time to implement a rationing program. Additionally, the rationing programs are essentially modeled on those of the wholesale water agencies and follows MWD’s directive. SP 40 provides an appropriate process for Commission-jurisdictional utilities to comply with government mandated programs. The Tier 2 advice letter process provides an opportunity for parties to raise concerns with a utility’s filing to DWA. It also provides for DWA’s review that the utility is following the rationing mechanism outlined by its water wholesaler. Finally, General Order 96-B provides the ability for a party to request review by the Commission of DWA’s disposition as DRA has done here. We adopt the

process for establishing a Schedule 14.1 as outlined in SP 40 and make it applicable for all utilities that have currently filed a Schedule 14.1 and for future filings.

- Should GSWC's requests to implement Schedule 14.1s via Tier 1 ALs be permitted?

If the water wholesaler or other governing agency were to declare an immediate change in water allotments, the utility would need to act concurrently. Requesting a change in a rationing stage should require only a Tier 1 AL as the utility would be flowing through the changes mandated from the governing agency. Since the rationing stages required to implement Schedule 14.1 are reviewed through the Tier 2 AL process, DWA, DRA, and other interested parties have the ability to review and address the Schedule 14.1 requirements. Once these requirements have been addressed, the utility should be able to request implementation of individual rationing stages through a Tier 1 advice letter. DWA still retains the option of rejecting or suspending a Tier 1 AL should deficiencies with a utility's implementation of Schedule 14.1 occur. We adopt the process for implementing rationing stages in a Schedule 14.1 as outlined in SP 40 and make it applicable for all utilities that have currently filed a Schedule 14.1 and for future filings.

- Are GSWC's requests to establish memorandum accounts that are not pre-authorized by the Commission subject to DWA disposition?

DRA objects to DWA's disposition of memorandum accounts that are not pre-authorized by the Commission. DRA believes filings for new memorandum accounts, such as the Mandatory Conservation Rationing Implementation Memorandum Account require Commission authorization. GSWC utilized the five-prong test of reasonableness in requesting this memo account by stating the following: (1) GSWC has no control over MWD's reaction to either the California drought condition or its proposed plan for rationing; (2) GSWC's last general rate cases for these districts were filed prior to MWD's plans for rationing; (3) MWD's allocation plan has an effective date of July 1, 2009 while GSWC's next general cases are schedule to be filed in 2010 and 2011; (4) GSWC believes that the amount of money involved is of a substantial nature; (5) GSWC believes this memorandum account has ratepayer benefits because its customers will benefit from conserving water supplies for the future or until natural replenishment can occur.

We have used these criteria in past decisions dealing with establishment of memorandum accounts.<sup>4</sup> We see no reason not to continue to delegate to DWA the review of requests to establish memorandum accounts under the five-prong test. Parties always have an opportunity to request Commission review if they believe DWA's determination is incorrect.

DWA has correctly used the five-prong test for reviewing establishment of memorandum accounts. DWA should continue to review future requests to establish memorandum accounts as Tier 2 Advice Letter filings. We reaffirm DWA's authorization to establish various conservation memorandum accounts to track additional penalty income from its customers generated from Schedule 14.1 along with incremental administrative and operating expenses resulting from the implementation of Schedule 14.1.

- Is DWA's approval of memorandum accounts to track "lost revenues" due to rationing the appropriate policy?

With regards to DWA's objection of DWA's approval by disposition of memorandum accounts to track "lost revenues" due to rationing, we have already addressed this in Resolution W-4751. Resolution W-4751 authorized GSWC to recover in rates the extraordinary expenses and revenue shortfall associated with conservation measures in conjunction with the declared drought in California. Before seeking recovery of the memorandum account balance, GSWC reduced the balance by an amount equal to a 20-basis point reduction in the utility's most recently adopted return on equity, and the utility reduced the amount to be recovered to a level sufficient to ensure that such recovery did not cause the utility to exceed the authorized rate of return for the utility district for the period covered by the memorandum account. DWA's approval of memorandum accounts to track lost revenues associated with the implementation of Schedule 14.1 is consistent with that determination. Tracking the lost revenues associated with implementation of Schedule 14.1 is a short-term mechanism until a water revenue adjustment mechanism is instituted for the various GSWC districts. Further, tracking these dollars for potential recovery is consistent with the direction we have been moving to decouple sales and revenue to remove the disincentive for utilities to implement conservation programs.<sup>5</sup> In previous drought conditions, water utilities

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<sup>4</sup> See for example Resolution W-4276 (2001) and D.08-03-020 (2008).

<sup>5</sup> This has been most recently articulated in D.09-07-021 in our approval of the Settlement Agreement between the Division of Ratepayer Advocates and California-American Water Company on Conservation Rate Design Issues.

were allowed to track lost revenues resulting from their compliance efforts through water conservation programs.<sup>6</sup>

We affirm DWA's determination that GSWC can track its lost revenues resulting from implementation of Schedule 14.1 in a memorandum account using the accounting methodology prescribed in Resolution W-4751.

Substantive Concerns:

- Is DWA's approval of Schedule 14.1 in which customer allocations are based on historical use the appropriate policy?

DRA contends that basing customer allocation on historical average usage can be unfair to customers who have conserved in the past. GSWC agrees that there may be other, more precise methods such as individual water budgets that may involve banking. Currently, GSWC does not have the necessary data to develop a customized allocation for each customer, nor does it have the capability to use this data. GSWC is in the process of implementing a new Customer Information System, which is scheduled to be active in 2011. Determining the need for such precise measurement and associated data collection should be addressed in GSWC's next GRC. GSWC, however, is being asked to reduce usage starting July 1, 2009. GSWC has based its current staged reduction program to mirror the allocation method proposed by the local wholesaler, which excludes consumption during 2007, 2008, and 2009, in which customers were conserving from its base allocation. In addition, GSWC has an appeal process in place to adjust a customer's base allocation for customers who believe they are unable to meet their historic allocation for justifiable reasons.

Based on our guiding principle that GSWC's rationing allocation methodology for its customers should closely follow that implemented by its water wholesaler and that MWD's Water Supply Allocation Plan uses a historical base period, we affirm DWA's determination of GSWC's use of customer's historical usage is the appropriate methodology to use at this time.

- Is DWA's approval of Schedule 14.1 where customers in different service areas are subject to the same rationing regime the appropriate policy?

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<sup>6</sup> See D.90-08-055 (1990).

DRA points out that “customer allocation should reflect the weighted average reduction in water supply,” and GSWC states that it will comply by including these calculations when requesting implementation of a specific stage in addition to adding a note in the text of Schedule 14.1 stating, “Activation of the specific stage and amount of reduction will be determined by the total available water supplies, conservation programs, customer usage demand, and customer adjustments and appeals.” GSWC has provided a sample of this imputed allocation with the reply to DRA’s protest and in response to the data request made by DWA.

In this case, the governing water agency, MWD, has issued a rationing request on its member agencies to reduce their historical water usage from 2004 - 2006 by 15% or face penalties for usage above this determined allocation on an annual basis beginning July 1, 2009. Overall, the member agencies have adopted these same regulations with only

slight variations in the historical base years but the percentage reduction remains the same. These percentage reductions are allocated on the total water delivered from MWD to each member agency, and each member agency has followed this formula for the total water delivered to GSWC. The utility, in turn, allocates these percentage reductions uniformly across its customer service areas. DRA noted that GSWC should differentiate among Customer Service Areas with different water supply situations in its rationing programs. For example, DRA cited GSWC’s Region II as incorrectly allocating this reduction based on the actual water supplied from MWD’s member agencies. Although GSWC reports that CBMWD and WBMWD delivers the majority of the water supply to Region II which amounts to 24.5% and 70.4%, respectively, DRA reported that the adopted quantities in Appendix C of D.07-11-037 show that CBMWD only comprises 14.9% of the total water supply for Region II and WBMWD comprises 42.9%. In light of this evidence, we agree with DRA that GSWC should allocate its percent reduction from its wholesaler in a more accurate manner to flow through precisely to its customers what MWD has allocated for its member agencies. As such, GSWC shall supplement Advice Letter Nos. 1326, 1328, 1329, 1332, and 1336 to reflect the reduced allocation from MWD’s member agencies that supply each Customer Service Area.

- Is DWA’s approval of Schedule 14.1 where customer penalties are based on billing-period allocations as opposed to annual allocations the appropriate policy?

GSWC has taken the initiative to base its penalties on a customer’s historical usage from 2004 - 2006 on a bi-monthly billing period rather than on an annual basis as MWD has proposed. GSWC has stated that MWD is requiring all retail agencies to report total demand and total local supply usage on a month-by-month basis. GSWC maintains the ability to track this progress, but rather than assessing a penalty on its customers,

GSWC should communicate to customers their usage information on the bill.

The billing statements should contain information about a customer's water allocation in the Usage History section as shown in the table below. The "Current Allocation" refers to the amount of water budgeted in CCF (hundred cubic feet) to meet an overall specified reduction for the current billing period. The "Next Allocation" is the target for the next billing period. The "Above Allocation" is the amount of water used over the budget. The "Potential Fine" is the penalty amount that the customer would be charged at the end of the year if the customer does not stay within their annual allotment. With this flow-through penalty system, the customers of GSWC would face the same type of penalties that the utility itself would confront. We agree with DRA that a customer penalty based on an annual allocation will more closely and equitably follow the penalty costs that may be assessed to GSWC by its water wholesaler. GSWC can track the costs of implementing the customer's usage information we are requiring through the implementation costs memorandum account as outlined in SP 40. GSWC shall supplement Advice Letter Nos. 1327, 1330, and 1335 to provide for penalty amounts to customers that are calculated on usages above their annual allotments. These penalty amounts shall be tracked in the Mandatory Conservation Rationing Implementation Memorandum Accounts along with the penalty charges that the water wholesaler imposes on GSWC for exceeding its allocation. DWA shall amend SP 40 to include this language as part of the Implementation Memorandum Account.

### COMMENTS

Public Utilities Code Section 311(g) (1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g) (2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, the draft resolution was mailed to parties for comments on July 21, 2009. Comments were received from \_\_\_\_\_ on August 10, 2009; replies were received from \_\_\_\_\_ on August 17, 2009.

### FINDINGS AND CONCLUSIONS

1. Golden State Water Company filed Advice Letters No. 1326-W & 1327-W for its Simi Valley Customer Service Area and AL 1328-W for its Orange County Service Area on May 26, 2009; Advice Letters 1329-W & 1330-W for its Region II Service Area on May 28, 2009; Advice Letter 1332-W for its San Dimas and Claremont Customer Service Areas on June 5, 2009; Advice Letter 1335-W for Region III on June 10, 2009;

and Advice Letter 1336-W for its San Gabriel Customer Service Areas on June 11, 2009.

2. The Division of Ratepayer Advocates filed protests to Advice Letters 1326-W, 1327-W and 1328-W on June 15, 2009; protests to Advice Letters 1329-W & 1330-W on June 18<sup>th</sup>; a protest to Advice Letter 1332-W on June 25<sup>th</sup>; and protests to Advice Letters 1335-W & 1336-W on June 30<sup>th</sup> and July 1<sup>st</sup>, respectively. Among the concerns raised in its protests, the Division of Ratepayer Advocates questioned the validity of the procedure for Schedule 14.1 filings and their associated memorandum accounts.
3. Golden State Water Company filed replies for each of the protests with Advice Letters 1326-W, 1327-W, and 1328-W on June 22<sup>nd</sup>; Advice Letters 1329-W & 1330-W on June 25<sup>th</sup>; Advice Letters 1332-W on July 2<sup>nd</sup>; and Advice Letters 1335-W & 1336-W on July 7<sup>th</sup> and 8<sup>th</sup>.
4. On June 24, 2009, the Division of Water and Audits filed a disposition resolving Advice Letters 1326-W, 1327-W, and 1328-W. The Division of Water and Audits filed the disposition of Advice Letters 1329-W & 1330-W on June 29, 2009.
5. Pursuant to Section 7.7.1 of General Order 96-B, the Division of Ratepayer Advocates requested Commission review on July 6, 2009 of the Division of Water and Audits disposition of Advice Letters 1326-W, 1327-W, and 1328-W. The Division of Ratepayer Advocates requested Commission review on July 9, 2009 of the Division of Water and Audits disposition of Advice Letters 1329-W and 1330-W.
6. The Division of Water and Audits suspended Golden State Water Company's Advice Letters 1335-W & 1336-W on July 10, 2009.
7. Given the similarity of issues and for administrative efficiency, Advice Letters 1335-W and 1336-W are reviewed in this Resolution.
8. Golden State Water Company's rationing allocation methodology for its customers should closely follow that implemented by its water wholesaler since the Metropolitan Water District of Southern California's Water Supply Allocation Plan uses a historical base period.
9. Penalty for usage over Golden State Water Company's historical consumption by its water wholesaler is calculated on an annual basis.
10. Golden State Water Company's penalty implementation for its customers should be

based on an annual allocation.

11. Golden State Water Company's various Customer Service Areas rely on differing percentage quantity of water supplied from Metropolitan Water District of Southern California's member agencies.
12. Golden State Water Company's establishment of Tariff Schedule 14.1 is in response to reduced water allocation allotments imposed by the Metropolitan Water District of Southern California on its member agencies. The member agencies pass the reduce water allocation allotments to Golden State Water Company.
13. Golden State Water Company's activation of Tariff Schedule 14.1 is a compliance filing in response to reduced water allocation allotments from member agencies of the Metropolitan Water District of Southern California.
14. Golden State Water Company should supplement Advice Letter Nos. 1326-W, 1328-W, 1329-W, 1332-W, and 1336-W to reflect the reduced allocation from Metropolitan Water District's member agencies on the supply for each Customer Service Area.
15. Golden State Water Company shall supplement Advice Letter Nos. 1327-W, 1330-W, and 1335-W to provide for penalty amounts to customers that are calculated on usages above their annual allotments. These penalty amounts shall be tracked in the Mandatory Conservation Rationing Implementation Memorandum Accounts along with the penalty charges that the water wholesaler imposes on Golden State Water Company for exceeding its allocation. This account shall be terminated once all costs have been incurred and recorded or the drought is declared over.
16. The Division of Water & Audits should amend STANDARD PRACTICE U-40-W to include the abovementioned penalty amount language as part of the memorandum account associated with Tariff Schedule 14.1.

**THEREFORE IT IS ORDERED THAT:**

1. Golden State Water Company's Advice Letters 1326-W, 1327-W, 1328-W, 1329-W, 1330-W, 1332-W, 1335-W, and 1336-W shall be approved with the modifications outlined in this resolution.
2. Golden State Water Company is directed to maintain the Conservation Rationing Implementation Memorandum Accounts and the Water Rationing and Conservation Memorandum Account as required by Public Utilities Code Section 792.5.

3. Golden State Water Company may seek recovery of amounts recorded in its Conservation Rationing Implementation Memorandum Accounts and the Water Rationing and Conservation Memorandum Account in its next general rate case filing or other formal proceeding.
4. Golden State Water Company shall supplement Advice Letter Nos. 1326-W, 1328-W, 1329-W, 1332-W, and 1336-W to reflect the reduced allocation from Metropolitan Water District's member agencies on the supply for each Customer Service Area.
5. Golden State Water Company shall supplement Advice Letter Nos. 1327-W, 1330-W, and 1335-W to provide for penalty amounts to customers that are calculated on usages above their annual allotments. These penalty amounts shall be tracked in the Mandatory Conservation Rationing Implementation Memorandum Accounts along with the penalty charges that the water wholesaler imposes on GSWC for exceeding its allocation. This account shall be terminated once all costs have been incurred and recorded or the drought is declared over.
6. The Division of Water & Audits will amend STANDARD PRACTICE U-40-W to include the abovementioned penalty amount language as part of the memorandum account associated with Tariff Schedule 14.1.
7. The tariff schedules attached to Advice Letters 1326-W, 1327-W, 1328-W, 1329-W, 1330-W, 1332-W, 1335-W, and 1336-W shall be approved with the modifications outlined in this resolution and be made effective July 1, 2009 pursuant to the original filings.
8. The Division of Water & Audits' Standard Practice U-40-W (attached as Appendix A) shall be adopted with the modifications outlined in this resolution as the process to be used to establish and activate Tariff Rule and Schedule 14.1.
9. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on August 20, 2009; the following Commissioners voting favorably thereon:

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PAUL CLANON  
Executive Director

# **APPENDIX A**

## **CALIFORNIA PUBLIC UTILITIES COMMISSION**

Division of Water and Audits

INSTRUCTIONS FOR WATER CONSERVATION,  
RATIONING AND SERVICE CONNECTION MORATORIA

Standard Practice U-40-W

**SAN FRANCISCO, CALIFORNIA**

**March 2009**

## INSTRUCTIONS FOR WATER CONSERVATION, RATIONING AND SERVICE CONNECTION MORATORIA

### *A—PURPOSE AND SCOPE*

1. The purpose of this standard practice is to provide guidance to Division of Water and Audits staff, to the public and to utilities as to steps to be taken when the utility suffers from a water shortage. The three levels of action are voluntary rationing, mandatory rationing and a service connection moratorium.
2. Each utility's Tariff Rule 14.1 addresses voluntary rationing that may be requested in the event of a water shortage. It also articulates the process for establishing and implementing Tariff Schedule 14.1, which addresses mandatory rationing that may be enforced if voluntary rationing does not yield the necessary reduction in consumption.
3. If a utility wishes to establish a Tariff Schedule 14.1 *prior* to a water shortage, it must have filed a Tariff Rule 14.1 that includes (a) a list of "non-essential or unauthorized water use" such as that found in Appendix B, which customers shall be asked to avoid under voluntary (and mandatory) rationing; and (b) the process by which the utility will establish a Tariff Schedule 14.1 and the provisions to be included in the Tariff Schedule 14.1. Appendix B, 'Rule 14.1, Water Conservation and Rationing Plan,' is an **EXAMPLE** of what should be included in such a Tariff Rule 14.1.
4. A Tariff Schedule 14.1 authorized prior to a water shortage must include the criteria for implementing mandatory rationing, among other provisions described more fully in Section F of this standard practice and in Appendix B, 'Schedule 14.1, Water Conservation and Rationing Plan.'"

### *B—BACKGROUND*

5. General Order 103, and Standard Practice U-22-W, Determination of Water Supply Requirements of Water Systems, address water supply requirements, but supply can be affected temporarily due to drought or decreased production of a utility's wells. When this happens, utilities may have to resort to voluntary or mandatory conservation, or may have to institute a service connection moratorium.
6. Parties may also protest service area extensions (see Standard Practice U-14-W) over concern that the available supplies may be inadequate to serve the

new customers, which would be the equivalent of a service connection moratorium (see Section G).<sup>7</sup>

7. The position of the Commission in overall water supply planning was set forth in Decision 99-04-061, April 22, 1999 (see Appendix A to this Standard Practice).

### ***C—DEVELOPMENT OF CONSERVATION AND RATIONING***

8. In mid-1976, due to a drought, the Commission opened an Order Instituting Investigation (OII, Case No. 10114, June 8, 1976) to determine what actions to take. In early 1977, the Commission issued an emergency decision that allowed water utilities to distribute water conservation kits and to implement cost effective water conservation programs.

9. The Commission was once again faced with drought conditions in mid-1988. The Commission opened OII 89-03-005 that allowed all classes of water utilities to file a water conservation and rationing plan consisting of two distinct parts: Rule 14.1 (a “voluntary conservation” program) and Schedule 14.1 (the mandatory rationing and penalty part). This plan was based primarily upon the Department of Water Resources and Metropolitan Water District’s model plans, but also incorporated aspects of the North Marin Water District, East Bay Municipal Utility District, and California Water Service Company’s existing conservation and rationing plans. The main objective of Rule 14.1 and Schedule 14.1 was to have a plan readily available for any utility that needed conservation and/or rationing methods. This plan allowed regulated utilities to achieve conservation of 17.5% to 26%.

10. The drought was officially declared over in February 1993 and the OII was closed. Because history shows that drought occurs in California about once every ten years, Rule 14.1 has remained in place. When conditions become severe, the utility may file an advice letter to institute Schedule 14.1.

11. Water Action Plan: In 2005, the Commission’s Water Action Plan (“WAP”) adopted the principle of efficient use of water and the objective of strengthening

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1. <sup>7</sup> In Resolution No. W-4154, August 5, 1999, the Sierra Club protested Valencia Water Company’s Advice Letters 84 and 85 for service area extension. The Commission found in the favor of Valencia, that it had adequate supplies, but ordered the utility to file its Water Management Program by application so the long-term water availability issues could be heard.

water conservation programs to a level comparable to those of energy utilities. The Commission outlined several actions to advance this objective, notably including: to promote metered water service to encourage conservation; to encourage direct participation by all Class A and B water utilities in the California Urban Water Conservation Council (“CUWCC”) and to encourage implementation of the Council’s Best Conservation Management Practices (“BMP”); and to encourage increasing conservation and efficiency rate designs (such as increasing block rates) where feasible to promote greater conservation.

12. Conservation Order Instituting Investigation: In 2007, the Commission opened an Order Instituting Investigation (“OII”) to address policies to achieve the Commission’s conservation objectives for Class A water utilities. In Phase 1A of the OII, the Commission set a goal for Class A water utilities of a minimum of a 3%-6% reduction in per customer or service connection consumption every three years once a full conservation program, with price and non-price components, is in place (see D.08-02-036). In recent years, the Commission has approved conservation oriented rate designs such as increasing block rates, and conservation programs such as rebates for water efficient appliances, for many Class A water utilities.

13. In February 2008, the Governor called for a 20 percent reduction in per capita water use statewide by 2020.

14. In June 2008, the Governor issued an Executive Order (S-06-08) that proclaimed a condition of statewide drought and ordered state agencies to take action to address the serious drought conditions and water delivery limitations facing the state. Specifically, the Executive Order ordered the Department of Water Resources to coordinate with the Commission to identify investor-owned water utility systems at risk of experiencing health and safety impacts due to drought conditions and water delivery limitations, and to mitigate such impacts. New legislation mandating water consumption reductions is being drafted and utilities need to take proactive steps to reduce consumption even in the absence of water shortages in their service area.

15. In February 2009, the Governor proclaimed a state of emergency to combat California’s third consecutive year of drought, and ordered immediate action to manage the crisis. In the proclamation, the Governor directed all state government agencies to utilize their resources, implement a state emergency plan, and provide assistance for people, communities, and businesses, impacted by the drought. The Governor’s order directs various state departments to engage in activities that will provide assistance to people and communities impacted by the drought. If the emergency conditions have not been sufficiently mitigated by March 2009, the Governor will consider additional steps, which could include: 1) the institution of mandatory water rationing and mandatory reductions in water use; 2) reoperation of major reservoirs in the state to minimize impacts of the drought; 3) additional regulatory relief or

permit streamlining as allowed under the Emergency Services Act; and 4) other actions necessary to prevent, remedy or mitigate the effects of the extreme drought conditions.

***D—VOLUNTARY RATIONING***

16. Voluntary rationing consists of the steps described in Rule 14.1 (Appendix B). This Tariff Rule should be in the tariff book of every utility that might suffer from a water shortage. The steps may include those listed in Section E below.

***E—TYPICAL WATER USE RESTRICTIONS UNDER VOLUNTARY AND/OR MANDATORY RATIONING***

17. The following provisions are examples of what may be considered prohibited, nonessential, and/or unauthorized water use:

- 1) Prohibit nonessential and unauthorized water use, including but not limited to:
  - a) Use of potable water for more than minimal landscaping, as defined in the landscaping regulated of the jurisdiction or as described in Article 10.8 of the California Government Code in connection with new construction;
  - b) Use through any meter when the company has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to effect such repairs within five business days;
  - c) Use of potable water which results in flooding or runoff in gutters or streets;
  - d) Individual private washing of cars with a hose except with the use of a positive action shut-off nozzle. Use of potable water for washing commercial aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use;
  - e) Use of potable water washing buildings, structures, , driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except in the cases where health and safety are at risk;

- f) Use of potable water to irrigate turf, lawns, gardens, or ornamental landscaping by means other than drip irrigation, or hand watering without quick acting positive action shut-off nozzles, on a specific schedule, for example: 1) before 9:00 a.m. and after 5:00 p.m.; 2) every other day; or 3) selected days of the week;
- g) Use of potable water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public;
- h) Use of potable water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used.
- i) Use of potable water for construction purposes unless no other source of water or other method can be used;
- j) Use of potable water for street cleaning;
- k) Operation of commercial car washes without recycling at least 50% of the potable water used per cycle;
- l) Use of potable water for watering outside plants, lawn, landscape and turf areas during certain hours if and when specified in Schedule No. 14.1 when the schedule is in effect;
- m) Use of potable water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilize recycled water;
- n) Use of potable water for the filling or refilling of swimming pools.
- o) Service of water by any restaurant except upon the request of a patron; and
- p) Use of potable water to flush hydrants, except where required for public health or safety.

#### ***F—MANDATORY RATIONING***

18. Tariff Schedule 14.1-Staged Mandatory Water Conservation and Rationing, may be requested based on the procedures and requirements detailed in Rule 14.1, Sections B through E (Appendix B).

19. The example of Schedule 14.1 attached in Appendix B may be modified to fit the needs of the utility and its particular water shortage situation. The following provisions may apply:

- a. Establish customer water allocations at a percentage of historical usage with the corresponding billing periods of a non-drought year being the base.
- b. Establish an allocation of a percentage of historical usage with the corresponding billing periods of a non-drought year being the base for consumption for users of process water (water used to manufacture, alter, convert, clean, grow, heat or cool a product, including water used in laundries and car wash facilities that recycle the water used).
- c. Establish a minimum allocation of a number of Ccf per month (one Ccf is one hundred cubic feet) for any customer regardless of historical usage.

20. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter with full justification. The utility may not institute Schedule 14.1 until it has been authorized to do so by the Commission.

- a. A staged Schedule 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule 14.1 tariff and utility has requested and received authorization for activating a stage by Commission.
- b. Notice of the Tier 2 advice letter (example shown in Attachment C) and associated public participation hearing shall be provided to customers under General Order (GO) 96-B rules, and
- c. Utility shall comply with all requirements Sections 350-358 of the California Water Code.

21. In the event that the voluntary conservation measures required by Rule 14.1-Section A are insufficient to control the water shortage and a Stage in the utility's authorized Schedule 14.1 is triggered, the utility shall file a Tier 1 advice letter to request activation of that particular Stage of mandatory rationing, as detailed in its Rule 14.1 and Schedule 14.1.

- a. The Tier 1 advice letter shall include justification for activating this particular stage of mandatory rationing, as well as set guidelines to the period during which this particular stage of mandatory conservation and rationing measures will be in effect.
- b. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Appendix B, example of Rule 14.1-Section E.
- c. If the utility chooses to subsequently activate a different stage, it shall file a separate Tier 1 advice letter.

22. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

23. An example of a staged mandatory rationing plan is attached as Appendix D.

24. Links to **EXAMPLES** of staged drought rationing programs in other jurisdictions:

- a. City of Phoenix  
<http://phoenix.gov/WATER/drought.html>
- b. Southern Nevada Water Authority  
[http://www.snwa.com/html/drought\\_stages.html](http://www.snwa.com/html/drought_stages.html)  
[http://www.snwa.com/html/drought\\_plan.html](http://www.snwa.com/html/drought_plan.html)
- c. El Paso Water Utilities  
<http://www.epwu.org/conservation/drought.html>

### ***G—SERVICE CONNECTION MORATORIUM***

25. A building permit moratorium is sometimes imposed by the California Department of Public Health. The California Water Code, Section 350 et seq., provides that any public water supplier may, after public notice and hearing, declare a water shortage emergency within its service area whenever it determines that the ordinary demands and requirements of its consumers cannot be satisfied without depleting the water supply to the extent that there would be

insufficient water for human consumption, sanitation, and fire protection. After it has declared a water shortage emergency, it must adopt such regulations and restrictions on water delivery and consumption as it finds will conserve its water supply for the greatest public benefit. Section 357 requires that suppliers which are subject to regulation by the CPUC shall secure its approval before making such regulations and restrictions effective. This requires an application and Commission decision.

26. Section 2708 of the Public Utilities Code states:

**2708.** Whenever the commission, after a hearing had upon its own motion or upon complaint, finds that any water company which is a public utility operating within this State has reached the limit of its capacity to supply water and that no further consumers of water can be supplied from the system of such utility without injuriously withdrawing the supply wholly or in part from those who have theretofore been supplied by the corporation, the commission may order and require that no such corporation shall furnish water to any new or additional consumers until the order is vacated or modified by the commission. The commission, after hearing upon its own motion or upon complaint, may also require any such water company to allow additional consumers to be served when it appears that service to additional consumers will not injuriously withdraw the supply wholly or in part from those who theretofore had been supplied by such public utility.

27. To establish a service connection moratorium the utility must:

- a. Hold a public meeting under Section 350 and 351 of the Water Code
- b. Add the following language to each service schedule:

“MORATORIUM

No service shall be provided to any premises not previously served within the \_\_\_\_\_ Service Area as defined on the Service Area Map filed as a part of these tariffs.”

***H—MORATORIUM EXEMPTIONS***

28. Some decisions to impose a moratorium contain exceptions. For example in Citizen’s Utilities (CUCC) Montara District:

“The moratorium shall not apply to owners of real property who are customers of CUCC on or before the date of this order, or their successors in interest, if any change in the use of their property will not increase their demand upon the system.” (D.86-05-078, Ordering Paragraph 3.)

29. D.86-05-078 also provided that prospective customers could seek an exemption from the moratorium by filing an application with the Commission showing that extraordinary circumstances required an exemption.

30. In D.00-06-020, June 8, 2000 the Commission granted an application and authorized Citizens Utilities to install a water service connection to applicant's property at APN 037-278-090 following cessation of service at applicant's property at 888 Ocean Boulevard in Montara. Costs were to be borne by applicant. The order made it clear that water service could not be reinstated at 888 Ocean Boulevard absent a lifting or easing of the moratorium. The standard was that no net additional water would be required from the water utility. Such determinations were also delegated to staff<sup>8</sup>.

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2. <sup>8</sup> D.86-05-078, May 28, 1986, Ordering Paragraph 4.

## Appendix A

### The Commission's Role in Water Planning

The two state agencies primarily responsible for overseeing water planning are the California Department of Water Resources, which manages the State Water Project and produces the California Water Plan, and the State Water Quality Control Board and Regional Water Quality Control Boards which have authority over water allocation and water quality protection.

In addition to the state agencies which have broad planning and management powers, local government also has a part in water use decisions. For example, county boards of supervisors, county water agencies, land use planning agencies, city governments, municipal water districts and many special districts all have a role in the use of water in California.

In this context, the Commission has recognized the futility of one party taking unilateral action to protect a groundwater basin:

Rehabilitation of the Santa Maria Groundwater Basin is not the responsibility of, and is beyond the physical and financial resources of any single individual, company, or agency. Even if [Southern California Water Company] were to stop drawing from the basin entirely and injected into the basin the entire 7,900 AFY it desires to obtain from the [Central Coast Water Authority], the basin's fundamental problems of declining quantity and water quality would not be solved. Most simply put, the basin's salvation as a water resource requires the immediate, undivided, sincere and selfless attention of all its users.

(Re Southern California Water Company, 48 CPUC2d 511, 519 (D.93-03-066)(emphasis in original).)

The Commission's role is limited to ensuring that each jurisdictional water utility provides its customers with "just and reasonable service, . . . and facilities as are necessary to promote the safety, health, comfort and convenience of its patrons, employees, and the public." (§ 451.) The Commission has further delineated the service standard in its General Order 103 where it proscribes Standards of Service including water quality, water supply, and water pressure, as well as many other details of service.

The Commission has not, however, dictated to investor-owned utilities what method of obtaining water must be used to meet its present and future responsibility of providing safe and adequate supply of water at reasonable rates. (Southern California Water, 48 CPUC2d at 517.)

Which is not to suggest that the Commission ignores issues of water availability in its regulation of water utilities. The Commission requires that all water utilities prepare, file, and update a water management plan which includes identification of water sources as well as consumption projections over 15 years. These plans are updated by the utility as part of its general rate case.

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

Appendix B

Examples of

Rule 14.1 and Schedule 14.1

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

GENERAL INFORMATION

1. If water supplies are projected to be insufficient to meet normal customer demand, and are beyond the control of the utility, the utility may elect to implement voluntary conservation using the portion of this plan set forth in Section A of this Rule, after notifying the Director of the Commission's Division of Water and Audits of its intent, via a letter in both hard-copy and e-mailed formats.
2. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter.
3. If, in the opinion of the utility, more stringent water measures are required, the utility shall request Commission authorization to implement the staged mandatory conservation and rationing measures set forth in Sections B through E.
4. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff.
  - a. If a Declaration of Mandatory Rationing is made by utility or governing agency, or
  - b. If the utility is unable to address voluntary conservation levels set by itself, supplier, or governing agency, or
  - c. If the utility chooses to subsequently activate a different stage
5. When Schedule 14.1 is in effect and the utility determines that water supplies are again sufficient to meet normal demands, and mandatory conservation and rationing measures are no longer necessary, the utility shall seek Commission approval via a Tier 1 advice letter to de-activate the particular stage of mandatory rationing that had been authorized.

6. In the event of a water supply shortage requiring a voluntary or mandatory program, the utility shall make available to its customers water conservation kits as required by its version of Rule 20. The

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

utility shall notify all customers of the availability of conservation kits via a bill insert or direct mailers.

A. CONSERVATION - NON-ESSENTIAL OR UNAUTHORIZED WATER USE

No customer shall use utility-supplied water for non-essential or unauthorized uses, including but not limited to:

1. Use of potable water for more than minimal landscaping, as defined in the landscaping regulated of the jurisdiction or as described in Article 10.8 of the California Government Code in connection with new construction;
2. Use through any meter when the company has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to effect such repairs within five business days;
3. Use of potable water which results in flooding or runoff in gutters or streets;
4. Individual private washing of cars with a hose except with the use of a positive action shut-off nozzle. Use of potable water for washing commercial aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use;
5. Use of potable water washing buildings, structures, , driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except in the cases where health and safety are at risk;
6. Use of potable water to irrigate turf, lawns, gardens, or ornamental landscaping by means other than drip irrigation, or hand watering without quick acting positive action shut-off nozzles, on a specific schedule, for example: 1) before 9:00 a.m. and after 5:00 p.m.; 2) every other day; or 3) selected days of the week;

7. Use of potable water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public;

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

8. Use of potable water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used.
9. Use of potable water for construction purposes unless no other source of water or other method can be used;
10. Use of potable water for street cleaning;
11. Operation of commercial car washes without recycling at least 50% of the potable water used per cycle;
12. Use of potable water for watering outside plants, lawn, landscape and turf areas during certain hours if and when specified in Schedule No. 14.1 when the schedule is in effect;
13. Use of potable water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilize recycled water;
14. Use of potable water for the filling or refilling of swimming pools.
15. Service of water by any restaurant except upon the request of a patron; and
16. Use of potable water to flush hydrants, except where required for public health or safety.

**B. STAGED MANDATORY RATIONING OF WATER USAGE**

1. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, with full justification. The utility may not institute Schedule 14.1 until it has been authorized to do so by the Commission.
  - a. A staged Schedule 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule 14.1 tariff and utility has requested and received authorization for activating a stage by Commission.

Notice of the Tier 2 advice letter (example shown in Appendix C) and associated

public participation hearing  
**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

- b. shall be provided to customers under General Order (GO) 96-B rules.
  - c. Utility shall comply with all requirements of Sections 350-358 of the California Water Code.
  - d. The Tier 2 advice letter requesting institution of a Schedule 14.1 shall include but not be limited to:
    - i. Proposed Schedule 14.1 tariff, which shall include but not be limited to:
      - 1. Applicability,
      - 2. Territory applicable to,
      - 3. A detailed description of each Stage of Rationing,
      - 4. A detailed description of the Trigger that Activates each Stage of Rationing,
      - 5. A detailed description of each water use restriction for each stage of rationing.
      - 6. Water use violation levels, written warning levels, associated fines, and exception procedures,
      - 7. Conditions for installation of a flow restrictor,
      - 8. Charges for removal of flow restrictors, and
      - 9. Special Conditions
    - ii. Justification for, and documentation and calculations in support of plan, including but not limited to each item in B.1.d.i above.
2. Number of Stages requested by each utility/district may vary, depending on specifics of water shortage event.
3. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 - Staged Mandatory Water Conservation and Rationing tariff.

- a. If a Declaration of Mandatory Rationing is made by utility or governing agency,

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

- b. If the utility is unable to address voluntary conservation levels set by itself or governing agency, or
- c. If the utility chooses to subsequently activate a different stage.
- d. The Tier 1 advice letter requesting activation of a Schedule 14.1 shall include but not be limited to:
  - i. Justification for activating this particular stage of mandatory rationing, as well as period during which this particular stage of mandatory conservation and rationing measures will be in effect.
  - ii. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Section E, below.

4. All monies collected by the utility through water use violation fines shall not be accounted for as income.

5. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission.

- a. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

**C. ENFORCEMENT OF STAGED MANDATORY CONSERVATION AND RATIONING**

1. The water use restrictions of the conservation program, in Section A of this rule, become mandatory when the authorized Schedule 14.1-Staged Mandatory Rationing Program is triggered, the utility files a Tier 1 advice letter requesting activation of a particular stage, and authorization is received from the Commission.

- a. In the event a customer is observed to be using water for any nonessential or unauthorized use as defined in Section A of this rule, the utility may charge a water use violation fine in accordance with Schedule No. 14.1.

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

2. The utility may, after one verbal and one written warning, install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in Section A above.
3. A flow restrictor shall not restrict water delivery by greater than 50% of normal flow and shall provide the premise with a minimum of 3 Ccf/person/month. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.
4. After the removal of the restricting device, if any non-essential or unauthorized use of water shall continue, the utility may install another flow-restricting device. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to the utility.
5. Any tampering with flow restricting device by customer can result in fines or discontinuation of water use at the utility's discretion.
6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water shall continue, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.
7. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These additional monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

8. The charge for removal of a flow-restricting device shall be in accordance with Schedule No. 14.1.

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

D. APPEAL PROCEDURE

1. Any customer who seeks a variance from any of the provisions of this water conservation and rationing plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

2. Any customer not satisfied with the utility's response may file an appeal with the staff of the Commission. The customer and the utility will be notified of the disposition of such appeal by letter from the Executive Director of the Commission.

3. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this water conservation and rationing plan.

E. PUBLICITY

1. As stated under Section B.1.b and c, when a utility requests authorization of a Schedule 14.1 - Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, it shall provide notice of the Tier 2 advice letter (example shown in Attachment C) and associated public meeting provided to customers, under General Order (GO) 96-B rules, and shall comply with all requirements of Sections 350-358 of the California Water Code (CWC), including but not limited to the following:

- a. In order to be in compliance with both the GO and CWC, the utility shall provide notice via both newspaper and bill insert/direct mailing.
- b. Utility shall file one notice for each advice letter filed, that includes both notice of the filing of the Tier 2 advice letter as well as the details of the public meeting (date, time, place, etc).

- c. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes implementation of the tariff.

**EXAMPLE OF  
RULE 14.1  
WATER CONSERVATION AND RATIONING PLAN**

- d. Utility shall consult with Division of Water and Audits staff prior to filing advice letter, in order to determine details of public meeting.
2. In the event that a Schedule 14.1-Staged Mandatory Rationing Plan is triggered, and a utility requests activation through the filing of a Tier 1 advice letter, the utility shall notify its customers and provide each customer with a copy of Schedule 14.1 by means of bill insert or direct mailing. Notification shall take place prior to imposing any fines associated with this plan.
  3. During the period that a stage of Schedule 14.1 is activated, the utility shall provide customers with updates in at least every other bill, regarding its water supply status and the results of customers' conservation efforts.

**EXAMPLE OF  
SCHEDULE 14.1  
STAGED MANDATORY WATER CONSERVATION AND RATIONING**

**NOTE: The various levels of percentage reductions, reduced usage levels, fines, and removal charges shown below are examples that are used for illustrative purposes only. Each utility/district shall have it's own unique amounts for each of these items.**

A. APPLICABILITY

1. This schedule applies to all water customers served under all tariff rates schedules authorized by the Commission. It is only effective in times of mandatory rationing, as required by Rule No. 14.1, and only for the period noted in the Special Conditions section below.
2. This schedule shall remain dormant until a specific stage is activated by Commission authorization of a Tier 1 advice letter.
3. When a particular stage of this schedule is activated, the period over which it shall be effective will be added to tariff language.

B. TERRITORY

1. This schedule is applicable within the entire territory served by the utility.

C. STAGES

1. Stage 1: Mandatory rationing is declared by utility, governing agency, or supplier; or when water supplied to utility is reduced by 0%-10%.
2. Stage 2: Water supply is reduced 10.01%-20% or water restrictions at Stage 1 have not been effective in reducing water usage to prescribed level.
3. Stage 3: Water supply is reduced 20.01% or more or water restrictions at Stage 2 have not been effective in reducing water usage to prescribed level.

D.MANDATORY WATER USE RESTRICTIONS AT EACH STAGE

In addition to the water use restrictions listed in utility's authorized Rule 14.1-Section A (which become mandatory when a stage of Schedule 14.1 is activated), the

following mandatory restrictions apply to water usage at each stage of mandatory

**EXAMPLE OF  
SCHEDULE 14.1  
STAGED MANDATORY WATER CONSERVATION AND RATIONING**

rationing. These reduced usage levels shall be determined based on the historical average of customer usage, of up to three years:

- a. Stage 1: Customer usage reduced to 90% - 100%.
- b. Stage 2: Customer usage reduced to 80% - 89.99%.
- c. Stage 3: Customer usage reduced to 79.99% or less.

E.WATER USE VIOLATION FINE

1. When a stage of this schedule has been activated by Commission authorization, the water use restrictions of the conservation program in Section A of Rule 14.1 as well as those listed in Section D of this tariff, become mandatory. If a customer is seen violating the water usage restrictions, as outlined in Rule No. 14.1 and the Special Conditions below, the customer will be subject to the following fine structure:

First offense:	Written warning
Second offense:	\$25
(of the same restriction)	
Third offense:	\$50
(of the same restriction)	
Each additional	
Offense:	\$25 more than the previous fine
imposed. (of the same restriction)	

2. Offenses for separate water use restrictions will each start at the warning stage.

3. The water use violation fine is in addition to the regular rate schedule charges

F. FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device shall be:

<u>Connection Size</u>	<u>Removal Charges</u>
5/8" to 1" .....	\$25.00

1-1/2" to 2" . . . . . \$50.00

3" and larger . . . . . Actual cost

**EXAMPLE OF  
SCHEDULE 14.1**

**STAGED MANDATORY WATER CONSERVATION AND RATIONING**

G. SPECIAL CONDITIONS

1. This tariff schedule shall remain in effect for period of six (6) months from the effective date set forth below, or until utility files a Tier 1 advice letter to deactivate specific stage of mandatory conservation.
2. Water use violation fines must be separately identified on each bill.
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
4. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.
5. No customer shall use utility-supplied water for non-essential or unauthorized uses, including but not limited to:
  - a. Use of potable water for more than minimal landscaping, as defined in the landscaping regulated of the jurisdiction or as described in Article 10.8 of the California Government Code in connection with new construction;
  - b. Use through any meter when the company has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to effect such repairs within five business days;
  - c. Use of potable water which results in flooding or runoff in gutters or streets;
  - d. Individual private washing of cars with a hose except with the use of a positive action shut-off nozzle. Use of potable water for washing commercial aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use;

- e. Use of potable water washing buildings, structures, , driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except in the cases where health and safety are at risk;

**EXAMPLE OF  
SCHEDULE 14.1**

**STAGED MANDATORY WATER CONSERVATION AND RATIONING**

- f. Use of potable water to irrigate turf, lawns, gardens, or ornamental landscaping by means other than drip irrigation, or hand watering without quick acting positive action shut-off nozzles, on a specific schedule, for example: 1) before 9:00 a.m. and after 5:00 p.m.; 2) every other day; or 3) selected days of the week;
- g. Use of potable water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public;
- h. Use of potable water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used.
- i. Use of potable water for construction purposes unless no other source of water or other method can be used;
- j. Use of potable water for street cleaning;
- k. Operation of commercial car washes without recycling at least 50% of the potable water used per cycle;
- l. Use of potable water for watering outside plants, lawn, landscape and turf areas during certain hours if and when specified in Schedule No. 14.1 when the schedule is in effect;
- m. Use of potable water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilize recycled water;
- n. Use of potable water for the filling or refilling of swimming pools.
- o. Service of water by any restaurant except upon the request of a patron; and
- p. Use of potable water to flush hydrants, except where required for public health or safety.

**Appendix C  
EXAMPLE OF NOTICE**

Date \_\_\_\_\_

**NOTICE OF PROPOSED STAGED MANDATORY RATIONING PLAN  
AND PUBLIC MEETING  
WITH THE PUBLIC UTILITIES COMMISSION STAFF**

WATER UTILITY (WU) has requested authority from the CALIFORNIA PUBLIC UTILITIES COMMISSION to institute a staged mandatory rationing plan (plan). The proposed plan would only go into effect when specific criteria, detailed in the plan, are met. The Commission Staff will hold a public meeting on \_\_\_\_\_ at \_\_\_\_\_, located at \_\_\_\_\_, to explain the rate process and receive public input.

The company proposes the following:

- STAGED MANDATORY RATIONING PLAN – STAGES 1 THROUGH 3
- Brief Description of Plan, Stages, Triggers, and Restrictions at each Stage
- Brief Description of Water Use Violation Levels, Penalty Criteria

The Commission staff will make a thorough investigation of the utility’s request. Following the investigation, the Commission may grant the utility’s request in whole or in part, or may deny it. It may also order the utility to charge rates different from those shown in this notice.

The public meeting is informal and affords customers the opportunity to ask questions and express their views. WATER UTILITY will have representatives there to explain the reasons for the proposed increase. Likewise there will be a Commission Staff representative who will conduct the meeting and explain how the staff will analyze the proposed rates and fee increases.

The public meeting will be held:

**DATE:**\_\_\_\_\_

**TIME:**\_\_\_\_\_

**PLACE:**\_\_\_\_\_

Section 454 of the California Public Utilities Code provides that no public utility shall raise any rate or so alter any classification, contract, or rule as a result of any rate increase except on a showing before the Commission and a finding of the

**Appendix C**  
**EXAMPLE OF NOTICE**

Commission that such increase is justified. Customers may wish to call to the Commission's attention any problem covering water service, billing procedure or other factor pertaining to a reasonable service for the charge. Customers who would like to provide any other information or comments regarding this requested increase, should write to the Commission at the following address:

California Public Utilities Commission  
Water Utilities Division, Room 3106  
505 Van Ness Avenue, 3<sup>rd</sup> Floor  
San Francisco, CA 94102  
Attention: Terence Shia

Responses should mention that they pertain to **WATER UTILITY, ADVICE LETTER #**, and should be sent no later than (20) days after that this notice is sent.

A copy of **WATER UTILITY'S** filing may be inspected in its business office at:

\_\_\_\_\_

\_\_\_\_\_

Further information may be obtained from the utility at its business office or from the Commission at the above address.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RETURN TO  
HYDRAULIC BRANCH  
SAN FRANCISCO OFFICE

Copy for:  
..... Orig. and Copy  
..... to Executive Director  
..... Director  
..... Numerical File  
..... Alphabetical File  
..... Accounting Officer

RESOLUTION NO. W-2122

R E S O L U T I O N

UTILITIES DIVISION  
BRANCH/SECTION: Hydraulic  
DATE: May 17, 1977

SUBJECT: Order authorizing Southern California Edison Company to file a water rationing program to implement the present Santa Catalina Fresh Water Rationing Program imposed in early 1976, Santa Catalina Island, Los Angeles County. (Resolution No. W-2122).

WHEREAS: SOUTHERN CALIFORNIA EDISON COMPANY by Advice Letter No. 16-W received April 25, 1977 requests authority to implement the present Santa Catalina Fresh Water Rationing Plan by additional conditions and restriction on the use of fresh water by customers on Santa Catalina Island. Utility has distributed free shower flow restrictors and approximately 1,000 plastic bottles for toilet tanks. A meeting was held in Avalon on March 31, 1977. The plan sets up four phases. The first phase becomes effective when the level of water in the Middle Ranch Reservoir drops below 600 acre feet. Prior to falling below 600 acre feet there would be no mandatory restriction but the voluntary conservation encouraged in 1976 and further implemented early in 1977 would be in effect. No washing of hard surfaces, cars, boats or other equipment with a hose. No soil compaction with water. Watering of vegetation with hose or sprinkler is limited to the hours of 6a.m. to 8a.m. and 4p.m. to 6p.m.(PST). Watering with a 3-gallon bucket is permitted anytime. Phase two becomes effective when the reservoir drops below 300 acre feet. Additional restrictions are (1) customers use will be reduced to 75% of use during same period last year; (2) watering of landscape limited to between 6p.m. and 7p.m.(PDT) on Tuesdays and Fridays only; (3) filling or refilling or make-up water in swimming pools prohibited; (4) no new service connections. Phase three becomes effective when the reservoir is below 200 acre feet. Added restrictions are (1) customer use is reduced to 50%; (2) watering of landscape vegetation is limited to Tuesdays only during 6p.m. and 7p.m.(PDT). Phase four when reservoir is below 50 acre feet. Added restrictions are (1) customer use is reduced to 25%; (2) no watering of vegetation; (3) no washing of equipment by any means. First violation in any phase, customer is warned. Second violation, a restrictor is put in the line and a charge of \$15 is imposed. After 72 hours, the restrictor may be removed and an additional \$15 charge is imposed. On the third violation, a restrictor is inserted and will remain during that phase with similar charges for inserting and removal. Disputes may be appealed to this Commission if customer is not satisfied with utility's explanation, but provision for variances have been added which are agreeable to Edison. The level of water in the Middle Ranch Reservoir is now at about 200 acre feet, so this program is urgently required. The Commission finds that this rationing plan for conservation as modified with provision for variances, is reasonable and is justified.

IT IS ORDERED that Southern California Edison Company is authorized to impose this water rationing program as proposed in its Advice Letter No. 16-W, with a revised page 143-W providing for variances. The authority granted herein shall be effective on the date of this resolution. The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 17th day of May, 1977, the following Commissioners voting favorably thereon:

ROBERT BATINOVICH  
President  
WILLIAM SYMONS, JR.  
VERNON L. STURGEON  
RICHARD D. GRAVELLE  
Commissioners

  
.....  
Executive Director

## CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of draft Resolution W-4781 on all parties in these filings or their attorneys as shown on the attached list.

Dated July 21, 2009, at San Francisco, California.

          /s/ Josie L. Jones            
**JOSIE L. JONES**

Parties should notify the Division of Water and Audits, Public Utilities Commission, 505 Van Ness Avenue, Room 3106, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number of the service list on which your name appears.

SERVICE LIST  
DRAFT RESOLUTION W-4781

City of Imperial  
Water Department  
420 S Imperial Avenue  
IMPERIAL CA 92251

City of La Palma  
7822 Walker Street  
LA PALMA CA 90623

City of La Verne  
Water Department  
3660 "D" Street  
LA VERNE CA 91750

Monte Vista Water District  
1075 Central Avenue  
MONTCLAIR CA 91763

City of Monterey Park  
Water Company  
320 W. Newmark Avenue  
MONTEREY PARK CA 91754

City of Monrovia  
Water Company  
415 S Ivy Avenue  
MONROVIA CA 91016

City of Orange  
Water Department  
189 South Water  
ORANGE CA 92866

City of Pomona  
Water Department  
505 S. Garey Avenue  
POMONA CA 91766

City of San Dimas  
245 E. Bonita Avenue  
SAN DIMAS CA 91773

City of Santa Ana  
Water Department  
20 Civic Center Plaza  
SANTA ANA CA 92702

City of Seal Beach  
211 Eight Street  
SEAL BEACH CA 90740

City of Tustin Attn: Finance  
Water Department  
300 Centennial Way  
TUSTIN CA 92680

City of Upland  
Water Department  
460 N. Euclid  
UPLAND CA 91786

City of West Covina  
Water Department  
825 S. Sunset Avenue  
WEST COVINA CA 91790

City of Westminster  
8200 Westminster Boulevard  
WESTMINSTER CA 92683

Yorba Linda Water District  
P.O. Box 309  
YORBA LINDA CA 92885-309

City Attorney  
City of Arcadia  
240 West Huntington Drive  
ARCADIA CA 91006

City Attorney  
City of Barstow  
222 East Mountain View Street  
BARSTOW CA 92311

City Attorney  
Oswalt & Associates  
Mr. William (Bill) Smerdon  
P.O. Box 607  
IMPERIAL CA 92251

City Attorney  
City of Claremont  
P.O. Box 880  
CLAREMONT CA 91711

City Attorney  
City of Covina  
125 E. College Street  
COVINA CA 91723

City Attorney  
City of Cypress  
5275 Orange  
CYPRESS CA 90630

City Attorney  
City of Duarte  
1600 Huntington Drive  
DUARTE CA 91010

City Attorney  
City of El Monte  
11333 Valley Blvd.  
EL MONTE CA 91731-3293

City Attorney  
City of Irwindale  
5050 North Irwindale Avenue  
IRWINDALE CA 91706

City Attorney  
City of La Palma  
7822 Walker  
LA PALMA CA 90680

City Attorney  
City of La Verne  
3660 D Street  
LA VERNE CA 91750

City Attorney  
City of Los Alamitos  
3191 Katella Avenue  
LOS ALAMITOS CA 90720

City Attorney  
City of Monrovia  
415 South Ivy  
MONROVIA CA 91016

City Attorney  
City of Montclair  
5111 Benito Avenue  
MONTCLAIR CA 91763

City Attorney  
City of Monterey Park  
320 West Newmark Avenue  
MONTEREY PARK CA 91754

City Attorney  
City of Orange  
300 E. Chapman Avenue  
ORANGE CA 92666

City Attorney  
City of Placentia  
401 East Chapman Avenue  
PLACENTIA CA 92670

City Attorney  
City of Pomona  
505 S. Garey Avenue  
POMONA CA 91766

City Attorney  
Bonifacio Garcia  
City of Rosemead  
8838 E. Valley Blvd.  
ROSEMEAD CA 91770

City Attorney  
City of San Dimas  
245 East Bonita Avenue  
SAN DIMAS CA 91773

City Attorney  
City of San Gabriel  
425 S. Mission Drive  
SAN GABRIEL CA 91776

City Attorney  
City of Seal Beach  
211 8<sup>th</sup> Street  
SEAL BEACH CA 90740

City Attorney  
City of Stanton  
7800 Katella Avenue  
STANTON CA 90680

City Attorney  
City of Temple City  
5938 Kaufman  
TEMPLE CITY CA 91780

City Attorney  
City of Yorba Linda  
4845 Casa Loma Avenue  
YORBA LINDA CA 92686

City Council  
City of Calipatria  
125 N. Park Avenue  
CALIPATRIA CA 92233-0167

City Clerk  
City of Barstow  
222 E. Mountain View St., Suite A  
BARSTOW CA 92311

City Clerk  
City of Claremont  
P.O. Box 880  
CLAREMONT CA 91711

City Clerk  
City of Covina  
125 East College Street  
COVINA CA 91723

City Clerk  
City of Cypress  
5275 Orange  
CYPRESS CA 90630

City Manager  
City of Duarte  
1600 Huntington Dr.  
DUARTE CA 91010

City Clerk  
City of El Monte  
11333 Valley Blvd.  
EL MONTE CA 91731-3293

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

City Clerk  
City of La Palma  
7822 Walker  
LA PALMA CA 90680

City Clerk  
City of La Verne  
3660 D Street  
LA VERNE CA 91750

City Clerk  
City of Los Alamitos  
3191 Katella Avenue  
LOS ALAMITOS CA 90720

City Clerk  
City of Monrovia  
415 South Ivy Avenue  
MONROVIA CA 91016

City Clerk  
City of Montclair  
5111 Benito Avenue  
MONTCLAIR CA 91763

City Clerk  
City of Orange  
300 E. Chapman Avenue  
ORANGE CA 92666

City Clerk  
City of Placentia  
401 East Chapman Avenue  
PLACENTIA CA 92670

City Clerk  
City of Rosemead  
8838 E. Valley Boulevard  
ROSEMEAD CA 91770

City Clerk  
City of San Gabriel  
425 S. Mission Drive  
SAN GABRIEL CA 91776

City Clerk  
City of Seal Beach  
211 8<sup>th</sup> Street  
SEAL BEACH CA 90740

City Clerk  
City of Stanton  
7800 Katella Avenue  
STANTON CA 90680

City Clerk  
City of Temple City  
9701 Las Lunas Drive  
TEMPLE CITY CA 91780

City Clerk  
City of Yorba Linda  
4845 Casa Loma Avenue  
YORBA LINDA CA 92686

County Counsel  
County of San Bernardino  
385 N. Arrowhead Ave., 4<sup>th</sup> Floor  
San Bernardino, CA 92415-0140

Chamber President  
Niland Chamber of Commerce  
P.O. Box 97  
NILAND CA 92257

County Clerk  
County of Orange  
10 Civic Center Plaza  
SANTA ANA CA 92702

County Counsel  
County of Orange  
10 Civic Center Plaza  
SANTA ANA CA 90012

Behnaz Tashakorian, Esq.  
County Counsel  
648 Kenneth Hall of Administration  
500 West Temple Street  
LOS ANGELES CA 90012

County Clerk  
County of San Bernardino  
222 West Hospitality Lane  
San Bernardino, CA 92415-0022

County of San Bernardino  
Water and Sanitation Area  
P.O. Box 5004  
VICTORVILLE CA 92393-5004

CA Dept of General Services  
Office of Buildings and Grounds  
1304 "O" Street, Suite 300  
SACRAMENTO CA 95814

Herschel T. Elkins  
Asst. Attorney General  
300 South Spring Street  
LOS ANGELES CA 90013

Calleguas Mun. Water District  
2100 Olsen Road  
Thousand Oaks, CA 91362

Clerk of the Board of Supervisors  
Hall of Administration, 4<sup>th</sup> Floor  
800 South Victoria Avenue  
Ventura, CA 93009-1920

Mike Sedell, City Manager  
City of Simi Valley  
2929 Tapo Canyon Road  
Simi Valley, CA 93065

Apple Valley Ranchos Wtr  
21760 Ottawa Rd.  
P.O. Box 7005  
Apple Valley, CA 92308

Dennis Cron –  
Director of Public Services  
14955 Dale Evans Parkway  
Apple Valley, CA 92307

CA Dept. of Corrections  
Attn: George Wood  
P.O. Box 5001  
Calipatria, CA 92233

Calif. Dept. Forestry Hdqtrs  
3800 N. Sierra Way  
San Bernardino, CA 92405

County Water  
P.O. Box 5001  
Victorville, CA 92393-5001

East Pasadena Water Co.  
3725 Mountain View Ave.  
Pasadena, CA 91107

Jurg Heuberger, CEP,  
LAFCO  
1122 W. State Street, Suite D  
El Centro, CA 92243-2840

LAFCO  
215 North D Street – Suite 204  
San Bernardino, CA 92415-0490

Morongo Valley Comm. Serv.  
P.O. Box 46  
Morongo Valley, CA 92256

Barlen Mutual Water  
P.O. Box 77  
Barstow, CA 92311

California-American Water Co.  
4701 Beloit Drive  
Sacramento, CA 95838-2434

Calif. Dept of Forestry  
7105 Airway Drive  
Yucca Valley, CA 92284

Daggett Comm. Service  
P.O. Box 308  
Daggett, CA 92327

East Orange County Water  
185 N. McPherson Road  
Orange, CA 92669

Imperial Co. Board of Supvs.  
Attn: Wally Limburger  
940 Main St., #212  
El Centro, CA 92243-2871

Juniper Riveria CWD  
P.O. Box 386  
Apple Valley, CA 92307

Mariana Ranchos  
9473 Manzanita Street  
Apple Valley, CA 92308

Navajo Mutual Water Company  
P.O. Box 392  
Apple Valley, CA 92307-392

NAVFAC Southwest (Code Pw6v.NV)  
Naval Facs. Engr. Comm.  
1220 Pacific Highway  
San Diego, CA 92132-5190

Rancheritos Water Co.  
P.O. Box 348  
Apple Valley, CA 92307

San Gabriel Valley Water Co.  
11142 Garvey Blvd.  
El Monte, CA 91732

Serrano Wtr Dist.-Villa Park  
18021 East Lincoln  
Villa Park, CA 92667

Southwest Division (Code 0214)  
Naval Facilities Engr Command  
1220 Pacific Highway  
San Diego, CA 92132-5190

Twentynine Palms Water Dist.  
72401 Hatch Rd. (P.O. Box 1735)  
Twentynine Palms, CA 92277

Walnut Valley Water Dist.  
271 S. Brea Canyon Road  
Walnut, CA 91789

Ms. Carol Goss, Chair  
Wrightwood Prop. Owners Assn.  
P.O. Box 487  
Wrightwood, CA 92397

Park Water Company  
9750 Washburn Road  
Downey, CA 90241

San Gabriel Co. Water Co.  
8366 Grand Avenue  
Rosemead, CA 91770

Seeley County Water District  
P.O. Box 161  
Seeley, CA 92273

Sheep Creek Water Company  
Attn: Chris Cummings  
P.O. Box 291820  
Phelan, CA 92329-1820

Sunny Slope Water Co.  
1040 El Campo Dr.  
Pasadena, CA 91107-5506

Victor Valley Water District  
17185 Yuma  
Victorville, CA 92392

City of Anaheim  
City Clerk's Office  
200 S. Anaheim Blvd. - Suite 217  
Anaheim, CA 92805

City of Arcadia Water Co.  
240 W. Huntington Drive  
P.O. Box 60021  
Arcadia, CA 91066-6021

City of Brawley  
400 Main Street  
Brawley, CA 92227

City of Buena Park  
6650 Beach Boulevard  
Buena Park, CA 90620

City of El Centro Wtr. Co.  
P.O. Box 2328  
El Centro, CA 92244

City of Fullerton  
Fullerton Water Department  
303 W. Commonwealth Avenue  
Fullerton, CA 92631

City of Glendora  
116 E. Foothill Blvd.  
Glendora, CA 91740

City of Hesperia Water Dept.  
9700 Seventh Avenue  
Hesperia, CA 92345

City of Alhambra  
111 S. First Ave.  
Alhambra, CA 91801

City of Brea  
Water Department  
#1 Civic Center Drive  
Brea, CA 92621

City of Calexico Water Co.  
608 Heber Avenue  
Calexico, CA 92331

City of Covina  
125 East College  
Covina, CA 91723

City of El Monte Water Co.  
11333 Valley Blvd.  
El Monte, CA 91732

City of Garden Grove  
13802 Newhope Street  
Garden Grove, CA 92643

Heber Public Utility District  
P.O. Box H  
Heber, CA 92249

City of Holtville  
121 West Fifth Street  
Holtville, CA 92250

City of Bellflower  
Water Department  
16600 Civic Center Drive  
Bellflower, CA 90706

City of Compton  
P. O. Box 5118  
Compton, CA 90224

Mr. Gil Busick  
City of El Segundo  
350 Main Street  
El Segundo, CA 90245

City of Huntington Park  
Water Department  
6550 Miles Street  
Huntington Park, CA 90255

City of Lakewood  
Water Department  
P.O. Box 220  
Lakewood, CA 90714-0220

City of Long Beach  
Gerald R. Miller, City Manager  
333 West Ocean Blvd., 14<sup>th</sup> Floor  
Long Beach, CA 90802

LADWP  
P.O. Box 515407  
Los Angeles, CA 90051-5707

City of Paramount  
Water Department  
16420 Colorado Street  
Paramount, CA 90723

City of Cerritos  
Water Department  
P.O. Box 3130  
Cerritos, CA 90703

City of Downey  
Director of Public Works  
11111 Brookshire Avenue  
Downey, CA 90241-7016

City of Hawthorne  
4455 W. 126<sup>th</sup> Street  
Hawthorne, CA 90250

City of Inglewood  
Director of Public Works  
P.O. Box 6500  
Inglewood, CA 90301

City of Long Beach  
Water Department  
1800 E. Wardlow Rd.  
Long Beach, CA 90807-4994

Honorable Antonia Villaraigosa  
City of Los Angeles  
200 N. Spring Street, Room 303  
Los Angeles, CA 90012

City of Norwalk  
Water Department  
12700 Norwalk Blvd.  
Norwalk, CA 90650

City of Santa Fe Springs  
Attn: Donald K. Jensen  
11736 East Telegraph Rd  
Santa Fe Springs, CA 90670

City of South Gate  
Water Department  
8650 California Street  
South Gate, CA 90280

City Manager  
City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

California Water Service  
Rancho Dominguez Dist.  
2632 West 237<sup>th</sup> Street  
Torrance, CA 90505-5272

Maywood Mutual Water No.3  
6151 Heliotrope Avenue  
Maywood, CA 90270-3418

Maywood Mutual Water No.1  
6151 Heliotrope Avenue  
Maywood, CA 90270-3418

Tract 180 Mutual Wtr Co.  
4544 E. Florence Ave.  
Cudahy, CA 90201

City of Torrance  
Water Department  
3031 Torrance Blvd.  
Torrance, CA 90503

City Manager  
City of Whittier  
13230 Penn Street  
Whittier, CA 90602

Park Manager's Office  
Carson Harbor Village  
17701 Avalon Blvd.  
Carson, CA 90746-1554

Maywood Mutual Water No.2  
Gustavo Villa - Gen. Mgr.  
3521 E. Slauson Street  
Maywood, CA 90270

Orchard Dale County  
Water District  
13819 East Telegraph Road  
Whittier, CA 90604

Robert Kelley  
Pico County Water Dist.  
P. O. Box 758  
Pico Rivera, CA 90660-0768

Suburban Water Company  
1211 E. Center Court Drive  
Covina, CA 91722-5105

Water Replenishment District  
General Manager  
4040 Paramount Blvd.  
Lakewood, CA 90712-4127

Central Basin MWD  
A. Aguilar, Gen. Mgr.  
6252 Telegraph Road  
Commerce, CA 90040-2512

Gloria Molina - 1<sup>st</sup> District  
LA County Board of Supers.  
500 West Temple  
Los Angeles, CA 90012

City of Artesia  
18747 Clarksdale Avenue  
Artesia, CA 90701

City of Bell Gardens  
7100 S. Garfield Ave.  
Bell Gardens, CA 90201

City of Cerritos  
P. O. Box 3130  
Cerritos, CA 90703

City of Cudahy  
5250 Santa Ana  
Cudahy, CA 90201

City of Downey  
P. O. Box 130  
Downey, CA 90241

City of Gardena  
1700 West 162<sup>nd</sup> Street  
Gardena, CA 90247

City of Hawthorne  
4460 West 126<sup>th</sup> Street  
Hawthorne, CA 90250

City of Lakewood  
5050 No. Clark Avenue  
Lakewood, CA 90714

West Basin MWD  
Richard Nagel, Gen. Mgr.  
17140 S. Avalon Blvd., Ste. 210  
Carson, CA 90746-1296

Mark Ridley-Thomas  
LA Co. Board of Supervisors  
500 West Temple St.  
Los Angeles, CA 90012

City of Bell  
6330 Pine Avenue  
Bell, CA 90201

City of Carson  
701 East Carson Street  
Carson, CA 90745

City of Compton  
205 So. Willowbrook Ave.  
Compton, CA 90220

City of Culver City  
9779 Culver Blvd.  
Culver City, CA 90230

City of El Segundo  
350 Main Street  
El Segundo, CA 90245

City of Hawaiian Gardens  
21815 Pioneer Blvd.  
Hawaiian Gardens, CA 90716

City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255

City of La Mirada  
13700 La Mirada Blvd.  
La Mirada, CA 90638

City of Lawndale  
14717 Burin Avenue  
Lawndale, CA 90260

City of Los Alamitos  
3191 Katella  
Los Alamitos, CA 90720

City of Paramount  
16420 So. Colorado Ave.  
Paramount, CA 90723

City of South Gate  
8650 California Ave.  
South Gate, CA 90280

County Clerk  
County of Orange  
10 Civic Center Plaza  
Santa Ana, CA 92702

Co. of LA Waterworks Dist.  
Attn: Mark Carney  
23533 West Civic Center Way  
Malibu, CA 90265

CA Dept. of General Services  
Office of Building & Grounds  
1304 "O" Street, Suite 300  
Sacramento, CA 95814

City Clerk  
City of Long Beach  
333 West Ocean Blvd.  
Long Beach, CA 90802

City of Norwalk  
12700 Norwalk Blvd.-Room 5  
Norwalk, CA 90650

City of Santa Fe Springs  
11710 East Telegraph Rd.  
Santa Fe, CA 90670

County Clerk  
Attn: Rachel Matthews  
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