

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking Evaluating  
the Commission's 2010 Water Action  
Plan Objective of Achieving Consistency  
between Class A Water Utilities' Low-  
Income Rate Assistance Programs,  
Providing Rate Assistance to All Low –  
Income Customers of Investor-Owned  
Water Utilities, and Affordability.

Rulemaking 17-06-024

**COMMENTS OF THE PUBLIC ADVOCATES OFFICE  
ON THE PROPOSED DECISION OF ASSIGNED COMMISSIONER**

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## I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these Comments on Assigned Commissioner Guzman Aceves' *Proposed Decision and Order* (PD) issued on July 3, 2020.

The PD advances transparency, accountability, rate stability and affordability for water Investor Owned Utilities (Water IOUs) and their customers. For example, the PD ends the 12-year Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) pilot program<sup>1</sup>, which adds confusing surcharges to customers' bills<sup>2</sup> and lacks the goals, metrics, and standards usually found in a pilot program.<sup>3</sup> The PD emphasizes accurate sales forecasting<sup>4</sup> and properly requires Water IOUs with WRAMs to transition to Monterey-Style WRAMs (M-WRAMs).<sup>5</sup> This removes utilities' incentives to over-forecast consumption and propose rates that are artificially low during the General Rate Case (GRC) process.<sup>6</sup> This transition increases transparency, accountability, rate stability and the opportunity for informed public participation in the ratemaking process, and reduces the opportunity for Water IOUs to significantly increase rates outside of the GRC process via WRAM surcharges.<sup>7</sup>

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<sup>1</sup> WRAM/MCBAs were implemented for Water IOUs in 2008 (PD at 48).

<sup>2</sup> PD at 53 and D.16-12-026 at 36.

<sup>3</sup> PD at 50.

<sup>4</sup> PD at 57-58.

<sup>5</sup> PD at Ordering Paragraph No. 3.

<sup>6</sup> As described in more detail below, Water IOUs with WRAMs can provide an artificially high sales forecast in their GRCs, which result in a lower rate increase in the GRC. When actual sales prove lower than the forecast, the difference in revenue results in an increased WRAM balance and increased WRAM surcharge on customer bills.

<sup>7</sup> Comments of the Public Advocates Office on Administrative Law Judge Ruling Inviting Comments on Water Division Staff Report and Modifying Proceeding Schedule, July 10, 2019, at 12-14.

## II. SUMMARY OF RECOMMENDATIONS

The Commission should adopt this PD with minor modifications. The PD should be modified to:

- Reflect that the record demonstrates that the WRAM/MCBA Ratemaking Mechanism is not necessary to achieve conservation.
- Require California Water Service Company and Golden State Water Company to transition to a Monterey-Style Water Revenue Adjustment Mechanism (M-WRAM) in their current GRCs.
- Clarify that:
  - WRAM/MCBA net balances are collected as surcharges on customer bills.
  - WRAM/MCBA results in inaccurate forecasts and transfers risks from the Water IOUs to customers.
  - M-WRAM accounts for any differences in revenue due to tiered rates when compared to standard quantity rates and is therefore directly tied to conservation rate design.
- Require water utilities to rename their low-income customer assistance programs to Customer Assistance Program in current or pending GRCs.
- Clarify the requirements for acquisitions/consolidation, including:
  - Utilizing the term “acquisitions” when referring to a Water IOU’s purchase of another water system.
  - Requiring a proposed application for acquisitions, modeled after the General Rate Case process.
- Provide additional Ordering Paragraphs to capture language in dicta.

Attachment A to these comments provide the necessary changes to the Proposed Decision’s Findings of Fact and Conclusions of Law to reflect the recommendations provided here.

### III. DISCUSSION

#### A. **The record demonstrates that the WRAM/MCBA Ratemaking Mechanism is not necessary to achieve conservation.**

The WRAM/MCBA pilot was intended to remove the disincentive for Water IOUs to encourage customers to conserve water.<sup>8</sup> The PD accurately concludes that the WRAM/MCBA ratemaking mechanism is not necessary to achieve water conservation.<sup>2</sup> The PD discusses three data sets that each support this conclusion:

- 1) Eight years of annual change in average consumption for WRAM and non-WRAM utilities, showing almost identical patterns of change in consumption.<sup>10</sup>
- 2) Five years of water savings percentages for WRAM utilities and M-WRAM utilities, showing that the cumulative water savings for utilities with M-WRAMs exceeded the cumulative water savings for utilities with WRAMs.<sup>11</sup>
- 3) Five years of conservation data from Class B non-WRAM utilities, showing that the conservation for non-WRAM utilities exceed conservation for both WRAM and M-WRAM utilities.<sup>12</sup>

Each of these data sets accurately shows the WRAM/MCBA mechanism does not result in additional conservation above and beyond M-WRAM and non-WRAM utilities' conservation.<sup>13</sup>

However,

while the dicta of the PD accurately states that *the annual change in average consumption* per metered connection for Class A water utilities with full decoupling WRAM is very similar to the same consumption by Class A water utilities without a full

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<sup>8</sup> PD at 48.

<sup>2</sup> PD at 54.

<sup>10</sup> PD at 54-55.

<sup>11</sup> PD at 55.

<sup>12</sup> PD at 55.

<sup>13</sup> Reply Comments of the Public Advocates Office on the Water Division's Staff Report and Response to Additional Questions, September 23, 2019, at 7.

decoupling WRAM,<sup>14</sup> the Findings of Fact inaccurately state that the *average consumption* per metered connection for WRAM utilities is less than the consumption per metered connection for non-WRAM utilities.<sup>15</sup> This error must be corrected. Attachment A to these comments provides recommended changes to Finding of Fact No. 10.

**B. The PD should be modified to require Cal Water and Golden State Water to transition to a Monterey-Style Water Revenue Adjustment Mechanism (M-WRAM) in their current GRCs.**

The PD orders the five Class A utilities with WRAMs – California-American Water Company (Cal-Am), California Water Service Company (Cal Water), Golden State Water Company (Golden State), Liberty Utilities (Park Water) Corporation, and Liberty Utilities (Apple Valley Ranchos Water) Corporation – to transition to M-WRAMs in their “next” GRC.<sup>16</sup> The PD states, “we are aware that an immediate transition is unreasonable as current rates for WRAM utilities are based on adopted forecasts, which anticipate that corrections between forecasted and actual sales will be resolved through WRAM balances.”<sup>17</sup> However, because an immediate transition is not unreasonable for all WRAM utilities, the Commission should require Cal Water and Golden State to transition to M-WRAMs in their current GRCs.<sup>18</sup>

The Commission can require Cal Water to transition to an M-WRAM in its current GRC where conversion from a WRAM to an M-WRAM is a litigated issue pending a Commission Decision in that proceeding. Cal Advocates served testimony on this issue and a full record has been developed that supports conversion to an M-WRAM, consistent with the rationale provided in this PD.

Golden State submitted its GRC application for Test Year 2022 only two weeks ago, on July 15, 2020. The Commission has not issued a scoping memo, the Pre-Hearing

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<sup>14</sup> PD at 54.

<sup>15</sup> Findings of Fact 10.

<sup>16</sup> Ordering Paragraph 3.

<sup>17</sup> PD at 56-57.

<sup>18</sup> Cal Water A.18-07-001 and Golden State A.20-07-012.

Conference has not yet occurred, no intervenor testimony has been submitted, and no forecasts have been adopted. Therefore, there is more than sufficient time for Golden State to transition to the M-WRAM in its current GRC. Customers should not have to incur the significant downsides of the WRAM for three additional years, until Test Year 2024, when the transition to the M-WRAM can be made within the context of the current GRC. The PD should order Golden State to transition from its existing WRAM to the M-WRAM in its current GRC application.

Therefore, the PD should be modified to require Cal Water and Golden State to transition to M-WRAM in their current GRCs.<sup>19</sup> Attachment A to these comments provides recommended changes to Conclusion of Law No. 5. Additionally, Ordering Paragraphs No. 3 and 4 should be revised as follows:

3. California Water Service Company and Golden State Water Company shall transition existing Water Revenue Adjustment Mechanisms to Monterey-Style Water Revenue Adjustment Mechanisms in A.18-07-001 and A.20-07-012, respectively. ~~California-American Water Company, California Water Service Company, Golden State Water Company, Liberty Utilities (Park Water) Corporation, and Liberty Utilities (Apple Valley Ranchos Water) Corporation, in their next general rate case applications, shall transition existing Water Revenue Adjustment Mechanisms to Monterey-Style Water Revenue Adjustment Mechanisms.~~

**C. The PD should be modified to more precisely describe how the WRAM/MCBA and M-WRAM work.**

In most aspects, the PD provides a clear and concise overview of some of the more problematic aspects of the WRAM/MCBA mechanism.<sup>20</sup> However, in a few places, the PD should be more precise in describing how the WRAM and the M-WRAM work in order to eliminate any ambiguities in the PD. None of these imprecise statements impact the PD's conclusion that: 1) the primary reasons for adopting the WRAM/MCBA are no longer applicable, 2) employing the WRAM/MCBA has had negative effects on customers, and 3) there should be fundamental change in policy regarding this subject.<sup>21</sup>

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<sup>19</sup> Cal Water A.18-07-001 and Golden State A.20-07-012.

<sup>20</sup> PD at 47 – 60.

<sup>21</sup> PD at 59.



**1. WRAM balances are collected as surcharges on customer bills.**

The PD states, “WRAM balancing account under-collections are surcharged through the quantity rates,”<sup>22</sup> and references this concept in Finding of Fact No. 8. It would be more precise to state that WRAM/MCBA balancing account net under-collections are collected as surcharges on customer bills. The surcharge amounts are not rolled into the quantity rates, but billed as a separate line item. WRAM/MCBA balances are recovered as a function of consumption, with recovery occurring as a separate surcharge per hundred cubic feet (ccf) that is not embedded in the quantity rates.

Similarly, the PD refers to “rate increases” associated with the WRAM/MCBA.<sup>23</sup> These references are more accurately referred to as “bill increases,” and the PD should be modified accordingly. Attachment A to these comments provides recommended changes to Finding of Fact No. 8.

**2. The WRAM/MCBA transfers the risk of inaccurate forecasting to customers.**

In regards to sales forecasting, the PD states “[t]he WRAM/MCBA mechanism removes most of those consequences from the water utility and removes most of the risk from customers...”<sup>24</sup> In fact, the WRAM/MCBA mechanism removes all financial consequences of inaccurate sales forecasting from the water utility and *transfers* this risk to its customers.<sup>25</sup> If sales are over-forecasted in a GRC, utilities with a WRAM/MCBA are able to collect *from customers* the revenue difference between the forecasted sales and the actual sales.<sup>26</sup> This all but guarantees the WRAM-utilities their authorized revenue requirement, at the expense of customers, regardless of other impacts to utility

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<sup>22</sup> PD at 53.

<sup>23</sup> For example, PD at 48.

<sup>24</sup> PD at 57.

<sup>25</sup> See D.08-08-030 and D.09-05-019 at 34.

<sup>26</sup> Less any Operation and Maintenance differences in the cost of providing the reduced amount of water, as tracked in the MCBA account.

revenue such as weather, general economic cycles, and normal business risks. This represents a transfer of risk from the utility to the customer.

The PD should be modified to correct this statement. Attachment A to these comments provides recommended changes to Finding of Fact No. 15.

**3. The PD should accurately explain the M-WRAM’s mechanics to demonstrate its benefits.**

It is important for the PD to clearly explain the M-WRAM’s mechanics to demonstrate why it is a more appropriate and effective mechanism than the WRAM/MCBA. For example, the PD suggests that the M-WRAM accounts for “the consequences of inaccurate forecasts”<sup>27</sup> and refers to increased rate tiers reducing sales that would otherwise occur at a single quantity rate,<sup>28</sup> without fully explaining the mechanics of the M-WRAM.<sup>29</sup> To clarify the benefits of the M-WRAM over WRAM sales forecasting, the PD should include a discussion of the differences in the forecasting consequences for the WRAM versus the M-WRAM. Attachment A to these comments provides recommended changes to Findings of Fact No. 4, No. 5 and No. 14.

The PD accurately finds that the implementation of an M-WRAM means that sales forecasts become very significant in establishing test year revenues.<sup>30</sup> However, the PD does not explain why this is the case. Currently, a WRAM-utility can over forecast sales in its GRC, resulting in an artificially low rate increase, with no long-term consequence to its revenue collections, because any difference will be recovered through the WRAM/MCBA mechanism. The GRC process provides considerable transparency, oversight, notice, and public participation. In contrast, the amount of the WRAM/MCBA surcharge is not “authorized” so much as “calculated” through an advice letter process, which does not include ALJ oversight, is not voted on by the Commission, and results in

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<sup>27</sup> PD at 56.

<sup>28</sup> PD at 60.

<sup>29</sup> The M-WRAM records the difference between the revenue generated by metered water sales via tiered rate structures and the revenue the utility would have received with a single uniform rate. D.19-06-010 at 3.

<sup>30</sup> Finding of Fact No. 14.

bill impacts that generally do not require customer notification. Therefore, WRAM-utilities have an incentive to over forecast sales in the GRC process, under-collect revenues, and recover the difference (with interest) through the advice letter process with reduced transparency and public scrutiny. The M-WRAM removes this incentive for WRAM-utilities to over forecast sales in the GRC, and instead incents parties to strive for accurate sales forecasting in the GRC process.<sup>31</sup> Similarly, WRAM IOUs have an incentive to under forecast water supply costs, and have the higher costs recovered through the MCBA.<sup>32</sup>

Notably, WRAM IOUs recover any *revenue* shortfalls due to inaccurate sales forecasts and water supply expense forecasts through the WRAM/MCBA without a corresponding calculation regarding forecasted fixed *costs*. If estimated fixed costs do not materialize—as is common when a utility underspends authorized capital budgets—the WRAM/MCBA does not account for this variance. For customers, the failure to consider fixed costs can result in higher surcharges since WRAM/MCBA surcharges are added to bills for sales that did not occur, and customers’ rates still include the entire estimated capital budget even if spending did not occur. Thus, there should be little surprise at the widespread dissatisfaction with the WRAM/MCBA amongst all but the utilities who unreasonably profit from their existence. Unfortunately, the M-WRAM, as proposed, would not correct for this discrepancy and utilities would still retain this benefit associated with the WRAM.

The M-WRAM *does* provide some reduction in risk for utilities regarding forecasting, as stated by the PD. However, this statement needs clarification. The specific protection offered to utilities by the M-WRAM relates to the distribution of sales by tier. If the actual distribution of sales by tier differs from that projected in the GRC

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<sup>31</sup> Eliminating the WRAM will incent utilities to under forecast sales, as they will not have to return the difference in revenues to customers. The Commission should remain aware of this incentive if this PD is adopted.

<sup>32</sup> The lower expense forecast reduces the revenue requirement dollar-for-dollar, artificially lowering the bill increase in the GRC. As with over forecasted sales, the difference is recovered (with interest) through the WRAM/MCBA alternative ratemaking mechanism, with reduced transparency and public scrutiny.

process, the M-WRAM accounts for the difference. The Incremental Cost Balancing Account (ICBA) also provides reduction in risk for utilities regarding forecasting.<sup>33</sup> The PD should be modified to clarify this distinction in Finding of Fact No. 5 and 14.

**D. The PD should require water utilities to rename their low-income assistance programs to Customer Assistance Program in current or pending GRCs.**

The PD should clarify that water IOUs should rename Low Income Rate Payer Protection Programs to “Customer Assistance Programs” in current or pending GRCs, when applicable. The dicta of the PD states that this transition should occur in “pending or to be filed” GRCs,<sup>34</sup> but Ordering Paragraph 4 states that the name change should occur in the “next” GRC. Therefore, Ordering Paragraph 4 should be revised to clarify the timing of the name change, as follows:

4. Commission regulated water utilities shall name or rename their respective low-income water assistance program as “Customer Assistance Program” as part of their ~~next~~-general rate case applications. Water utilities with current GRCs shall make this transition in the current GRC. Water utilities without a current GRC shall make this transition in their next GRC.

**E. The PD should clarify the requirements for acquisitions/consolidation.**

The PD should clarify the requirements for acquisitions/consolidation, including:

- Utilizing the term “acquisitions” when referring to a water utilities’ purchase of another water system.
- Requiring a proposed application for acquisitions, modeled after the General Rate Case process.

**1. Terminology**

The PD utilizes the terms “acquisitions” and “consolidations” interchangeably.<sup>35</sup> However, the Commission utilizes the term “acquisition” when referring to water

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<sup>33</sup> If the actual water supply cost per unit of water differs from that projected in the GRC, the ICBA accounts for the difference.

<sup>34</sup> PD at 64.

<sup>35</sup> See, for example, PD at 70.

utilities' purchase of another water system,<sup>36</sup> and the word “consolidation” when referring to combining one or more existing ratemaking areas already owned by that utility into a single ratemaking area.<sup>37</sup>

For clarity and consistency, the PD should be modified to utilize the term “acquisition” when referring to a water utility’s purchase of another water system.

## **2. Minimum Data Requirement Submittals**

The PD should be modified to clarify its requirements for submitting Minimum Data Requirements (MDRs) and additional information connected with acquisition applications. The PD states that “Both California Water Association and the Public Advocates Office of the Public Utilities Commission recommended the practice in GRCs and cost of capital filings of [MDRs] also apply to applications for mergers and acquisitions...”<sup>38</sup> For GRCs, utilities are required to include MDRs as part of the *proposed applications* to reduce discovery during GRC proceedings.<sup>39</sup>

However, the PD is unclear on how and when utilities should submit MDRs in connection with acquisition applications. The PD appears to allow utilities to submit the information as part of the application.<sup>40</sup> However, this process would negate a significant part of the benefit of the proposed MDRs, as parties will not know if the utility has provided the required information for the acquisition application until after the proceeding is underway. The PD’s requirement that the information should be, “...presented as part of the application or with the MDR...” is similarly unclear.<sup>41</sup> This statement indicates that utilities may submit MDRs separate from the acquisition applications, but does not specify when or how that submittal should occur.

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<sup>36</sup> See, for example, D.99-10-064.

<sup>37</sup> See, for example, D.14-10-047.

<sup>38</sup> PD at 70.

<sup>39</sup> D.07-05-062, the Revised Rate Case Plan for Class A water utilities.

<sup>40</sup> See, for example, PD at 71.

<sup>41</sup> PD at 76.

The acquisition MDR process and schedule should require utilities to provide MDR information *prior to* the filing of the acquisition application. Specifically, the Commission should require utilities to submit a proposed application for acquisitions that includes the MDRs, using a similar process as is utilized in GRCs.<sup>42</sup> As such, the PD should be revised to require a proposed application that includes 1) the MDR submittal, and 2) a deficiency review process. This process will help ensure that the Commission has adequate information to process acquisition applications expeditiously.

The PD should be modified to clarify this process. Attachment A to these comments includes recommended changes to Finding of Fact No. 20 and Conclusion of Law No. 7. Additionally, Ordering Paragraph No. 8 should be modified as follows:

~~8. 7. In~~ Prior to filing any application by a water utility for ~~consolidation or~~ acquisition of another system, the utility shall provide Minimum Data Requirements containing the information identified in Section 10, Water Acquisition Consolidation Timelines, above ~~as part of the application or with the Minimum Data Request~~ in order to help streamline consideration of its application.

**F. The PD should provide additional Ordering Paragraphs to capture the intent of the dicta.**

The dicta of the PD provides two new requirements for water utilities that are not in the PD's ordering paragraphs.

The PD states, "...multi-family housing units should qualify for LIRA programs if the housing is owned by a non-profit and are [sic] for the explicit purpose of providing affordable housing to low-income residents. We direct Class A water utilities with existing LIRA programs to update their eligibility to reflect this change."<sup>43</sup> However, this requirement does not appear in an ordering paragraph.

The PD also states, "...we commit to providing in each utility's GRC an OP that details the required low-income program metrics and data for that utility to report in its annual report."<sup>44</sup> Similarly, this requirement is not in an ordering paragraph of the PD.

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<sup>42</sup> As specified in D.07-05-062, the Revised Rate Case Plan.

<sup>43</sup> PD at 65.

<sup>44</sup> PD at 67.

The PD should add ordering paragraphs for these two new requirements as follows:

9. Class A water utilities with existing Low-Income Rate Assistance (LIRA) programs shall file a Tier 2 Advice Letter that updates the program eligibility requirements to reflect that Multi-family housing units qualify for low-income ratepayer assistance programs if the housing unit is owned by a non-profit and is for the explicit purpose of providing affordable housing to low-income residents.

10. Each utility's general rate case shall provide an Ordering Paragraph that details the required Community Assistance Program (CAP) metrics and data for that utility to report in its annual report.

#### **IV. CONCLUSION**

Cal Advocates appreciates the opportunity to provide these comments and respectfully requests that the Commission adopt the recommendations presented herein.

Respectfully submitted,

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## ATTACHMENT A

### **Recommended Changes to Findings of Fact and Conclusions of Law**

added text is *underlined*, deleted text is shown in ~~strikethrough~~ type

#### **Findings of Fact**

1. The WRAM/MCBA ratemaking mechanism provides that when actual water sales are less than adopted, the difference in sales revenue will be recovered through a balancing account. ~~2.~~ If actual sales exceed adopted sales, the WRAM/MCBA mechanism will return the over-collected revenues to customers through a balancing account.

2. WRAM/MCBA ratemaking mechanisms were adopted as pilot programs by settlements in GRCs for California-American Water Company, California Water Service Company, Golden State Water Company, Liberty Utilities (Park Water) Corp., and Liberty Utilities (Apple Valley Ranchos Water) Corp. in 2008.

~~3. The major purpose of adopting WRAM/MCBA was to decouple sales from revenues and thus promote conservation.~~ The pilot WRAM/MCBA program's intent was to remove the disincentive for water IOUs to encourage customers to conserve water.

4. The MCBA provides that when actual water supply variable costs are vary from those adopted, the difference will be tracked in a balancing account, and netted against the difference in sales revenue. ~~reduced when there is a reduction in water quantity sales.~~

~~5. The ICBA provides that variable costs are reduced under the Monterey Style WRAM mechanism.~~ The various options for modifying or eliminating WRAM/MCBA as ordered by D.12-04-048 were not adjudicated and resolved in subsequent GRC proceedings.

8. While the WRAM/MCBA was adopted to encourage conservation, the application of this ratemaking mechanism has led to substantial undercollections and subsequent increases in customer bills. ~~quantity rates.~~

10. The annual change in A average consumption per metered connection for WRAM utilities is approximately the same as ~~less than the~~ annual change in consumption per metered connection for non-WRAM utilities.

14. Tiered rate design causes customers to use less water at increased costs per unit consumed; thus, use of tiered rate design is a reasonable means to promote conservation. ~~stabilizing revenues.~~



~~14. The Monterey Style WRAM combined with the ICBA is a method to account for lesser quantity sales and stabilize revenues.~~

15. Implementation of a Monterey-Style WRAM means that forecasts of sale become very significant in establishing test year revenues.

16. ~~15.~~ No quantification of the utilities' reduced risk effects of when using the WRAM/MCBA mechanism is evident in past GRC or Cost of Capital proceedings.

17. ~~16.~~ During a governor declared drought emergency, it is reasonable to provide utilities not using a WRAM/MCBA mechanism to establish lost revenue memorandum accounts.

18. ~~17.~~ A single, straight-forward name will aid outreach to consumers and statewide coordination in the delivery of assistance to low-income consumers.

19. California-American Water Company's Advice Letter 1221 for establishing a tariff that provided a discount to low-income multi-family renters provides a good starting point for a pilot.

20. ~~18.~~ The information delineated in Section 10, Water Acquisition Consolidation Timelines, above is a reasonable minimum amount of information required to begin a streamlined review of the proposed ~~consolidation~~ acquisition application. ~~transaction.~~

### **Conclusions of Law**

~~1. This decision should be effective today to provide timely notice to Class A water utilities in advance of their next GRC filings.~~

4. The Monterey-style WRAM provides better incentives to more accurately forecast sales while still providing the utility the ability to earn a reasonable rate of return.

5. ~~4.~~ As WRAM utilities have individual factors affecting a transition to Monterey-Style WRAM mechanism, this transition should be implemented in each WRAM utilities' respective ~~upcoming~~ GRC applications.

6. California Water Service Company and Golden State Water Company should transition to Monterey-Style WRAMs in their current GRCs.

7. ~~5.~~ A reasonable transition to the new uniform name should be adopted. The Customer Assistance Program (CAP) name should be used for all Commission-regulated water utilities for their low-income water assistance programs.

~~8. 6.~~ It is reasonable to allow each water utility to adopt the uniform CAP name as part of its ~~next~~ general rate case.

9. ~~7.~~ The acquisition process ~~to achieve consolidation~~ should be as effective and efficient as possible.