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SEP 9 1991

Decision 91-09-005 September 6, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into measures to mitigate the effects of drought on regulated water utilities, their customers and the general public.	I.89-03-005 (Filed March 8, 1989)
And Related Matter. (Drought Phase)	I.90-11-033 (Filed November 21, 1990)

ORIGINAL

INTERIM OPINION

California Water Service Company (Cal Water) requests expedited approval of a showerhead kit water conservation project for its Westlake District. The project includes a public awareness campaign and distribution of a showerhead kit (two low-flow showerheads, two toilet dam inserts, and leak detection tablets) to each residential customer. Project costs are estimated at $158,000. The Metropolitan Water District (MWD) would pay up to half the cost of the project, based on MWD's avoided cost of aqueduct pumping. Pursuant to special motion procedure established in this proceeding, Cal Water seeks authority to impose a $1-per-month surcharge for 12 months on all Westlake District customers to cover costs of the project.

The Water Utilities Branch (Branch), while not opposing the project itself, objects to the request for expedited approval. It argues that Cal Water may implement the project without prior approval, recording expenses in a memorandum account for later recovery. Branch states that the showerhead conservation program is one of the most common conservation techniques, and that approximately 40 water utilities have participated in the MWD program. Branch argues that prior approval of the project serves no purpose except to circumvent the Commission's requirement in

Decision (D.) 90-08-055 that water utilities prepare long-term Water Management Programs (WMPs), including conservation programs like this one, for evaluation and approval by Branch and the Commission.

Branch also objects that Westlake District customers have not been notified individually of the conservation program and its effect on rates. Cal Water on April 4, 1991, published a notice of the project in a general circulation newspaper in the Westlake District service area. No objection from customers has been received.

While the Commission encourages all conservation programs during this fifth year of drought, we agree with Branch that a showerhead conservation project is not the type of "innovative" project for which the expedited approval procedure was established. That procedure permits advance approval, outside the WMP process, of unusual conservation programs that might otherwise go untested. Advance approval of a project of this kind would signal utilities to seek expedited treatment for all conservation programs, innovative or not, at the expense of the more thoughtful, long-range drought and conservation plans contemplated by D.90-08-055.

We encourage Cal Water to include the showerhead conservation program in its WMP and to proceed on this and other drought-related programs. However, with hearings in this proceeding now under way, we are not persuaded that expedited approval of this particular project is necessary. Therefore, Cal Water's motion for advance approval of the project is denied.

Findings of Fact

1. On September 20, 1988, MWD approved a water conservation credits program under which it will pay up to one-half the cost of a qualifying project.

2. MWD has asked Cal Water to participate in the credits program with a showerhead kit distribution project in Cal Water's Westlake District.

3. The showerhead project will consist of a public awareness campaign, distribution of a showerhead kit (two low-flow showerheads, two toilet dam inserts, and leak detection tablets) to each residential customer, and installation assistance.

4. Estimated cost of the showerhead project in the Westlake District is $158,000.

5. Based on expected savings in aqueduct pumping, MWD is to pay up to one-half the project cost. Cal Water estimates that its share of costs will be approximately $79,000, or $12 per customer.

6. Cal Water requests Commission approval prior to its participation in the project. Cal Water asks that it be authorized to establish a 12-month surcharge of $1/month/customer in its Westlake District to offset Cal Water's costs.

7. Cal Water on April 4, 1991, published a "Notice of Rate Increase" describing the project and the proposed surcharge in the News Chronicle, a newspaper of general circulation published in the County of Ventura. No objections from customers have been received.

8. The Water Utilities Branch of the Commission Advisory and Compliance Division has no substantive objection to the proposed showerhead distribution project, but it objects that the proposal should be stated in the utility's Water Management Program and costs tracked in a memorandum account for later reimbursement.

9. At a prehearing conference on February 28 and March 1, 1991, in this OII, an expedited motion procedure was established whereby utilities may seek an interim order by the Commission approving "innovative" conservation projects.

Conclusions of Law

1. A showerhead kit conservation program should not qualify as the type of "innovative" program qualifying for advance and expedited approval.

2. A request for advance approval of a conservation program should not be permitted to circumvent the long-range conservation

efforts contemplated for Water Management Programs developed pursuant to D.90-08-055.

3. Since Cal Water's request is by way of motion, this order should be effective immediately.

INTERIM ORDER

IT IS ORDERED that the motion of California Water Service Company for advance approval of a showerhead kit water conservation project for its Westlake District is denied.

This order is effective today.

Dated September 6, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

I abstain.

/s/ G. MITCHELL WILK
Commissioner

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY

NEAL J. SHULMAN, Executive Director

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