

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3548
March 13, 1991R E S O L U T I O N(RES. W-3548) PONDEROSA WATER COMPANY (PWC). ORDER
AUTHORIZING A WATER RATIONING PLAN.SUMMARY

PWC, by Advice Letter (AL) No. 43, filed on February 7, 1991, has requested authority to add Schedule 14.1 to its tariffs establishing a mandatory water rationing plan for its entire service territory. PWC's proposal is in response to a Tuolumne Water Service (TWS) cut of February water allocations of 35% for all resellers on its raw water ditch system. PWC obtains all of its water supply from TWS, an agency administered by the Tuolumne County Board of Supervisors. Because of the continuing drought, the water supply in the region is in jeopardy. PWC serves about 468 residential customers in an unincorporated area of Tuolumne County near Tuolumne City.

BACKGROUND

TWS is a water wholesaler to PWC, and delivers untreated water through its ditch system to about 14 resellers including PWC and 2 other Commission-regulated utilities. TWS also sells treated water to residential, business, and industrial customers in the county including Sonora Water Company, another Commission-regulated utility. TWS's main storage facilities are Lyons and Pinecrest reservoirs on the south fork of the Stanislaus River. Both storage facilities have been seriously depleted during the last four years of drought and TWS faces a serious water shortage for the coming year. PWC is developing a second source of supply, but its status is uncertain at this time.

The Tuolumne County Board of Supervisors at its February 5, 1991 meeting reduced water deliveries to water resellers on the ditch system to 65% of 1990 deliveries on a monthly basis. In addition, it placed its retail customers on rationing and cut agricultural supplies entirely. The supply situation on February 15, 1991 indicated approximately a 100-day supply of water remained in Lyons and Pinecrest reservoirs at a 35% reduced rate of consumption. At present there is extremely light snowpack to produce runoff and if the lack of significant rainfall continues for the remaining two months of the wet season, TWS will implement more stringent measures. TWS has tentatively planned for a 50% cutback in April allocations.

DISCUSSION

To achieve the necessary reduction imposed by its water supplier, PWC requests authority to impose mandatory rationing on its customers as set forth in AL 43's proposed Schedule 14.1. Schedule 14.1 would:

1. Establish customer water allocations of 65% of 1990 customer usage, except that customers whose use was more than 30% above the system average would be allocated 60% of 1990 usage. No customer will be allocated less than 5 Ccf per month (one Ccf is one hundred cubic feet).
2. Establish the following penalties:

usage from 0 to 10% above allocation	\$2.90 per Ccf
usage from 10 to 20% above allocation	\$4.35 per Ccf
usage from 20 to 30% above allocation	\$5.80 per Ccf
usage from 30 to 40% above allocation	\$7.25 per Ccf
usage above 40% above allocation	\$8.70 per Ccf
3. Establish an exceptions procedure where unusual circumstances dictate a change in allocation.
4. Provide that penalty funds are not to be accounted for as income, but are to be kept in a separate reserve account for disposition as directed by the Commission.
5. Provide that if a customer does not meet the percentage rationing goal set by Tuolumne Water Service or otherwise violates the provisions of Rule 14.1, after written warning, the utility may install a flow restrictor to be left in for a minimum of three days. The second time a restrictor is installed it may be left in until rationing ends.
6. Establish charges of \$25 for 5/8" to 1" meters and \$50 for 1-1/2" to 2" meters for removing restrictors, and provides that continuing nonessential or unauthorized use may result in disconnection.
7. Establish an appeal procedure first through the utility, then to the Commission staff through the Executive Director, then to the Commission via a formal complaint.

PUBLIC NOTICE

As required by Sections 350-358 of the California Water Code, PWC notified customers by mail on February 6, 1991 and in the local newspaper on February 11, 1991 of the public hearing on February 19, 1991. The C.W.C. requires a public notice seven days prior to the public hearing.

The meeting was held in Tuolumne City at 7 p.m. Approximately 50 customers attended. All were supportive of the rationing but were critical of TWS for poor planning. Some customers expressed concern that they would be penalized for conserving water in the past or that the residence was in a different situation last year. The company indicated that there is an appeal process for contesting the allotment. A representative from a water conservation technology company attended and provided samples and information about water-saving devices.

PROTESTS

No other comments or protests have been received.

FINDINGS


1. All of PWC's water supply is obtained from Tuolumne Water Service's ditch system.
2. Due to the continuing drought, the amount of water available to Tuolumne Water Service is insufficient to meet its resale customer's needs, including PWC's, without creating an unreasonable risk to public health and safety. The Water Service has therefore cut water deliveries to resellers by 35% for the February delivery period and will take more stringent action at a later date if the supply situation does not improve.
3. PWC has declared a water shortage emergency following the requirements of the California Water Code, Section 350 et seq, after determining that the ordinary demands and requirements of customers cannot be satisfied without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.
4. PWC's proposed rationing plan as set forth in AL 43's proposed Schedule 14.1 is necessary to ensure the equitable allocation of such water supplies as are available, with particular regard to domestic use, sanitation, and fire protection.
5. The escalating penalties provided for under PWC's proposed Schedule 14.1 for excess usage are necessary to promote compliance with customer's maximum allocations.
6. The restrictor removal charges established under PWC's proposed Schedule 14.1 are reasonable and justified to compensate PWC for costs incurred in installing and removing such restrictors.
7. PWC's proposal to accumulate the amounts collected under its excess usage penalty rate in a separate account for eventual disposition in a manner to be determined by the Commission rather than accounting for them as utility income is appropriate.

IT IS ORDERED that:

1. Ponderosa Water Company is authorized to add Schedule 14.1 to its tariffs establishing a mandatory rationing plan proposed by Advice Letter No. 43. Schedule 14.1 shall apply to service rendered on or after its effective date. The effective date of Schedule 14.1 shall be the same as the effective date of this resolution.
2. Ponderosa Water Company is authorized to file an Advice Letter to modify the allocations set forth in Schedule 14.1 if and when Tuolumne Water Service or the Tuolumne County Board of Supervisors changes rationing demands on this utility. Any modification shall not be more stringent than required by the Tuolumne County Board of Supervisors or the Tuolumne Water Service. Such Advice Letter will become effective five days after the date of filing.
3. Ponderosa Water Company shall not implement any rationing allocation which would restrict customer usage to less than 10% of 1990 water consumption without first obtaining authorization from the Commission.
4. Schedule 14.1 shall continue in force until such time as the Commission directs its modification or repeal.
5. Ponderosa Water Company is authorized to create a memorandum account to collect excess water use penalties. Penalty funds shall be held in this account for future disposition in a manner to be determined by the Commission rather than accounting for them as utility income.
6. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 13, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners


NEAL J. SHULMAN
Executive Director

Schedule No. 14.1

WATER RATIONING

APPLICABILITY

This schedule applies to all water customers served under all tariff rate schedules authorized by the Commission. It is only effective in times of rationing, as required by Rule 14.1, and only for the period noted in the Special Conditions section below.

TERRITORY

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

ALLOCATION

Each customer shall be allocated 65% of his 1990 usage in the comparable billing period except those whose use for the comparable period exceeded the system-wide average by more than 30%. Customers exceeding this level will be rationed to 60% of 1990 usage in the comparable billing period. No customer, however, will be allocated less than 500 cubic feet (5 Ccf) per month.

EXCESS WATER USE PENALTY

For water used in excess of the allocated amount during each billing period for all service rendered on and after the effective date of rationing,

AMOUNT IN EXCESS	CHARGE
0.1% - 10% over allotment	\$2.90 per Ccf
10.1% - 20% over allotment	\$4.35 per Ccf
20.1% - 30% over allotment	\$5.80 per Ccf
30.1% - 40% over allotment	\$7.25 per Ccf
greater than 40%	\$8.70 per Ccf plus

the utility has the option of installing a flow restricting device at the service connection.

The excess water use penalty is in addition to the regular rate schedule cost per Ccf.

FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restricting device is found in Rule 14.1.

Schedule No. 14.1

WATER RATIONING

SPECIAL CONDITIONS

1. This tariff schedule shall remain in effect until revoked by the Commission.
2. The utility is authorized to change this Schedule upon notice from the Tuolumne Water Service or the Tuolumne County Board of Supervisors that its rationed allocation is changed.
3. Allocations falling between full hundreds of cubic feet shall be rounded up to the next full hundred.
4. For any customer without a prior billing record, or where unusual circumstances dictate a change in allocation, the customer's allocation shall be determined by the Company on the basis of usage by similar customers or on such other basis as may be fair and equitable under the circumstances.
5. Excess water use penalties are separate and in addition to any penalties for violating Section A of Rule 14.1, which prohibits nonessential and unauthorized uses of water. Consumption of less than the full allocation of water in any billing period shall not release a customer from compliance with Section A of Rule 14.1.
6. Any monies collected by the Utility through penalty charges from over usage shall not be accounted for as income, but shall be accumulated by the Utility in a separate reserve account for disposition as directed or authorized from time to time by the Commission.