

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION W-3557
April 24, 1991R E S O L U T I O N

(RESOLUTION W-3557) PARK WATER COMPANY'S REQUEST FOR AUTHORIZATION TO FILE A MANDATORY WATER RATIONING PLAN FOR ITS CENTRAL BASIN DIVISION.

BY ADVICE LETTER 143-W, FILED ON MARCH 14, 1991

SUMMARY

Park Water Company (PWC) requests authority to add Rule 14.1, Mandatory Water Conservation/Rationing Plan to the tariffs of its Central Basin Division located in Los Angeles County. This resolution grants the request. This action is required by the action of The Metropolitan Water District of Southern California (MWD).

BACKGROUND

PWC purchases about 90-percent of the water it distributes to its Central Basin District customers from MWD. A water shortage emergency condition exists within the area to which MWD provides water. MWD, on January 8, 1991, approved a mandatory water conservation plan. This plan mandates that all resale customers reduce water use by at least 10-percent beginning February 1, 1991. Since that time, MWD has increased its mandated conservation percentage to 20-percent beginning March 1, 1991 and 30-percent beginning April 1, 1991.

Section 357 of the Water Code requires that suppliers that are subject to regulation by the Commission shall secure its approval before imposing water consumption regulations and restrictions required by water shortage emergencies.

DISCUSSION

Because of MWD's action, the ordinary demands and requirements of the water consumers in the Central Basin Division cannot be satisfied without either depleting the PWC's water supply to the extent that there would be insufficient water for human consumption, sanitation and fire protection, or incurring excessive penalties.

The rules, regulations and restrictions shown in the rationing plan are intended to conserve PWC's water supply for the greatest

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public benefit, with particular regard to domestic use, sanitation and fire protection. Specific uses prohibited or restricted by the proposed rationing plan are nonessential or unauthorized.

The actions contained in the proposed rationing plan are necessary to prevent or mitigate an emergency, and were prepared pursuant to Section 353 of the Water Code.

PWC has requested authorization to use any penalty monies collected from its customers to offset penalties assessed by MWD. The Water Utilities Branch (Branch) believes this request is reasonable and should be granted with the condition that collected customer penalty monies be used to pay MWD penalties only from the effective date of this resolution.

The Branch notes that PWC did not acknowledge in its advice letter that penalty monies collected from its customers are not to be accounted for as income and would be accumulated in a separate reserve account for disposition as directed from time to time by the Commission. Branch believes PWC should be so directed.

The Branch understands that some utilities subject to the penalties and rewards of MWD will seek to flow rewards as well as penalties through to their customers. PWC has chosen to pass only penalties.

The Branch believes this is acceptable with the condition that immediately following each September accounting made by MWD to its member agencies, PWC be required to report to the Commission the charges and/or credits made to it by MWD, and the monies that have accumulated in the penalties reserve account. Further, that such reporting to the Commission should be accompanied by a request for Commission authorization for specific disposition of any credits made to PWC by MWD as a result of water usage lower than MWD's allocation and any monies accumulated in PWC's penalties reserve account.

The Branch believes that monies accumulated in the penalties reserve account should be first used for offsetting any penalties by MWD in the event customers of PWC use more than their allotted amount of water, and secondly to offset charges to the drought related memorandum account that was authorized by the Commission in Decision 90-07-067. In the event customers use less than their allotment and rewards are credited PWC, these credits should also be used to offset charges to the drought related memorandum account.

NOTICE

Notice of public hearings at which customers could be heard were published and the hearings were held in Norwalk on March 12, 1991. About 19 customers attended and approximately six commented on the water emergency or the proposed rationing plan. No one at the hearing disputed the existence of a water shortage emergency.

PROTESTS

No protests have been received by the Commission.

FINDINGS

1. PWC purchases approximately 90-percent of the water supply for its Central Basin District from MWD.
2. Drought conditions in California caused MWD to impose mandatory water conservation on retail entities to which it supplies water beginning February 8, 1991.
3. Drought conditions continue in California and have caused MWD to impose more stringent mandatory water conservation on those to which it supplies water beginning April 1, 1991.
4. Section 357 of the Water Code requires PWC to seek Commission approval of its proposed tariff Rule 14.1, Mandatory Water Conservation/Rationing Plan before implementing use restriction and rationing called for by MWD.
5. Requirements of the Water Code, Section 350 et seq, to notify customers and to hold public hearings before declaring a water shortage emergency have been met.
6. PWC's Rule 14.1, Mandatory Water Conservation/Rationing Plan for its Central Basin District should be approved.
7. PWC should be directed to establish a penalties monies reserve account to record penalties collected from its customers.
8. PWC's request to use penalty monies collected from its customers to pay penalties levied on it by MWD should be approved with the condition that penalties levied for any period prior to the effective date of this resolution shall not be paid from these monies.
9. PWC should report to the Commission immediately following MWD's September accounting of overuse penalties and underuse credits. This report should include the amount charged or credited PWC by MWD as well as the amount accumulated in PWC's penalty monies reserve account. This report should be accompanied by a request for specific disposition authority for the monies in the penalty reserve account.

IT IS ORDERED THAT:

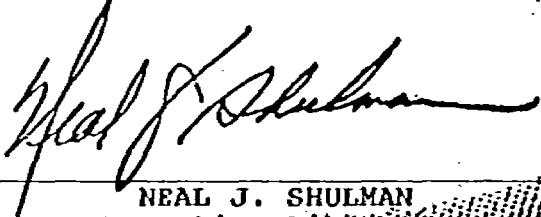
1. Park Water Company is authorized to add Rule 14.1, Water Conservation/Rationing Plan to its tariffs as proposed by Advice Letter No. 143-W for its Central Basin District. The effective date of Rule 14.1 shall be the same as the effective date of this resolution.

2. Rule 14.1 shall continue in force until such time as the Metropolitan Water District rescinds its mandatory rationing requirement, or until such time as the Commission directs its modification or repeal.
3. Park Water Company shall establish a reserve account in which overuse penalty charges imposed upon its customers shall be accumulated. These monies shall not be accounted for as income and shall be disposed of in ways to be determined by the Commission.
4. To the extent that penalty charges accumulated in the reserve account ordered by this resolution are available, Park Water Company is authorized to use the reserve fund to pay excess usage penalty charges imposed on it by the Metropolitan Water District for water supplied to Park Water Company subsequent to the effective date of this resolution.
5. Park Water Company shall, within thirty (30) days following the September accounting by the Metropolitan Water District to its member agencies of overuse charges and underuse credits, report this information to the Commission. This report shall include the amount of monies accumulated in its overuse penalty charges reserve account and the amount paid to MWD in penalties.
6. Park Water Company shall, within thirty (30) days following the September accounting by the Metropolitan Water District, file an application with the Commission proposing specific disposition of any monies accumulated in its overuse penalty charges reserve account, and any credits made to it by the Metropolitan Water District for underuse.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on April 24, 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

PARK WATER COMPANY
 2750 WASHBURN ROAD
 DOWNEY • CALIFORNIA

Original _____ Col. P.U.C. Sheet No. 705-4

Canceling _____ Col. P.U.C. Sheet No. _____

Rule No. 14.1

MANDATORY WATER CONSERVATION/RATIONING PLANA. DEFINITIONS

As used in this water rationing plan, the word:

1. "Company" means Park Water Company;
2. "Person" means any individual, person, firm, partnership, association, corporation, company, organization or governmental entity;
3. "Customer" means any person who uses water supplied by the Company in its Central Basin Division;
4. "Process Water" means 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;
5. "Water" means water supplied by the Company;
6. "Historical base period" means the twelve (12) month period preceding July 1, 1990;
7. "Authorizing agency" means any agency who supplies to, controls or allocates the water supply to the Company or any governmental body which authorizes the Company to produce and sell water in the service area;
8. "Water shortage condition" means the conditions which constitute a determination by the authorizing agency that deliveries of potable water supplies have reached a level such that all water suppliers are being requested to reduce the use of water by a given amount.

B. WATER SHORTAGE CONDITION

This mandatory water conservation/rationing plan shall become effective following notification by the authorizing agency that a shortage of potable water supplies exists. The plan will be implemented in two phases:

Phase I:

Phase I will consist of mandatory water use restrictions and voluntary water conservation of less than 10%. This phase will become effective upon notification by the authorizing agency that water usage should be reduced by less than 10%.

(Continued)

(To be inserted by utility)	Issued by	(To be inserted by Col. P.U.C.)
Advice No. <u>143-W</u>	<u>Leigh K. Jordan</u>	Date Filed _____
	Name	Effective _____
Dec. No. _____	<u>Vice President</u>	Resolution No. _____
	Title	

Rule No. 14.1

MANDATORY WATER CONSERVATION/RATIONING PLAN
(Continued)

WATER SHORTAGE CONDITION (Cont'd)

Phase II:

Phase II will consist of mandatory water use restrictions and mandatory water rationing of at least 10%. This phase will become effective upon notification by the authorizing agency that water usage should be reduced by at least 10%. The allocation percentages will be based on the authorizing agency's percentage reduction. A 10% reduction by the authorizing agency will result in a 90% allocation for the Company's customers.

C. PROHIBITION OF NONESSENTIAL OR UNAUTHORIZED WATER USE APPLICABLE TO ALL PHASES

The following uses of water are determined to be, and are defined as, nonessential or unauthorized:

1. Any use of water in excess of the following allocations:

- a. The allocation¹ for each customer shall be the percentage shown below of the quantity of water used by such customer during the comparable billing periods during the historical base period:

<u>Phase</u>	<u>Allocation</u>
I	Voluntary
II	Less than or equal to 90%

Notwithstanding the above-listed allocations, no customer will receive a monthly allocation of less than 6 Ccf.

- b. The allocation under Phase II for each customer using process water shall be 90%¹ of the quantity of water used by such customer during the comparable billing periods during the historical base period. Commercial car washes and commercial laundries are exempt from allotment restrictions.
- c. For any customer without a prior period billing record, or where unusual circumstances dictate a change in allocation, the customer's monthly allocation shall be determined by the Company on the basis

1. Allocations falling between full hundreds of cubic feet will be rounded upward to the larger amount.

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Rule No. 14.1

HANDATORY WATER CONSERVATION/RATIONING PLAN
(Continued)

PROHIBITION OF NONESSENTIAL OR UNAUTHORIZED WATER USE APPLICABLE TO ALL PHASES (Cont'd)

of usage by similar customers or on such other basis as may be fair and equitable under the circumstances.

2. Use of water for more than minimal landscaping in connection with any new construction.
3. Use of water 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 5 days after receipt of such notice.
4. Use of water which results in flooding or run-off in gutters or streets.
5. Use of water through a hose for washing cars, buses, boats, trailers or other vehicles without a positive automatic shut-off valve on the outlet end of the hose.
6. Use of water through a hose for washing buildings, structures, sidewalks, walkways, driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except as required for sanitary purposes.
7. Use of water to clean, fill or maintain levels in decorative fountains unless such water is part of a recycling system.
8. Use of water for construction purposes, such as consolidation of back-fill, unless no other source of water or other method can be used.
9. Service of water by any restaurant except upon the request of a patron.
10. Use of water from fire hydrants shall be limited to fire fighting and related activities and other uses shall be limited to activities necessary to maintain the public health, safety, and welfare.

D. EXCESS WATER USE PENALTY

Phase II:

An excess use penalty of \$2 per 100 cubic feet of water used in excess of the applicable allocation during each billing period shall be charged by the Company for all service rendered on and after the effective date of this tariff, except that such excess use penalty shall not apply to any customer and/or dwelling unit whose consumption is 600 cubic feet

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(To be inserted by utility)

Advice No. 143-W

Dec. No. _____

Issued by

Leigh K. Jordan

Name

Vice President

Title

(To be inserted by Cal. P.U.C.)

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Effective _____

Resolution No. _____

Concerning _____

Rule No. 14.1

MANDATORY WATER CONSERVATION/RATIONING PLAN
(Continued)

EXCESS WATER USE PENALTY (Cont'd)

or less per month per dwelling unit, nor to any customer whose total consumption to date during the period this rationing plan has been in effect does not exceed his or her total allocated usage for said period.

Any monies collected by the Company through penalty charges shall not be accounted for as income, but shall be accumulated by the Company in a separate reserve account for disposition as directed or authorized from time to time by the California Public Utilities Commission.

E. ENFORCEMENT

1. The Company may, after one written warning, install a flow-restricting device on the service line of any customer observed by Company personnel to be using water for any nonessential or unauthorized use defined in Section C above. The restricting device may be removed only by the Company, only after a two-day period has elapsed, and only upon payment of the appropriate removal charge set forth below. After the removal of such restricting device, if any such nonessential or unauthorized use of water shall continue, the Company may install a flow-restricting device which shall remain in place for a period of not less than two weeks or until this water rationing plan shall terminate and until the appropriate charge for removal set forth below shall have been paid to the Company. However, if, despite installation of such flow-restricting device pursuant to the provisions of the previous sentence, any such non-essential or unauthorized use of water shall continue, the Company may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the Company as a condition to restoration of service. It is the intent of the Company that restriction devices will not be installed in a customer's service due to exceeding a monthly quota if a customer's accumulated usage does not exceed his accumulated allocation beginning with bills rendered after the effective date of this tariff.

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

<u>Meter Size</u>	<u>Removal Charge</u>
5/8" to 1"	\$25
1 1/4" to 2"	\$50
3" and larger	Actual Cost

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PARK WATER COMPANY
9750 WASHBURN ROAD
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Original _____

Col. P.U.C. Sheet No. 729-W

Canceling _____

Col. P.U.C. Sheet No. _____

Rule No. 14.1

HANDATORY WATER CONSERVATION/RATIONING PLAN
(Continued)

F. APPEAL PROCEDURE

Any customer who seeks a variance from any of the provisions of this water rationing plan shall notify the Company in writing, setting forth in detail the grounds for a variance. Any customer not satisfied with the Company's response may file an appeal with the Staff of the Commission requesting relief. The customer and the Company will be notified of the disposition of such appeal by letter from the Executive Director of the Commission. If the customer shall disagree with such disposition, he shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, F, no person shall have any right or claim in law or in equity, against the Company because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this water rationing plan.

(To be inserted by utility)

Advice No. 143-W

Dec. No. _____

Issued by

Leigh K. Jordan

Name

Vice President

Title

(To be inserted by Col. P.U.C.)

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