

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION W-3567
May 8, 1991RESOLUTION(RESOLUTION W-3567) MESA CREST WATER COMPANY (MCWC).
ORDER RE: WATER RATIONING PLANS, AND WATER CONSERVATION RULES.BY ADVICE LETTER 36, FILED MARCH 15, 1991SUMMARY

This Resolution grants MCWC's request, by Advice Letter 36, filed March 15, 1991, for authority to add Rule 14.1, Mandatory Water Conservation and Rationing Plan, and Rule 21, Water Conservation, to its tariffs.

BACKGROUND

MCWC, serves approximately 660 customers in the metropolitan Los Angeles area.

This action is required by the action of the Metropolitan Water District of Southern California (MWD) in response to the severe drought conditions in California.

DISCUSSION

MWD supplies about two-thirds of all water used in Southern California, receiving most of it from the Colorado River and the State Water Project and supplies it to 27 member agencies. Due to the State of Arizona's increase in its use of its share of the Colorado River, in 1991 MWD expects to receive 25 percent less water from that source. This and the unprecedented fifth year of drought in California, resulting in a severe reduction in its supply from the State Water Project and local sources, have limited the amount of water MWD will be able to deliver to its member agencies. MWD held public meetings in 1990 and 1991 concerning the expected shortfall. On December 20, 1990, MWD ordered an "Incremental Interruption and Conservation Plan" (MWD Plan) to go into effect on February 1, 1991.

The MWD Plan includes quantity reductions ranging from voluntary cutbacks to 20-percent rationing for noninterruptible (residential) customers and 50-percent rationing for interruptible (mostly irrigation) customers. MWD began rationing water to customer agencies on February 1, 1991, requiring mandatory reductions of 10-percent for noninterruptible customers and 30-percent for interruptible customers.

The MWD Plan penalizes agencies using more than allotted quantities and rewards agencies using less than allotted quantities. At present the penalty is \$394 per acre-foot and the reward is \$99 per acre-foot. In September, 1991 MWD will compare each agency's total use for the rationing period with its total allocation for that period. Agencies which have used more than their allotted amount will be charged the penalty for each excess acre-foot used, and those which have used less than their allocation will be credited the reward for each acre-foot saved.

MCWC purchases all of the water it distributes to its customers from MWD. Without the amount of water normally purchased from MWD, MCWC cannot supply the normal water demand of its customers. MCWC has therefore requested authorization from the Commission to impose water use restrictions and rationing.

MCWC's proposed five-phase plan provides use restrictions and water quantity reductions. Use restrictions in MCWC's plan will affect: washing walkways and driveways; washing motor vehicles, trailers, boats, and so forth without automatic shut-off devices on hoses; landscape watering; decorative pools, fountains, and other aesthetic uses; serving water in restaurants, hotels, cafes, cafeterias and other places where food is served; and use of water for construction purposes.

For violating the restrictions on use, the utility may warn the customer the first time, and install a temporary flow restrictor in the customer's service line the second time. For a third violation, a restrictor may be installed for the duration of the drought, and service may be discontinued for persistent violations. MCWC will charge established amounts of \$25, \$50, or the actual cost for removing restrictors, depending on the size of the particular service.

The quantity reductions in MCWC's plan are the same as those specified in the five-stage MWD Plan which went into effect on February 1, 1991. MCWC will require the same percent reductions of its customers as those required by MWD at any given time, based on their 1989-1990 recorded water use. Minimum monthly allotment is 10 Ccf per customer. Penalty charges of \$2.00 per Ccf for Stages II through IV and \$3.00 per Ccf for Stage V will apply.

If MWD revises its Plan to require reductions in excess of 20-percent for noninterruptible customers or 50-percent for interruptible customers, MCWC will file an advice letter with the Commission requesting a revision of the MCWC plan.

MCWC's plan for Stage VI and higher provides the same financial penalty that MWD will use: approximately \$0.905 per hundred cubic feet (Ccf) in addition to the Stage V penalty. Any monies collected by MCWC through penalty charges will not be accounted for as income, but will be accumulated in a separate reserve account for disposition as directed from time to time by the Commission.

The Water Utilities Branch (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 in each billing. MCWC has chosen to pass only penalties in each billing. The Branch believes this is acceptable with the condition that immediately following each September accounting made by MWD to its member agencies, MCWC be required to report to the Commission 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 MCWC by MWD as a result water usage lower than MWD's allocation and any monies accumulated in MCWC's penalties reserve account.

Branch believes that monies accumulated in the penalties reserve account should be used first to offset any penalties by MWD in the event customers of MCWC use more than their allotted amount of water, and second 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 MCWC, these credits should also be used to offset charges to the MCWC drought related memorandum account.

The California Water Code (Code), Sections 350 through 358, provides that the governing board of any public water supplier may 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. Before making a declaration of water shortage emergency, the supplier must notify its customers and hold a public meeting to give customers the opportunity to protest such declaration or make comments. After the supplier 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 of the Code requires that suppliers that are subject to regulation by the Commission shall secure its approval before making such restrictions and rationing effective.

MCWC has also requested authority to add Rule No. 21, Water Conservation, to its tariffs. The purpose of Rule 21 is to promote conservation of water resources at all times through the use of devices to reduce the quantity of water used for domestic, aesthetic and nonessential purposes. It allows a utility to make available to customers, without cost, water conservation kits which contain devices to reduce shower flow rates, to reduce toilet flush requirements, dye tablets to detect toilet tank leaks, and instructions for the use of these devices.

NOTICE

For the requirement of the Code, MWD is the governing body. The implementation of MWD plan has been widely publicized in the local news media serving the Los Angeles County area.

MWD held widely publicized public hearings; received input from residential, commercial, agricultural and water agency customers; declared a water shortage emergency and adopted regulations and restrictions for the greatest public benefit.

MCWC has not necessarily given notices to its customers on account of the water purveyor predated notification requirements. The Branch concurred.

PROTESTS

No protests have been received from the customers.

FINDINGS

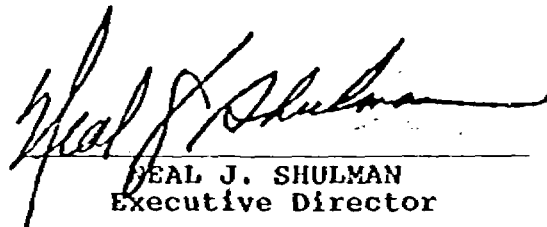
1. MWD provides MCWC all of its water supply.
2. Without the full amount of water supplied by MWD, MCWC cannot provide for the ordinary requirements of its customers for consumption, sanitation and fire protection.
3. According to MWD, reduction in the availability of Colorado River water and the drought conditions in California have reduced the amount of water available to MWD to distribute to its member agencies.
4. MWD implemented an Incremental Interruption and Conservation Plan on February 1, 1991, calling for mandatory rationing by member agencies.
5. Section 357 of the Water Code requires MCWC to seek Commission approval of its proposed tariff Rule 14.1, Mandatory Water Conservation and Rationing Plan before implementing use restriction and rationing called for by MWD.
6. 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.
7. A reserve account should be authorized for MCWC to record penalty monies collected under its excess usage penalty rates.
8. MCWC 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 MCWC by MWD as well as the amount accumulated in MCWC's penalty monies reserve account. This report should be accompanied by an application request for specific disposition authority for the monies in the penalty reserve account.

IT IS ORDERED that:

1. Mesa Crest Water Company is authorized to add Rule 14.1, Mandatory Water Conservation and Rationing Plan, and Rule 21, Water Conservation to its tariffs as proposed by Advice Letter 36. The effective date of Rules 14.1 and 21 shall be five (5) days after the effective date of this resolution.
2. When MWD revises its present rationing plan to include reductions in noninterruptible use of more than 20-percent, or more than 50-percent in interruptible use, Mesa Crest Water Company is authorized to file an advice letter modifying its Rule 14.1 accordingly.
3. Rule 14.1 shall continue in force until such time as MWD rescinds its Incremental Interruption and Conservation Plan and no longer requires rationing, or until such time as the Commission directs the modification or repeal of Rule 14.1.
4. Mesa Crest 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 but shall be disposed of in ways to be determined by the Commission.
5. Mesa Crest Water Company shall establish a reserve account in which rationing incentive funds collected from MWD are accumulated. These monies shall not be accounted for as income but shall be disposed of in ways to be determined by the Commission from time to time.
6. Mesa Crest 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 subject to this resolution. This report shall include the amount of monies accumulated in its overuse penalty charges reserve account and rationing incentive reserve account.
7. Mesa Crest 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 accounts, and any credits made to it by the Metropolitan Water District for underuse.
8. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 8, 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

MESA CREST WATER COMPANY
P.O. BOX 257
LA CANADA, CA 91011

Original

Cal. P.U.C. Sheet No. 197-W

Canceling _____

Cal. P.U.C. Sheet No. _____

Rule 14.1

MANDATORY WATER CONSERVATION AND RATIONING

A. General Provisions

1. Applicability

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

2. Territory

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

B. Definitions


As used in this water conservation and rationing plan, the word:

1. "Company" means the Mesa Crest 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.
4. "Water" means water supplied by the Company;
5. "MWD" means the Metropolitan Water District of Southern California;
6. "Stage", "Allocation Percentage," and "Penalty Charge/Incentive Credits" are the terms, definitions, and water rates as determined by the Metropolitan Water District of Southern California;

(Continued)

Advice Letter No. 36-W

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Issued By: 
 F. Patrick Flynn
 Vice President

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Rule 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

B. Definitions (Continued)

7. "Target" the amount of water a customer can use without paying penalty - use more than target a penalty is charged.

Targets are Computed:

a. Above Floor: Allocated percentage (%) times base year usage equals Target.


b. Floor or below: Base year equals Target.

8. "Floor" a designated minimum amount below which a customer will not be asked to reduce usage.

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RULE NO. 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

C. Conservation - Nonessential or Unauthorized Water Use

No customer shall use utility-supplied water for nonessential or unauthorized uses as defined:

1. The following uses of water are hereby determined to be, and are defined as, non-essential or unauthorized, except as further provided herein:

a. Any use of water in excess of the following targets:

The target for each customer shall be the percentage allocation shown below of the quantity of water used by such customer during the comparable billing period for the year July, 1989 through June, 1990.

	Stage*				
	I	II	III	IV	V
General metered	Voluntary	95%	90%	85%	80%
Floor on base period usage - monthly	N/A	10ccf	10ccf	10ccf	10ccf
Enforcement by restrictors	N/A	No	No	No	Yes

(If MWD determines stages beyond V, the utility will notify customers of the change in allocated percentages)

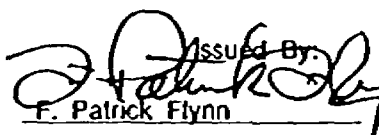
* The utility will implement changes in the stages to simultaneously coincide with changes as made by MWD.

2. Use of water through any connection when the utility has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to make such repairs within 5 days after receipt of such notice.
3. Use of water which results in flooding or run-off in gutters, waterways, patios, driveways, or streets.
4. Use of water for washing aircraft, cars, buses, boats, trailers or other vehicles without a positive shutoff nozzle on the outlet end of the hose, except for the washing of vehicles at commercial or fleet vehicle washing facilities operated at fixed locations where equipment using water is properly maintained to avoid wasteful use.

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Adv Letter No. 36-W

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LA CANADA, CA 91011

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Appendix, p.4
Cal. P.U.C. Sheet No. 200-W

Cal. P.U.C. Sheet No. _____

Rule 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

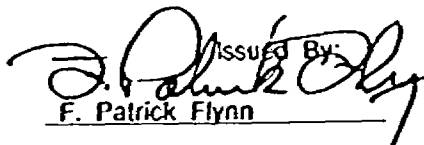
C. Conservation - Nonessential or Unauthorized Water Use (Continued)

5. 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.
6. Use of water to clean, fill or maintain levels in decorative fountains unless such water is part of a recycling system.
7. Use of water for construction purposes, such as consolidation of backfill, unless no other source of water or other method can be used.
8. Service of water by any restaurant except upon the request of a patron.
9. Use of water to irrigate lawns, landscape, or other turf areas which results in flooding or runoff of water into gutters or streets and between the hours of 9AM - 5PM.
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 public health, safety and welfare.

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Vice President

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P.O. BOX 257
LA CANADA, CA 91011

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RULE NO. 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING


D. Special Conditions

1. Allocations falling between full hundreds of cubic feet shall be rounded up to the next full hundred.
2. 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 utility on the basis of usage by similar customers or on such other basis as may be fair and equitable under the circumstances.
3. Excess water use penalties are separate and in addition to any penalties for violating Section C of Rule No. 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 C of Rule No. 14.1.
4. Excess water use penalties and flow restrictor removal charges must be separately identified on each bill.

(Continued)

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Decision No. _____


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Resolution No. _____

Rule No. 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

E. Excess Water Use Penalty

1. An excess use penalty shall apply to water used in excess of the applicable target amount during each billing period. The excess use penalty is an amount per CCF imposed on the utility by the MWD for using more than the allocated quantity of water and passed on to those customers using more than the allocated quantity of water. The utility will adjust the excess use penalty from time to time to coincide with adjustments made by MWD.

Stages II-IV:

An excess use penalty of \$2 per 100 cubic feet of water used in excess of the water use target 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 1,000 cubic feet or less per billing period per dwelling unit.

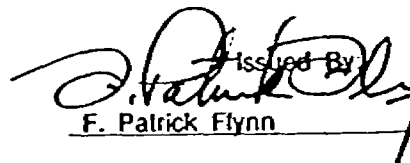
Stage V:

An excess use penalty of \$3 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 1,000 cubic feet or less per billing period per dwelling unit.

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Rule 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

E. Excess Water Use Penalty (continued)

1. (Continued)

Stage VI and Higher:

The excess use penalty shall be \$3 per 100 cubic feet plus an increment equal to the penalty rate per A/F as charged by MWD less \$394.00 per acre foot currently in effect, divided by 435.6 to yield a charge per 100 cubic feet. This will be calculated as follows:

Example:

If MWD penalty rate is:	\$ 788 per A/F
Less current penalty charge	<u>(394) per A/F</u>
	\$ 394
	<u>÷ 435.6 (to convert from A/F to CCF)</u>
	\$.905 per CCF
	<u>3.000 Stage V penalty rate</u>
Example penalty rate	<u>\$ 3.905 per CCF</u>

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 account for disposition as directed or authorized from time to time by the California Public Utilities Commission.

- The excess water use penalty is in addition to the regular rate schedule cost per CCF.
- All financial penalties are also subject to the user fee of 1.5% which is collected and payable to the CPUC.

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Rule No. 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

F. Enforcement of Mandatory Conservation and Rationing

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 provision of the previous sentence, any such nonessential or unauthorized use of water shall continue, then the Company may discontinue water service to such customer. In such 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. However, upon three or more violations of a customer's monthly quota, a restricting device may be installed.

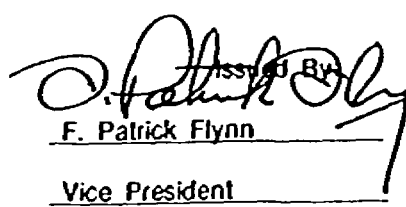
2. The charge for removal of a flow-restricting device shall be:

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

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RULE NO. 14.1
(Continued)

MANDATORY WATER CONSERVATION AND RATIONING

G. Appeal Procedure

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

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.


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 mandatory water conservation and rationing plan.

H. Publicity

The utility shall provide each customer with a copy of this plan by means of billing inserts or special mailings' notifications which shall take place prior to imposing any fines associated with this plan. In addition, the utility shall supply status and the results of customers' conservation efforts. Updates may be by bill insert, special mailing, poster, flyer, newspaper, television or radio spot/advertisement, community bulletin board, or other appropriate method(s).

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RULE NO. 21
WATER CONSERVATION

A. Purpose

The purpose of this Rule is to ensure that water resources available to the utility are put to a reasonable beneficial use and that the benefits of the utility's water supply and service extend to the largest number of persons.

B. Waste of Water Discouraged

Refer to Rule 11 B.(3).

C. Use of Water-saving Devices and Practices

Each customer of the utility is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow-rate of showers. Each customer is further urged to adopt such other water usage and reusage practices and procedures as are feasible and reasonable.

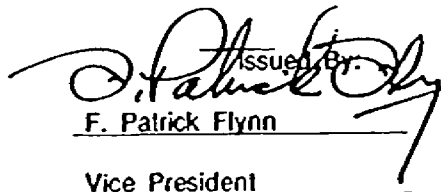
D. Water-saving Kits

The utility will make available, without initial cost to the customer, for use in each residence receiving water service from the utility, a water-saving kit containing the following:

1. A device or devices for reducing toilet flush water requirements;
2. A device or devices for reducing shower flow rates;
3. A dye tablet or tablets for determining if a toilet tank leaks;
4. Other devices from time-to-time approved by the utility;
5. Installation and other instructions and information pertinent to conservation of water.

Adv Letter No. 36-W

Decision No. _____


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Vice President

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