

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION RESOLUTION NO. W-3639
Water Utilities Branch April 22, 1992

R E S O L U T I O N

(RES. W-3639) DEL ORO WATER COMPANY (DOWC). ORDER
AUTHORIZING A WATER RATIONING PLAN.

SUMMARY

DOWC, by Advice Letter (AL) No. 56, filed on January 23, 1992, requested authority to add Schedule 14.1 to its tariffs establishing a mandatory water rationing plan for its Paradise Pines District (PPD). DOWC asserts that its proposal is necessary due to a smaller than expected yield from its active wells. Five years of drought have lowered the groundwater table so that the wells are close to maximum drawdown depth. PPD relies on groundwater for its entire water supply. Lime Saddle District and Stirling Bluffs Corporation, other entities operated by DOWC, have separate water supplies and are not covered by this rationing plan. PPD serves about 4,500 residential, and 28 commercial customers in Magalia, just north of Paradise, Butte County.

BACKGROUND

DOWC's Paradise Pines District relies on wells for its entire water supply. These wells normally can produce 4,090 gallons per minute (gpm) on a constant basis. Currently, due to the continuing drought, the wells can only be expected to produce between 1,700 and 1,800 gpm. The system is physically constrained such that the three main sources cannot be operated simultaneously. These sources can operate a maximum of 12 hours per day to meet the daily peak summer requirements. Thus the expected yield for the combination of water sources is 38 million gallons per month.

Well Number 2 is operating at 342 feet with a maximum drawdown depth of 479 feet. Well Number 3 has a maximum drawdown of 405 feet and is currently operated at around 347 feet. Well Number 4 has a maximum drawdown of 321 feet and is currently operating at 305 feet. Del Oro believes that at normal levels of consumption, two of the three wells could go dry by the end of the summer. In addition, pumping is less energy efficient at the lower water levels, and a smaller volume of water is pumped.

Del Oro was authorized a water rationing program for 1991 by Resolution W-3556, on April 10, 1991. The rationing program remained in effect through the month of September, and during these months, consumption in the Paradise Pines District dropped an average of 25.75 percent. The utility feels that without rationing in 1992, consumption may return to "normal levels." Del Oro indicates that its highest monthly consumption for 1990 was 47 million gallons. In order to ensure the continued production of all sources, despite the constraints of the current pumping yields, Del Oro proposes to pump a maximum of 38 million gallons per month. In order to achieve this goal, Del Oro wishes to ration customers in its Paradise Pines District by 25% from 1990 consumption.

As water supplies are tenuous, Del Oro is seeking additional means to supplement its ground water sources and mitigate the need for further rationing in its PPD. As part of its version of the solution, Del Oro filed Application 92-01-046 which requests authority to borrow funds for the purpose of financing the construction of an intertie with Paradise Irrigation District (PID). The intertie will serve to transport excess water from Sterling Bluffs Corporation, a Del Oro subsidiary, through PID's facilities to PPD during emergency situations. Additionally, during the 1991 rationing program, Del Oro assessed nearly \$100,000 in penalties. As ordered, the utility has kept track of these funds in a separate account. The utility is planning on filing a request with the Commission to determine the disposition of these penalty monies in the near future.

DISCUSSION

To achieve the necessary reduction, DOWC requests authority to impose mandatory rationing on its customers as set forth in the AL 56's proposed Schedule 14.1.

Schedule 14.1 would:

1. Establish customer water allocations at 75% of 1990 usage during the comparable billing period, but not less than nine Ccf per month (one Ccf is one hundred cubic feet or 748 gallons), except that commercial and industrial customers using process water shall be allocated 90% of the 1990 usage.
2. Establish a penalty ("conservation fee") of \$3.00 per Ccf for use of up to 3 Ccf over allocation, \$5.00 per Ccf for use between 3 Ccf and 5 Ccf over allocation, and \$10 per Ccf for use more than 5 Ccf over allocation.
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 exceeds his or her allotment for a billing period or otherwise violates the provisions of Rule 14.1, after written warning, the utility may install a flow restrictor to be left in 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, \$50, or actual cost depending on meter size for removing restrictors, and provide that continuing nonessential or unauthorized use may result in disconnection.

PUBLIC NOTICE

As required by Sections 350-358 of the California Water Code, DOWC notified customers by mail and by an advertisement in a locally distributed newspaper seven days in advance of the March 3, 1992, public hearing.

The meeting was held in Magalia at 7 pm. Approximately 130 customers attended. Customers asked questions and made comments on the program for over two hours. Among the customers' greatest concerns was that last year's minimum allocations of 600 cubic feet was too low. Other customers expressed concerns that users who used only slightly more than their allocation received excessive penalties when compared with those using much more. They requested that the new program address these concerns. The utility responded by proposing to raise the minimum allotment to 900 cubic feet and discussed a different penalty structure designed to penalize the high-end users and limit the penalty on isolated or minimal abuse. Furthermore, customers were concerned that vacant lots that received service in 1991 were given larger allotments than those with a residence. The utility responded by limiting the allotment for such lots to 50 percent of the minimum allotment until a dwelling unit was on the property. All customers responded positively to the need for rationing, and there were no service complaints. Several customers commented that this rationing method was unfair and suggested a type of fixed allocation method. The majority, however, felt that since they had experience with this program that if rationing were to be imposed, the old program would work given the proposed modifications. The utility noted that even after rationing was removed in September of 1991, customers continued to conserve at an average rate of 24 percent for the remainder of the year.

PROTESTS

No other comments or protests were received.

FINDINGS

1. All of DOWC's Paradise Pines District water supply is obtained from local groundwater supplies.
2. Due to the continuing drought, the water table in the supply aquifer for Paradise Pines District has receded significantly, reducing pumping capacity. Del Oro Water Company has determined that available supplies in Paradise Pines District are insufficient to meet normal customer needs without creating an unreasonable risk to public health and safety. Del Oro Water Company believes a cut of 25% in customer use will guarantee continuous water supply.
3. DOWC 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. DOWC's proposed rationing Schedule 14.1 as set forth in AL 56 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 DOWC'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 DOWC's proposed Schedule 14.1 are reasonable and justified to compensate DOWC for costs incurred in installing and removing such restrictors.
7. DOWC'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. Del Oro Water Company is authorized to add Schedule 14.1 to its tariffs establishing the mandatory rationing plan proposed by Advice Letter No. 56. The effective date of Schedule 14.1 shall be five days after the effective date of this resolution.
2. Del Oro Water Company is authorized to file an advice letter to remove or reduce the rationing set forth in Schedule 14.1 after obtaining concurrence from the Water Utilities Branch. Such advice letter shall become effective five days after filing.

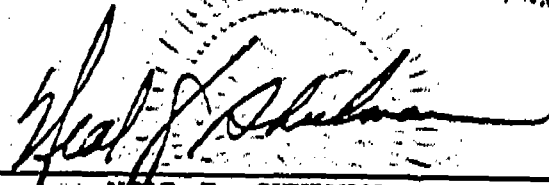
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3. Del Oro Water Company shall not impose stricter restriction than set forth in Schedule 14.1, without obtaining Commission approval.

4. Del Oro Water Company shall accumulate all excess water use penalties in a separate account for future disposition in a manner to be determined by the Commission rather than accounting for them as utility income.

This resolution is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on April 22, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OGANIAN
PATRICIA M. ECKERT
NORMAN D. SHIMWAY
Commissioners

Appendix A
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Schedule No. 14.1

MANDATORY WATER CONSERVATION AND 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 to the Paradise Pines District served by the utility.

ALLOCATION

Each customer shall be allocated 75% of the customers 1990 usage during the comparable billing period, but not less than 900 cubic feet (9 Ccf) per month, except those commercial and industrial customers using process water shall be allocated 90% of the 1990 usage.

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,

up to 3 Ccf over allocation	\$ 3.00 per Ccf
from 3 Ccf to 5 Ccf over allocation	\$ 5.00 per Ccf
more than 5 Ccf over allocation.....	\$10.00 per Ccf

The excess water use penalty is in addition to the regular rate schedule cost per Ccf and will be prorated with \$1.00 as the minimum penalty.

FLOW RESTRICTOR REMOVAL CHARGE

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

Connection Size	Removal Charge
5/8" to 1"	\$25
1-1/2" to 2"	\$50

(continued)

Schedule No. 14.1
(continued)

MANDATORY WATER CONSERVATION AND RATIONING

SPECIAL CONDITIONS

1. This tariff schedule shall remain in effect until revoked by the Commission.
2. There shall be no use of water for outside plants, lawn, landscape and turf areas between the hours of 11:00 a.m. and 6:00 p.m., regardless of address or day of the month.
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 utility 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. Excess water use penalties and flow restrictor removal charges must be separately identified on each bill.
7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
8. No customer shall use utility supplied water for nonessential or unauthorized uses as defined in Rule 14.1 A. Conservation - Nonessential or Unauthorized Use, and as additionally defined below:
 - a. Use of water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public.

(continued)

Appendix A
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Schedule No. 14.1
(continued)

MANDATORY WATER CONSERVATION AND RATIONING

SPECIAL CONDITIONS (Continued)

- b. Use of water for outside plants, lawn, landscape and turf areas more often than every other day, with even numbered addresses watering on even numbered days of the month and odd numbered addresses watering on the odd days of the month, except that this provision shall not apply to commercial nurseries, golf courses and other water dependent industries.
9. The effective date of rationing may vary from customer to customer depending on the date their meter is read during the month in which rationing is imposed. For example, if a customer's meter is read on April 3 and rationing is effective April 1, the allocation and water use penalties would be effective commencing April 3.
10. Any monies collected by the Utility through penalty charges from over usage shall not be accounted for as utility 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.
11. The Utility may, at its discretion, after one verbal and one written warning, install a flow restricting device on the service line of any customer exceeding his rationed allotment or otherwise violating the provisions of Rule 14.1.
12. Flow restricters should be installed if any consumer exceeds their allotment by more than 500 cu. ft. for two consecutive billing periods.
13. Any new connection on vacant property will be allocated fifty percent (50%) of minimum as described in the ALLOCATION paragraph above, until such time as the Utility is notified that a dwelling is on the property.
14. There will be no banking of water allowed as the Utility cannot guarantee that future deliveries of the savings would be available.

End of Appendix A