

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3704
November 6, 1992

RESOLUTION

(RES. W-3704), HILLVIEW WATER COMPANY, INC. (HWC).
REQUEST FOR AUTHORIZATION TO FILE MANDATORY WATER
CONSERVATION AND RATIONING PLAN AND CONSERVATION RULE.

BY ADVICE LETTER 37, FILED SEPTEMBER 10, 1992.

SUMMARY

Hillview Water Company, Inc. (HWC) requests authority to add standard Rule 14.1, Mandatory Water Conservation And Rationing Plan, and standard Rule 20, Water Conservation, to its tariffs. This resolution grants the request.

BACKGROUND

HWC serves approximately 1,086 metered-rate customers in the unincorporated community of Oakhurst and vicinity in Madera County.

HWC desires to have standard Rules 14.1 and 20 added to its tariffs in anticipation of possible water supply problems in its Raymond District service area in 1993. HWC also anticipates filing Schedule 14.1, Mandatory Water Conservation And Rationing, for its Raymond District service area sometime before May 1993, in order to be able to ration customers, thus assuring adequate water supplies through the summer months.

DISCUSSION

Rule 14.1 allows the utility, at its own discretion, to implement voluntary conservation. If more stringent measures are needed, Rule 14.1 requires that the utility obtain Commission approval before implementing mandatory conservation and rationing. Rule 20 requires the utility to provide water saving conservation kits (e.g. low flow shower heads, toilet leak detection devices, etc.) to its customers.

The mechanism for implementing mandatory conservation and rationing is Schedule 14.1, Mandatory Water Conservation And Rationing. Schedule 14.1 sets forth water allocations, excess water use penalties, charges for removal of flow restrictors, and the period during which mandatory conservation and rationing measures will be in effect. It is only during the time that Schedule 14.1 is in effect that the utility may impose mandatory conservation and rationing. At all other times, the utility may only utilize voluntary measures.

Before Schedule 14.1 can be authorized by the Commission, the utility must hold public meetings and take other applicable steps required by Sections 350 through 358 of the California Water Code (Code).

The Code 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.

On July 29, 1992, HWC notified its Raymond District customers that it was imposing rationing due to excessive customer usage and diminishing storage. HWC's notice stated that all customers would be limited to 275 gallons per day (11.03 Ccf/month) per service and that meters would be read daily to insure compliance with the limitation. The notice also stated that customers who repeatedly utilized more than the daily limitation (repeat offenders) would be dealt with by placing flow restrictors on their service lines and would ultimately be terminated. This rationing was imposed without regard to the Code, without proper tariffs, and without Commission approval.

The Water Utilities Branch (Branch) of the Commission Advisory and Compliance Division (ACD) advised HWC's president, by letters dated August 6 and September 4, 1992, that HWC needed to retract the notice of rationing and inform its customers that it did not have Commission approval for imposing such rationing. HWC so notified its customers on September 10, 1992.

The results of the Branch's investigation into the unauthorized rationing indicated that this was not the first time that HWC had imposed rationing on the customers in the Raymond District without first obtaining Commission approval. In a notice to its Raymond District customers, dated June 20, 1988, HWC referenced an earlier usage restriction notice. Also, the June 20 notice stated specifically that:

We are in the process of obtaining authority to levy fines for water abuse as well as other means (including termination of services) of insuring that ABUSERS will not deprive ALL customers from having enough water for essential uses such as cooking, bathing, washing, and drinking.

The Branch's records indicate that HWC did not request such Commission authority as was mentioned in the June 20 notice. The records also indicate that this advice letter filing is the first time that HWC has sought Commission approval for an enforceable rationing plan.

The Branch conferred with the Department of Health Services (DHS) in order to obtain historical information on the Raymond area water supply. According to DHS, historical records indicate that the Raymond area has had chronic problems with water supply emergencies dating back to the early 1900's. Because of this history, the Branch was unable to determine if the recent shortage was due solely to the drought or if it was part of the chronic supply problem, or a combination of both.

The Branch considered whether or not the Raymond District should be placed under a moratorium on new service connections. If the growth potential of an area in these circumstances is minimal, the imposition of a moratorium on new service connections would be of small consequence in reducing the water supply shortage problem. The Branch's investigation indicates that there is low growth potential in the Raymond District at this time.

Because there is a reasonable possibility that the water shortages could be linked to the drought, the Branch recommends and we agree that HWC should at this time be allowed the option of implementing mandatory conservation and rationing should it prove necessary. By allowing HWC this option, it should be understood that a moratorium on new service connections or other measures still might be warranted at some point in the future. We direct the Branch to monitor the water supply situation in Hillview's Raymond District service area and if necessary, to initiate action leading to a Commission investigation into the matter.

HWC is reminded that Rule 14.1 alone allows only for voluntary, not mandatory measures. In order to implement mandatory measures, Schedule 14.1 must be filed by advice letter and subsequently approved by the Commission. HWC is not to notice its customers that it will be imposing mandatory rationing without first obtaining Commission approval.

FINDINGS

1. Standard Rule 14.1, Mandatory Water Conservation And Rationing Plan, allows a water utility, at its own discretion, to implement voluntary conservation measures. It requires the utility to obtain Commission approval for mandatory conservation and rationing.
2. Standard Rule 20, Water Conservation, requires the water utility to provide its customers with water saving conservation kits.
3. Standard Schedule 14.1, Mandatory Water Conservation And Rationing, allows a water utility to implement mandatory conservation and rationing.
4. Before Schedule 14.1 can be authorized by the Commission, the water utility must hold public meetings and take other applicable steps required by Sections 350 through 358 of the California Water Code.
5. On July 29, 1992, HWC imposed rationing on its customers in its Raymond District service area without following the steps outlined in the California Water Code and without obtaining Commission approval.
6. HWC was advised, by letter on August 6 and September 4, 1992, to retract its unauthorized rationing notice.

7. HWC notified its customers that it did not have Commission authority to ration on September 10, 1992.

8. HWC also imposed rationing on its customers in the Raymond District service area in 1988 without obtaining Commission approval.

9. This advice letter filing is the first request by HWC for an enforceable conservation and rationing plan.

10. The Raymond area has had a history of chronic water supply problems since the early 1900's.

11. The Branch is unable to determine with certainty that the recent water shortage problem was due solely to the drought.

12. It is reasonable at this time to allow HWC to add tariff Rule 14.1 and tariff Rule 20 to its authorized tariffs.

13. Branch should monitor the water supply situation in the Raymond area, and if needed, initiate action leading to a Commission investigation into the need for particular measures that will curtail additional demands on the available supply, and/or the necessary measures to provide additional supply.

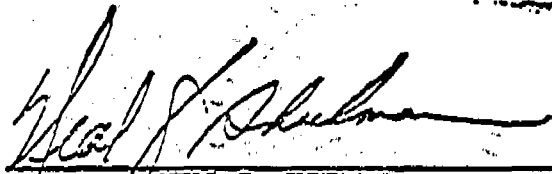
IT IS ORDERED that:

1. Hillview Water Company, Inc. is authorized to add Rule 14.1, Mandatory Water Conservation and Rationing Plan, and Rule 20, Water Conservation, to its tariffs as proposed by Advice Letter 37. The effective date of Rules 14.1 and 20 shall be five (5) days after the effective date of this resolution.

2. Rule 14.1 shall continue in force until such time as Hillview Water Company, Inc. chooses to remove it from its authorized tariffs, or until such time as the Commission directs its modification or repeal.

3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 6, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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