
California Water Action Plan

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California Water Utilities

- Nine Large Water Companies
 - 56 Ratemaking Districts
 - Rate cases required for each district every three years
- 130+ Small Water Companies
- Six million consumers
- One in six Californians

Water Action Plan

- Approved on December 15, 2005
- Sets forth Commission water policy for implementation in general rate cases and other proceedings
- Identifies the Commission's key principles in regulating water utilities:
 - 1) Safe, high quality water;
 - 2) Highly reliable water supplies;
 - 3) Efficient use of water, and;
 - 4) Reasonable rates and viable utilities.

“The Water Action Plan provides a clear outline of what our priorities are and the direction that we want to take in this area” said Commissioner John Bohn. “The initiation of this plan is not an end, but the beginning. As we move forward, we need all of the stakeholders who provided input to continue to be involved in the process.”

Building off of the four key principles, the Commission developed six objectives

- 1) Maintain Highest Standards of Water Quality
- 2) Strengthen Water Conservation Programs to a Level Comparable with Energy Utilities
- 3) Promote Water Infrastructure Investment
- 4) Assist Low-Income Ratepayers
- 5) Streamline PUC Regulatory Decision-making
- 6) Set Rates That Balance Investment, Conservation, and Affordability

Water Action Plan Implementation

Water Action Plan Stakeholders

Commissioners

Water Division

Division of Ratepayer Advocates

Water Utilities

Intervenors / Environmental Organizations

Water Division Rate Case Plan Check List

- Water Quality Report
 - Compliance with drinking water standards?
 - Explain MCL exceedence
 - Explain deviation from accepted water quality procedures
 - Provide a copy of Consumer Confidence Report
 - Provide copies of DHS citations
 - Provide copies of last annual DHS inspection report and issue letters
 - Detail all responsive actions
 - List instances where a source has exceeded 50% of a MCL and what future actions, if any, may be necessary
 - Provide details of any monitored Notification Levels exceeded standards or rules and explain that were or maybe necessary
 - Discuss how regulations likely to be promulgated in the next 5 years may affect operations

Water Division Rate Case Plan Check List

- Conservation
 - Propose a plan to meter flat rate customers
 - Submit a separate report on the implementation of Best Management Practices
 - Propose increasing block rates
 - Propose decoupling sales from revenues
 - Propose financial incentives
 - Submit a plan to decrease energy use by 10% in 3 years
 - Submit a plan to reduce unaccounted for water if greater than 7%
 - Submit a leak detection program
 - Provide leak repair times

Water Division Rate Case Plan Check List

- Infrastructure Investment
 - Compliance with Department of Water Resources Water Management Plan
 - Propose a Distribution System Improvement Charge (DSIC)
 - Confirm compliance with EPA Vulnerability Assessment and Office of Emergency Services Response Plan
- Low-Income Ratepayer Assistance
 - Propose a low income rates

Current Status - Good News

- Four water companies have requested a RAM
- Proposed GRC decision which addresses RAM on Commission's August 24 Agenda
- Increasing block rates implemented in one ratemaking district and proposed for 16 more
- Four water companies have implemented low income rates two others have proposals pending
- One water company has proposed a DSIC
- Last week 10 environmental organizations and three large water companies submitted a joint letter supporting the conservation objective for the three companies