



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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April 15, 2014

Honorable Lois Wolk
California State Senate
State Capitol, Room 5114
Sacramento, CA 95814

RE: SB 1420 (Wolk) – Support

Dear Senator Wolk,

ORA (Office of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA supports your SB 1420 which would require Urban Water Management Plans (UWMP) to quantify and report on distribution system water loss, as specified.

ORA supports your efforts to increase transparency on urban water utilities water distribution system losses. Distribution system losses are a waste of water, a waste of the energy used to bring the water to the point of the water-loss (i.e. energy used to acquire, transport, treat, and distribute the water) and a waste of ratepayer dollars. SB 1420 would help remedy this by highlighting the areas where these wasted resources are occurring, which should encourage water utilities with a high percentage of water distribution system losses to take action to address the losses. Ratepayers are then not paying for the acquisition, transport, treatment, and distribution of water that is not being used.

ORA also supports your efforts to authorize water use projections in the UWMPs to account for estimated water savings from existing codes, standards, ordinances and other plans. Including these savings in water use projections can help utilities more accurately estimate future water sales. Because water rates are set based on projected water sales, increased accuracy in those projections provides customers with water rates that more accurately cover the costs of service being provided by the water utility. This potentially decreases the need for surcharges or billing modifications in future billing periods to cover any shortfalls caused by inaccurate water use projections. Additionally, accurately accounting for future water savings can prevent a utility from pursuing potentially expensive additional water supplies that may be unnecessary and ultimately paid for by ratepayers. It is for these reasons that we support your SB 1420.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor