

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
04-27-11  
04:59 PM

Order Instituting Investigation to consider policies to achieve the Commission's conservation objectives for Class A water utilities.

Investigation 07-01-022  
(Filed on January 11, 2007)

And Related Matters.

Application 06-09-006  
Application 06-10-026  
Application 06-11-009  
Application 06-11-010  
Application 07-03-019

**REPLY COMMENTS OF  
OF THE DIVISION OF RATEPAYER ADVOCATES TO THE  
COMMENTS OF CALIFORNIA WATER ASSOCIATION ON THE  
PROPOSED DECISION OF PRESIDENT PEEVEY**

**I. INTRODUCTION**

Pursuant to Rule 14.3 (d) of the Commission's Rules of Practice and Procedure and to the April 25, 2011 e-mail from Administrative Law Judge Janice Grau that extended the time for filing reply comments until April 27, 2011, the Division of Ratepayer Advocates ("DRA") submits these reply comments to California Water Association's ("CWA") comments on the Proposed Decision of President Peevey *Resolving Phase 2 Conservation Data Goals and Modifying Tracking of Conservation and Low Income Data*. DRA generally supports most provisions of the Proposed Decision; however, it does have concerns regarding issues raised by CWA, such as conservation data reporting requirements and conservation reduction goals, discussed below.

## **II. THE COMMISSION SHOULD REJECT CWA'S REQUEST THAT THE PROPOSED DECISION BE REVISED TO SUPPLANT PRIOR COMMISSION DECISIONS AND SETTLEMENT AGREEMENTS REGARDING TO CONSERVATION DATA REPORTING**

Ordering Paragraph 3 requires that Class A water utilities commence collecting conservation data requested in Attachment 2 of the Proposed Decision. Attachment 2, labeled "Information-only Filing Conservation Data Report," includes many of the reporting items required in Commission decisions and adopted settlement agreements during Phase 1A and Phase 1B of this proceeding, as well as subsequent general rate cases. CWA contends that the Proposed Decision creates duplicative and burdensome requirements for most Class A water utilities and; therefore, CWA recommends that the PD "...be revised to permit the Water Companies, at their option, to supplant the prior decisions, settlements and requirements, either upon the effective date of this final decision, or when those prior decisions, settlements and/or general rate case requirements expire."<sup>1</sup> For the reasons explained below, CWA's request to revise conservation data reporting requirements is not in accordance with the condition of the record in this proceeding.

During the workshops, DRA maintained its position that the reporting requirements agreed to and adopted in existing settlement agreements and Commission decisions should not be supplanted by requirements emerging from the final decision in this proceeding. Any requirements in these settlements and decisions which are not included in Attachment 2 should be retained for the period indicated in the documents adopting them. In many cases, these requirements are associated with a pilot program and the information required is critical in assessing the pilot programs.

Attachment 2 is intended to be used on a going-forward basis. Once companies have complied with existing requirements, they may be re-examined, as captured in DRA's position stated in the Workshop Report.<sup>2</sup> Most importantly, Attachment 2 to the Proposed Decision provides an option for water utilities to minimize their reporting

---

<sup>1</sup> Comments of California Water Association, p. 5

<sup>2</sup> Workshop summary, I.07-01-022 Phase 2 September 13 and 14, and October 19, 2010 Workshops, p. 4

burden, by stating that “[i]f requested information is provided in another report or format, the water company can provide a copy of the report and note the page on which the information is found.”<sup>3</sup> Therefore, contrary to CWA’s contention, it is not burdensome to request that water utilities continue to report conservation data in accordance with prior settlement agreements and Commission decisions, and the Proposed Decision reduces duplicative reporting by allowing utilities to submit information in various forms, including the same report or format used for other reporting purposes.

Notwithstanding the above, DRA notes that it does not seek to force water utilities to prepare overlapping reports and is open to mechanisms that will minimize the time to prepare conservation data reporting filings while continuing to provide the information required by prior settlement agreements and Commission decisions. Instead of CWA’s request to supplant prior settlements and decisions, DRA recommends revising the statement on page 2 of Attachment 2 to read “If requested information is provided in another report or format, the water company can provide a copy of the report and note the page on which the information is found. Alternatively, if the water company is currently required to provide data in addition to the items in Attachment 2, it may append those items with its Information-Only Filing Conservation Data Report.”

### **III. THE COMMISSION SHOULD CLARIFY THE REVIEWING TIMELINE AND THE UNIT OF MEASUREMENT OF THE CONSERVATION REDUCTION GOALS IN ORDERING PARAGRAPH 1 OF THE PROPOSED DECISION**

DRA’s other concern is the lack of specificity and direction in Ordering Paragraph 1. In reviewing the Proposed Decision, DRA noted that it concurs with several of CWA’s comments concerning Ordering Paragraph 1. DRA respectfully requests that the Commission revise the following aspects of the Proposed Decision.

First, the Proposed Decision states that “[t]he Commission’s water conservation goals should be reviewed in 2020, once the statewide targets have been achieved.”<sup>4</sup>

---

<sup>3</sup> Proposed Decision of President Michael R. Peevey, Attachment 2, p. 2.

<sup>4</sup> Proposed Decision of President Michael R. Peevey, p. 9.

However, the Ordering Paragraphs do not state when conservation goals should be reviewed. In addition, DRA notes that while 2020 is the deadline for meeting statewide targets, it is not certain that all Class A water utilities will have met those targets by 2020. The Proposed Decision should clarify that the annual reduction goal will be reviewed in 2020 regardless of utilities' progress towards the statewide targets. DRA recommends that Ordering Paragraph 1 be revised to clarify that the 1-2% annual reduction goal will be reviewed industry-wide in 2020, and that it will be reviewed for individual utilities when each utility meets its SB X7-7 target, if that occurs before 2020.

Second, while the Proposed Decision states that the reduction goal should be measured in hundred cubic feet ("Ccf"), as this is the unit currently used in the General Rate Case Plan ("RCP") and Minimum Data Requirements ("MDRs"),<sup>5</sup> the unit is not included in Ordering Paragraph 1. Furthermore, Ccf is not sufficiently defined as a unit of measure in this case. The Proposed Decision notes that the Parties agreed that consumption should be reported "per service connection and customer class, in Ccf"<sup>6</sup> but this is not reflected in Ordering Paragraph 1. It is important that the metric be clarified, as using absolute volumes (i.e., total production in Ccf rather than Ccf per customer or per capita) could cause problems for service areas that are experiencing growth, as CWA points out.<sup>7</sup>

Moreover, because SB X7-7 uses Gallons per Capita per Day ("GPCD") as the metric, water utilities could be in compliance with SB X7-7 and fail to comply with this Proposed Decision, if in fact consumption is recorded in Ccf rather than Ccf per customer or per service connection. DRA recommends that Ordering Paragraph 1 be modified to specify that the annual reduction goal shall be measured in Ccf per customer.

Last, DRA concurs with CWA's recommendation that the Commission allow Class A water utilities to adopt a baseline using any of the Department of Water Resources ("DWR") methodologies, rather than restricting their options to a five-year baseline of 2003-2007 or a 10-year baseline using the DWR methodology if the 10 years

---

<sup>5</sup> Id.

<sup>6</sup> Id., at 7.

<sup>7</sup> Comments of California Water Association, p. 8.

include 2003-2007. This could result in utilities having two different baselines (if they select the five-year Commission option) or a limited range of years (if they select the 10-year option). The former would result in duplicative and possibly conflicting efforts, while the latter could place them at a disadvantage in terms of meeting SB X7-7 goals if they select a less favorable baseline in order to comply with the Commission's criteria.

#### **IV. CONCLUSION**

DRA recommends that the Commission adopt the Proposed Decision with the proposed corrections recommendations made herein.

Respectfully submitted,

/s/ LINDA BARRERA

---

LINDA BARRERA  
Staff Counsel

Attorney for the Division of Ratepayer  
Advocates

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-1477  
Fax: (415) 703-2262  
E-mail: [lb3@cpuc.ca.gov](mailto:lb3@cpuc.ca.gov)

April 27, 2011

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “**REPLY COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES TO THE COMMENTS OF CALIFORNIA WATER ASSOCIATION ON THE PROPOSED DECISION OF PRESIDENT PEEVEY**” in **L07-01-022, et al.** by using the following service:

**E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

**U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on April 27, 2011, at San Francisco, California.

/s/ REBECCA ROJO

\_\_\_\_\_  
Rebecca Rojo

**SERVICE LIST**  
**I.07-01-022, et al.**

nsuetake@turn.org  
davidmorse9@gmail.com  
charak@nclc.org  
jlkiddoo@swidlaw.com  
owein@nclcdc.org  
eosann@starpower.net  
ataketa@fulbright.com  
tkim@rwglaw.com  
debershoff@fulbright.com  
fyanney@fulbright.com  
ed.jackson@parkwater.com  
leigh@parkwater.com  
gmilleman@valenciawater.com  
bobkelly@bobkelly.com  
dadellosa@sgvwater.com  
mlwhitehead@sgvwater.com  
tjryan@sgvwater.com  
rkmoore@gswater.com  
jadarneylane@gswater.com  
kswitzer@gswater.com  
nancitrان@gswater.com  
kendall.macVey@bbklaw.com  
jhawks\_cwa@comcast.net  
mpo@cpuc.ca.gov  
mlm@cpuc.ca.gov  
cmailoux@turn.org  
marcel@turn.org  
rcohen@nrdc.org  
lweiss@manatt.com  
sleeper@manatt.com  
mmattes@nossaman.com  
pucservice@dralegal.org  
pucservice@dralegal.org  
pschmiege@schmiegelaw.com  
sferraro@calwater.com  
lmcghee@calwater.com  
broeder@greatoakswater.com  
palle\_jensen@sjwater.com  
bill@jbsenergy.com  
jeff@jbsenergy.com  
otis@foothill.net  
blake@consumercal.org  
dave.stephenson@amwater.com  
kjenkins@calwater.com  
danielle.burt@bingham.com  
john.greive@lightyear.net  
charles.forst@360.net

tolea@swwc.com  
doug@parkwater.com  
doug@parkwater.com  
monica.na@amwater.com  
luhintz2@verizon.net  
mlane@nossaman.com  
dietrichlaw2@earthlink.net  
debbie@ejcw.org  
tsmegal@calwater.com  
bloehr@greatoakswater.com  
tguster@greatoakswater.com  
jim.metropulos@sierraclub.org  
mvander@pcl.org  
chris@cuwcc.org  
TRH@cpuc.ca.gov  
llk@cpuc.ca.gov  
ccg@cpuc.ca.gov  
cjt@cpuc.ca.gov  
dsb@cpuc.ca.gov  
vo2@cpuc.ca.gov  
jcp@cpuc.ca.gov  
jlg@cpuc.ca.gov  
jws@cpuc.ca.gov  
lb3@cpuc.ca.gov  
lwa@cpuc.ca.gov  
mcv@cpuc.ca.gov  
phh@cpuc.ca.gov