

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



November 23, 2015

Edward N. Jackson  
Director of Revenue Requirements  
Apple Valley Ranchos Water Company  
PO Box 7005  
Apple Valley, CA 92307

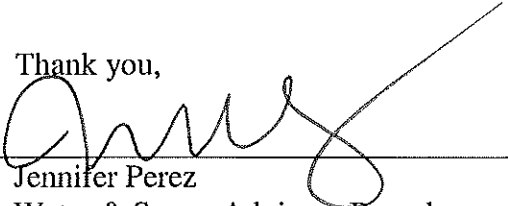
Dear Mr. Jackson,

The Commission has approved Apple Valley Ranchos Water Company's Advice Letter No. 203-W, filed on October 29, 2015, regarding the deactivation of the Stage 2 water shortage contingency plan that was submitted in accordance with Resolution W-4976.

Enclosed is a copy of the advice letter with an effective date of November 1, 2015 for the utility's files.

Please contact Jim Boothe at (415) 703-1748 if you have any questions.

Thank you,

  
Jennifer Perez  
Water & Sewer Advisory Branch  
Division of Water and Audits

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
DIVISION OF WATER AND AUDITS**

**Advice Letter Cover Sheet**

<b>Utility Name:</b> Apple Valley Ranchos Water Co.	<b>Date Mailed to Service List:</b> October 29, 2015
<b>District:</b> N/A	
<b>CPUC Utility #:</b> U-346-W	<b>Protest Deadline (20<sup>th</sup> Day):</b> November 18, 2015
<b>Advice Letter #:</b> 203-W	<b>Review Deadline (30<sup>th</sup> Day):</b> November 28, 2015
<b>Tier</b> <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Requested Effective Date:</b> November 1, 2015
<b>Authorization</b> Res. W-4976	
<b>Description:</b> AVR requests Commission approval to deactivate Stage 2 of its water shortage contingency plan as described in Schedule 14.1 and to concurrently implement Stage 1 of the plan.	<b>Rate Impact:</b> \$ N/A % N/A

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

**Utility Contact:** Edward N. Jackson  
**Phone:** 562.923.0711, ext. 1212  
**Email:** [ed.jackson@parkwater.com](mailto:ed.jackson@parkwater.com)

**Utility Contact:** Ellen M. Zimbalist  
**Phone:** 562.923.0711, ext. 1208  
**Email:** [ezimbalist@parkwater.com](mailto:ezimbalist@parkwater.com)

**DWA Contact:** Tariff Unit  
**Phone:** (415) 703-1133  
**Email:** [Water\\_Division@cpuc.ca.gov](mailto:Water_Division@cpuc.ca.gov)

**DWA USE ONLY**

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

APPROVED

WITHDRAWN

REJECTED

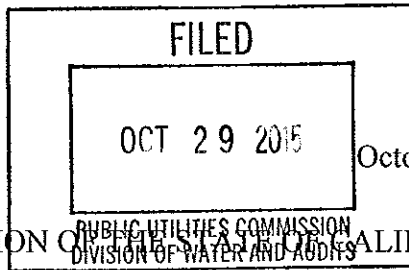
**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

APPLE VALLEY RANCHOS WATER COMPANY™



October 29, 2015

Advice Letter No. 203 -W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Apple Valley Ranchos Water Company (U 346-W) (“AVR”) hereby transmits for filing this advice letter in accordance with the requirements of Resolution W-4976, dated February 27, 2014 and Resolution W-5034 dated April 9, 2015.

**Request**

AVR requests Commission approval to de-activate Stage 2 of its water shortage contingency plan as described in Schedule 14.1 and to concurrently implement Stage 1 of the plan.

**Discussion**

On April 1, 2015, Governor Brown issued an executive order, requiring a statewide 25% reduction in potable urban water usage compared to the amount used in 2013. The executive order directed the Commission and the State Water Resource Control Board (“SWRCB”) to impose restrictions to achieve the reduction in potable urban water usage through February 2016. The executive order further directed the Commission and the SWRCB to adopt emergency regulations to implement this direction. On May 7, 2015 the Commission adopted Resolution W-5041 setting forth the Commission’s regulatory framework consistent with the executive order and the emergency regulations issued by the SWRCB. In Resolution W-5034, the Commission described the steps that regulated water utilities should take to comply with the mandatory use restrictions and penalties for violations established by the SWRCB. As required by Resolution W-5034, AVR submitted Advice Letter 197-W requesting Commission approval to add Schedule 14.1, water shortage contingency plan to its tariffs. Advice Letter 197-W requested approval to activate Stage 2 of the proposed Schedule 14.1. Advice Letter 197-W was approved with an effective date of June 21, 2015.

AVR elected to immediately activate Stage 2 of its water shortage contingency plan that included conservation measures such as the drought surcharges to facilitate the 28% reduction in water usage required by the SWRCB and the Commission. AVR knew that it would be difficult if not impossible to meet this level of conservation on a cumulative basis through February 2016 if it were to get behind during the summer months. AVR maintained the option of reverting to Stage 1 if AVR believed sufficient conservation had occurred to date where the cumulative conservation target of 28% would be met.

PO Box 7002  
21760 Ottawa Road  
Apple Valley, CA 92308  
760.247.6484

Because of the pronounced seasonality of use in the AVR service area, the greatest potential for water savings is in the summer when water use is at its peak. AVR believes that the progress made to date can be attributed to going straight to Stage 2 for the summer months when AVR needed to achieve conservation in excess of the target, so that the lower levels of conservation attainable in the winter would still allow for conservation target to be met.

AVR has carefully monitored the progress made by its customers to reduce water use and the remaining conservation necessary to achieve the cumulative target of 28%. For the months of June through September 2015, AVR's customers have exceeded the conservation target, both monthly and on a cumulative basis, and has sufficient conservation through September to meet 75% of the total volume of production necessary to meet the cumulative goal through February 2016. Production data through October 26 indicates that AVR is on track to meet the 28% target for the month of October. Conservation efforts made by AVR's customers through turf removal, low water-use landscaping, and conversion to low water-use appliances will have continued impact and AVR expects customers will continue efforts to conserve in the future, even with the removal of the drought surcharges. Lastly, AVR believes that the Commission's decision to incorporate sales forecasts reflecting the conservation target in the setting of rates in the current Test Year 2015 GRC will result in rates which, in themselves, send a continuing price signal to encourage conservation.

AVR has informed customers through a press release and public announcement that it is requesting approval from the Commission to de-activate Stage 2 and implement Stage 1, but that AVR expects customers to continue conservation efforts; and will continue to monitor progress toward the conservation target and be prepared to re-activate Stage 2 if it becomes necessary.

AVR's request to de-active Stage 2 of its water shortage contingency plan and to concurrently implement Stage 1 of the plan is made pursuant to its Commission approved Rule 14.1 (Section A.7) which states the following:

7. When Schedule No. 14.1 is in effect, but AVR determines that water supplies are again sufficient to meet normal demands and mandatory restrictions are no longer necessary, or if AVR wants to implement a lower stage of mandatory restrictions, AVR shall seek Commission approval via a Tier 1 advice letter to de-activate the particular stage of mandatory reductions or allocations that have been authorized. (emphasis added)

#### **Tier Designation**

Pursuant to Resolution W-4976, AVR submits this as a Tier 1 advice letter.

#### **Requested Effective Date**

Pursuant to General Order 96-B, General Rule 7.3.3 requests that the actions requested in this advice letter become effective November 1, 2015.

**Notice**

In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on October 29, 2015 to competing and adjacent utilities and other utilities or interested parties having requested such notification. A list of those utilities and other interested parties is attached. This advice letter does not seek to increase any rate or charge, so individual customer notice is not required.

**Request**

AVR requests Commission approval to de-activate Stage 2 of its water shortage contingency plan as described in Schedule 14.1 and to concurrently implement Stage 1 of the plan.

**Response or Protest**

Anyone may respond to or protest this advice letter. When submitting a response or protest, please include the utility name and advice letter number in the subject line. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission).

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or e-mail) to us, addressed to:

Edward N. Jackson  
Representative  
Director of Revenue Requirements  
Park Water Company  
9750 Washburn Road, P. O. Box 7002  
Downey, CA 90241  
Phone: (562) 923.0711, ext. 1212  
Fax: (562) 861-5902  
E-Mail: [regulatoryaffairs@parkwater.com](mailto:regulatoryaffairs@parkwater.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division within the 20-day protest period so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

If you have not received a reply to your protest within 10 business days, contact Edward Jackson at (562) 923-0711, ext. 1212.

Very truly yours,

APPLE VALLEY RANCHOS WATER COMPANY

/s/ Edward N. Jackson  
EDWARD N. JACKSON  
Representative, Director of Revenue Requirements  
Park Water Company  
P.O. Box 7002  
Downey, CA 90241  
[regulatoryaffairs@parkwater.com](mailto:regulatoryaffairs@parkwater.com)

ENJ/emz

**APPLE VALLEY RANCHOS WATER COMPANY**

**ADVICE LETTER 203-W  
DISTRIBUTION LIST**

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Navajo Mutual Water Company  
P. O. Box 392  
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[jhansenjr@email.com](mailto:jhansenjr@email.com)

Town of Apple Valley  
Attention: Dennis Cron  
14955 Dale Evans Parkway  
Apple Valley, CA 92307  
[dcron@applevalley.org](mailto:dcron@applevalley.org)

Manuel Benitez  
County of San Bernardino  
Special Districts Department  
Water and Sanitation Division  
12402 Industrial Blvd.  
Bldg. D, Ste. 6  
Victorville, CA 92392

California Public Utilities Commission  
Attention Ting-Pong Yuen  
Division of Ratepayer Advocates  
505 Van Ness Avenue  
San Francisco, CA 94102  
[tpy@cpuc.ca.gov](mailto:tpy@cpuc.ca.gov)

Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
175 West Fifth St., Second Floor  
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[lafco@lafco.sbcounty.gov](mailto:lafco@lafco.sbcounty.gov)

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