

**TARIFF SCHEDULES**  
APPLICABLE TO  
**WATER SERVICE**

(N)

Together with Information Affecting Rates and Service of

**SIERRA PARK WATER COMPANY**

Operating in or Near Long Barn, CA

The area northeast of Sierra Village, off of Highway 108 in Tuolumne County.

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The effective tariff schedules of this utility, including the rates and rules herein, have been regularly filed with the Public Utilities Commission of the State of California.

No officer, inspector, solicitor, agent, or employee of this utility has any authority to waive, alter, or amend these tariff schedules or any part thereof in any respect.

(N)

*Issued By*

Advice Letter # 1

Kirk M. Knudsen

Date Filed April 4, 2016

Decision # 16-01-047

Name

Effective April 4, 2016

President

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**Preliminary Statement**

(N)

**A. Territory Served by the Utility**

The geographic area described under the designation "Territory" in each rate schedule and depicted in the Service Area Map found on Sheet 4-W

**B. Types and Classes of Service**

The types and classes of service furnished are set forth in each rate schedule under the designation "Applicability."

**C. Description of Service**

The characteristics of the service furnished are indicated in Rule No. 2, Description of Service.

**D. Procedure to Obtain Service**

Service as described herein will be furnished, provide application is made in accordance with Rule No. 3, Application for Service; credit is established as required in Rule No. 6, Establishment and Re-Establishment of Credit; Customer's piping is installed as required in Rule No. 16, Service Connections, Meters, and Customer's Facilities under section A.2, "Customer's Responsibility;" and a contract is signed in those certain circumstances specified in Rule No. 4, Contracts.

Where an extension of the Utility's Mains is necessary, Rule No. 15, Main Extensions, applies, and if the project is of a temporary or speculative nature, Rule No. 13, Temporary Service, is applicable.

Applicants for service must also conform to and comply with the other established rules as provided herein.

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**Preliminary Statement (continued)**

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**E. Symbols**

Whenever tariff sheets are refiled, changes will be identified by the following symbols:

- (C) To signify changed listing, rule or condition which may affect rates or changes.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to other part of tariff schedules with no change in text, rate, rule, or condition.
- (N) To signify new material including listing, rate, rule, or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but no change in rate, rule, or condition.

**F. Memorandum Accounts**

The company has established the following memorandum accounts. The purpose of these accounts is to recover costs not anticipated in rates. The balance in these accounts will be recovered in rates after CPUC review and audit of the reasonableness of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision, or Public Utilities Code (PU Code). Additional description can be found in the authorizing document(s).

**1. Unanticipated Repair Cost Memorandum Account (URCMA)**

Decision 92-03-093 (March 31, 1992)

**2. Catastrophic Event Memorandum Account (CEMA)**

Resolution E-3238 (July 24, 1991) & PU Code 454.9

Note: Should a disaster or emergency occur, the utility will inform the Division of Water and Audits of the CPUC, within 30 days after the catastrophic event, that the utility has started booking costs to its CEMA.

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**Preliminary Statement (continued)**

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**3. Infrastructure Act Memorandum account (IAMA)**

Decision 06-05-041 (May 25, 2006) & PU Code 789

Note: This account is established to track gains on real property

**4. Water Contamination Litigation Expense Memorandum Account**

Resolution W-4094 (March 26, 1998)

**5. Engineering Consultant Surcharge Memorandum Account**

**Purpose:**

The Engineering Consultant Surcharge Memorandum Account (“ECSMA”) implements directions in Commission Decision No. 16-01-047. In that decision, the Commission directed Utility to engage an engineering consultant to conduct an engineering study assessment of the state of the existing water system; make recommendations on adequacy of the water system including the distribution system, the water supply, fire flow, compliance with Water Board Requirements, new proposed water projects, perform preliminary design of new capital projects, and prepare capital budgets and revenue requirements; make recommendations regarding alternative water supply resources if needed; and develop a schedule for converting the existing unmetered water connections to metered connections in the development. The study was to be funded by a separate surcharge of \$45,000, equaling \$124 per connection, on all lot owners during Fiscal Year 2015-2016, to be offset by the amount of refunds also required by Decision No. 16-01-047.

**Accounting Procedure:**

The ECSMA addresses the costs discussed immediately above. Utility will make entries to this account for expenses and revenue as follows:

- a. Debit entries equal to the costs incurred by Utility in employing the engineering consultant;
- b. Credit entries equal to the amount of refunds due customers for all surcharge revenues received from lot owners;
- c. Debit entries for refund amounts that exceed the amount of the surcharge.

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**Preliminary Statement (continued)**

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**6. Legal Expense Memorandum Account**

**Purpose:**

Commission Decision No. 16-01-047 permits Utility to establish a memorandum account to track legal expenses for review in its next general rate case, subject to reasonableness review. The Legal Expense Memorandum Account (“LEMA”) is established for that purpose.

**Accounting Procedure:**

The LEMA is for the purpose to recording legal expenses as discussed immediately above. Utility will make entries to this account for expenses and revenue as follows:

- a. Debit entries equal to the costs of legal expenses incurred that in the opinion of Utility are necessary and reasonable for Utility operations.
- b. Credit entries equal to amounts which the Commission allows in future Commission orders, after conduct of a reasonableness review, to be credited to the LEMA.

**G. Balancing Accounts**

The company has established the following balancing accounts. The purpose of these accounts is to track changes in costs for the named expense category. The balance in these accounts will be recovered in rates after CPUC review and audit of the costs recorded herein. The accounts are listed with the authorizing CPUC Resolution, Decision, or Public Utilities Code (PU Code). Additional description can be found in the authorizing document(s).

- 1. **Purchased Power**, Resolution W-4467 (April 22, 2004)
- 2. **Purchased Water**, Resolution W-4467 (April 22, 2004)
- 3. **Pump Tax**, Resolution W-4467 (April 22, 2004)
- 4. **Payroll**, Resolution W-4467 (April 22, 2004)
- 5. **Payroll Taxes**, Resolution W-4467 (April 22, 2004)
- 6. **Contract Labor**, Resolution W-4467 (April 22, 2004); Note: Restricted to the Operational and Maintenance portion of contract labor.
- 7. **Water Quality Balancing Account (WQBA)**, Resolution W-4698, July 31, 2008
- 8. **California Department of Public Health User Fees Balancing Account (UFBA)**, Resolution W-4698 (July 31, 2008); Notes: Pertains to fees that are billed under Section 4019.10 of the California Health and Safety Code.

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**Preliminary Statement (continued)**

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**H. Customer Refunds**

Pursuant to Commission Decision 16-01-047, Ordering Paragraphs 3a and 3b, refunds will be made for actual overpayments by lot owners for excess rates charged (@25%) and 100% of payments for easements to the Odd Fellows Recreation Association (Odd Fellows) and Sierra Park Services, Inc. The following refunds will be made in twenty (20) equal quarterly payments over five years for 2016, 2017, 2018, 2019, and 2020 by March 31, June 30, September 30 and December 31:

1. Pursuant to Ordering Paragraph 3a: For Fiscal Year (FY) 2013 (June 1, 2013 through May 31, 2014) and FY 2014, the total refund amount is \$157,756. Total refund amount for FY 2015 is \$64,568.50. Refunds per service connection are:

	<u>Per Service Connection</u>
For improved lots (total: \$187,821)	\$615.81
FY 2013 and 2014 (total: \$133,150)	\$436.56
FY 2015 (total: \$54,671)	\$179.25
For unimproved vacant lots (total: \$24,606)	\$584.80
FY 2013 and 2014 (total: \$24,606)	\$417.05
FY 2015 (total: \$9897)	\$167.75

The refund amounts for 2015 include payments for easements that were collected but not transferred to others.

2. Pursuant to Ordering Paragraph 3b: Odd Fellows is required to refund excess amounts collected in rates in FY 2012 and easements in FY 2013, 2014 and 2015 to the Water Company for Refunding to customers. The total amount of Refund is \$109,432 allocated proportionately to the improved and unimproved lots as directed by Decision 16-01-047.

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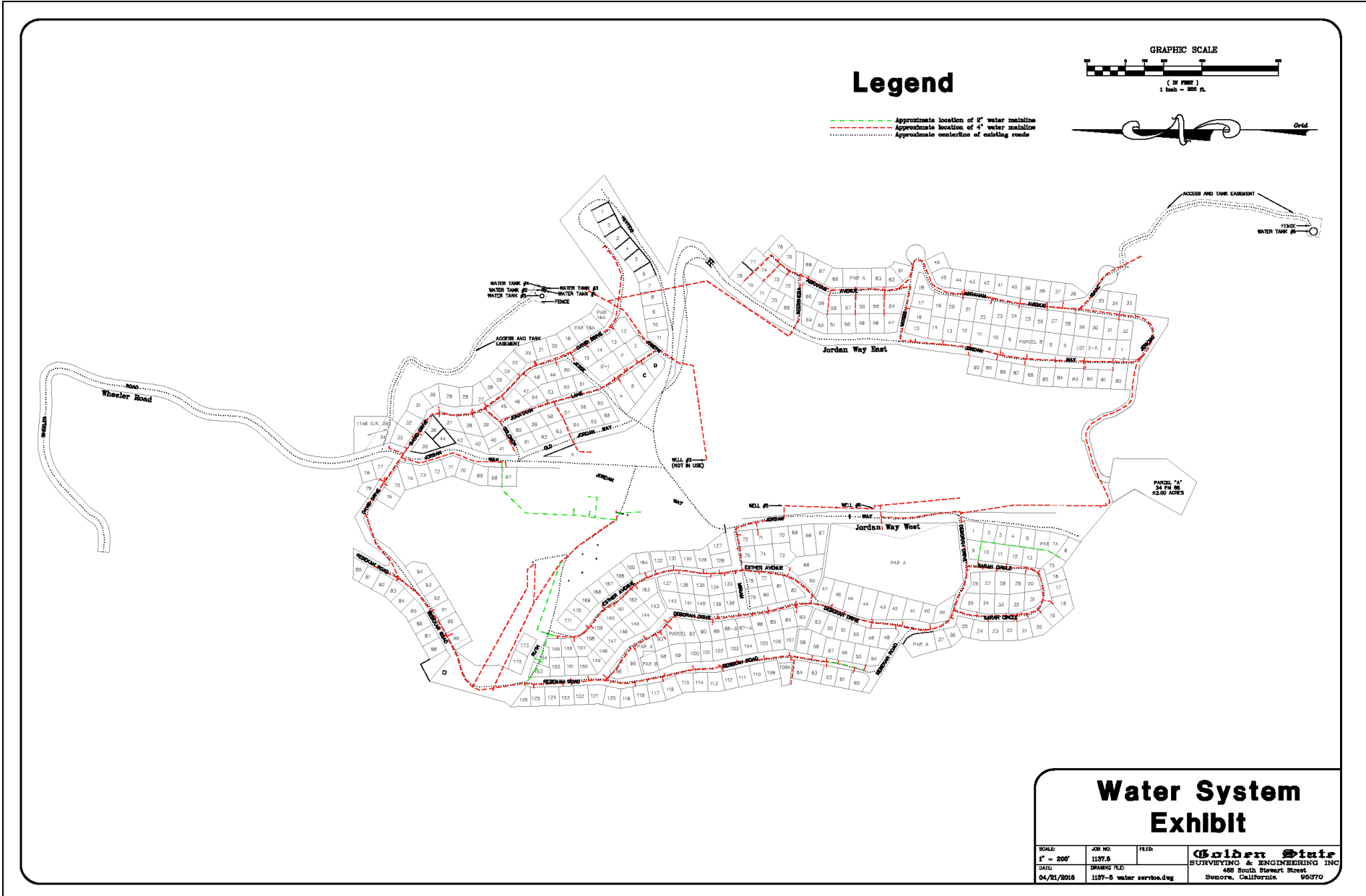
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(N)

**Schedule No. 2RA**  
**Annual Residential Flat Rate Service**

**APPLICABILITY:**

Applicable to all flat rate residential water services furnished on an annual basis.

**TERRITORY:**

The area northeast of Sierra Village, off of Highway 108 in Tuolumne County.

**RATES:**

**Service Charge:**

**Per Service Connection Per Year**

For a single family residential unit and unimproved vacant lots:

For Fiscal Year 2015 (June 1, 2015 through May 31, 2016): \$655.00

For Fiscal Year 2016 (June 1, 2016 through May 31, 2017) and beyond: \$545.00

For discontinuing service for merged lots: \$300.00

The above does not include any applicable government recording fees which are the responsibility of the owner.

**SPECIAL CONDITIONS:**

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

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**Schedule No. LC**  
**Late Payment Charge**

(N)

**APPLICABILITY:**

Applicable to all service.

**TERRITORY:**

The area northeast of Sierra Village, off of Highway 108 in Tuolumne County.

**RATES:**

Late Charge of 1.5% on unpaid balance subject to Special Conditions and minimum \$20.00 charge.

**SPECIAL CONDITIONS:**

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

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**Schedule No. UF**  
**Surcharge to Fund Public Utilities Commission Reimbursement Fee**

**APPLICABILITY:**

This surcharge applies to all water and water bills rendered under all tariff rate schedules authorized by the Commission, with the exception of resale rate schedule where the customer is a public utility.

**TERRITORY:**

The area northeast of Sierra Village, off of Highway 108 in Tuolumne County.

**RATES:**

A 1.17% surcharge shall be added to all customer bills.

In 1982, the Legislature established the Public Utilities Commission Reimbursement Fee to be paid by utilities to fund their regulation by the Commission, (Public Utilities (PU) Code Section 401-443). The surcharge to recover the cost of that fee is ordered by the Commission under authority granted by the Public Utilities Code Section 433.

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**Rule No. 1 - Definitions**

(N)

**Applicant:**

The person, association, corporation or governmental agency applying for water service.

**Utility:**

The public utility named herein.

**Customer:**

Any person, association, corporation or governmental agency supplied or entitled to be supplied with water service for compensation by the utility.

**Elderly Customer:**

Any residential customer who is age 62 or over.

**Handicapped Customer:**

Any residential customer whose health or physical condition may qualify him for special consideration.

**Premises:**

The integral property or area, including improvements thereon, to which water service is, or is to be, provided.

**Metered Service:**

Service for which the charges are computed on the basis of measured quantities of water.

**Flat Rate Service:**

Service for which the charges are based upon the types and numbers of units served.

**Commercial Service:**

Provision of water to residential premises or business premises.

**Residential Service:**

Provision of water for household purposes, including water used on the premises for sprinkling lawns, gardens, and shrubbery; washing vehicles; and other similar and customary purposes pertaining to single or multiple-family dwellings.

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**Rule No. 1 – Definitions (continued)**

(N)

**Business Service:**

Provision of water for use in connection with commercial premises devoted primarily to operations for profit including offices, stores, markets, apartments, hotels, motels, automobile trailer parks or courts, and the like.

**Industrial Service:**

Provision of water to industrial premises where the water is used primarily in manufacturing or processing activities.

**Irrigation Service:**

Provision of water for commercial agricultural, floricultural, or horticultural use and billed under distinct irrigation rates.

**Date of Presentation:**

The date upon which a bill or notice is mailed or delivered by the utility to the customer.

**Main Extension:**

The extension of water distribution mains beyond existed facilities in accordance with the provisions of the rule applicable to main extensions filed as part of these tariff schedules.

**Service Pipe:**

The connection between the utility’s mains and the service connection including all of the pipe, fittings, and valves necessary to make the connection.

**Service Connection:**

The point of the customer’s piping or ditch with the meter, service pipe, or ditch owned by the utility.

**Tariff Schedules or Tariff Schedule Book:**

The entire body of effective rates, rentals, charges, rules, and sample forms collectively, as set forth herein.

**Tariff Sheet:**

An individual sheet of the tariff schedule book.

**Public Utilities Commission:**

In these rules, the word “Commission” or words “Public Utilities Commission” shall be constructed to mean the Public Utilities Commission of the State of California.

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**Rule No. 2 – Description of Service**

(N)

**A. Quantities**

The utility will endeavor to supply water dependably and safely in adequate quantities to meet the reasonable needs and requirements of customers.

**B. Pressures**

**1. Generally**

The utility will endeavor to maintain normal operating pressures of not less than 40 pounds per square inch (p.s.i.g.) nor more than 125 p.s.i.g. at the service connection, except that during periods of hourly maximum demand the pressure at the time of peak seasonal loads may not be less than 30 p.s.i.g. per square inch and that during periods of hourly minimum pressure demand the pressure may not be more than 150 p.s.i.g. Variations in pressure under normal operation will not exceed 50% of the average operating pressure. The average operating pressure will be determined by computing the arithmetical average of at least 24 consecutive hourly pressure readings.

**2. Designated Pressure Area**

Within designated areas as shown or described on utility's service area map the utility will endeavor to maintain normal minimum operating pressure between 25 p.s.i.g. and 40 p.s.i.g. with peak load pressures above 20 p.s.i.g. Prior to June 5, 1976, inquiry should be made to the utility for location of such designated area.

**C. Quality**

Whenever furnished for human consumption or for domestic uses, the utility will endeavor to provide water that is wholesome, potable, in no way harmful or dangerous to health and, insofar as practicable, free from objectionable odors, taste, color, and turbidity.

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**Rule No. 3 – Application for Service**

(N)

**A. Application for Service**

1. Each applicant for service may be required to sign, or a form provided by the utility, an application which will set forth:
  - a. Date and place of application.
  - b. Location of premises to be served.
  - c. Date applicant will be ready for service.
  - d. Whether the premises have been heretofore supplied with water by the utility.
  - e. Purpose for which service is to be used.
  - f. Address to which bills are to be mailed or delivered.
  - g. Whether applicant is owner or tenant of, or agent for the premises.
  - h. Rate schedule desired where optional rates are in effect.
  - i. Such other information as the utility may reasonably require.

**2. Purpose**

The application is merely a written request for service and does not bind the applicant to take service for a period of time longer than that upon which the flat rate charge, minimum charge, or readiness-to-serve-charge of the applicable rate schedule is based; neither does it bind the utility to serve, except under reasonable conditions.

**B. Individual Liability for Joint Service**

Two or more parties who join in one application for service shall be jointly and severally liable for payment of bills and shall be billed by means of single period bills.

**C. Change in Customer's Equipment of Operations**

A customer making any material change in the size, character, or extent of the equipment or operations for which the utility's service is utilized shall immediately give the utility written notice of the extent and nature of the change.

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**Rule No. 4 – Contracts**

(N)

A contract, as a condition precedent to receiving service from the utility, will be required only under any of the following circumstances:

1. Where required by provisions in a filed rate schedule.
2. When a main extension to be made under the provision of Rule No. 15 requires an advance for construction.
3. For temporary service supplied under the provisions of Rule No. 13.
4. For standby service, except where furnished under a filed rate schedule not requiring a contract.
5. For any service to be furnished at rates or under conditions other than the rates and conditions contained in these tariff schedules, such contract to become effective only after such authorization as may be required by the Public Utilities Commission has first been obtained.

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**Rule No. 5 – Special Information Required on Forms**

(N)

**A. Contracts**

Each contract for service will contain essentially the following provisions:

“This contract shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.”

“It is the understanding of the parties to this contract that it shall not become effective until the authorization of the Public Utilities Commission of the State of California has been first obtained.”

**B. Bill for Service**

On each bill for service will be printed essentially the following language:

“This bill is due and payable upon date of presentation. It will become past due if not paid within 19 days from the date of mailing.

“Should the amount of this bill be questioned, an explanation should be requested from the utility. If a satisfactory explanation to the customer is not made by the utility and the bill is still questioned, the customer may deposit with the California Public Utilities Commission, Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, California 94102, telephone numbers are (public) (415) 703-1170 and (hearing impaired - TDD) (415) 703-2032, the amount of the bill to avoid discontinuance of service.

Make remittance payable to ‘California Public Utilities Commission’ and attach the bill and a statement setting forth the basis for the dispute of the amount of the bill. The Commission will review the basis of the billed amount and disburse the deposit in accordance with its findings.”

The Commission will not, however, accept deposit when the dispute appears to be over matters that do not directly relate to the accuracy of the bill. Such matters include the quality of a utility’s service, general level of rates, pending rate applications, and sources of fuel or power.

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**Rule No. 5 – Special Information Required on Forms (continued)**

(N)

**C. Customer’s Deposit Receipt**

Each receipt for cash deposit to establish or re-establish credit for service will contain the following statements:

This deposit may be applied to unpaid balances where service has been discontinued by the utility for nonpayment of bills.

Deposits will be placed in a savings account at a bank or savings and loan and the interest accrued while held in the savings account will be paid by the utility when the deposit is returned, upon discontinuance of service, or after the deposit has been held for 12 consecutive months, provided service has not been discontinued for payment. No. interest shall accrue after mailing to the customer or the customer’s last known address the refund or a notice that the refund is payable.

**D. Discontinuance of Service Notice**

Every notice of discontinuance of service for nonpayment of bills shall include all of the following information.

1. The name and address of the customer whose account is delinquent.
2. The amount of the delinquency.
3. The date by which payment or arrangements for payment is required in order to avoid discontinuance.
4. The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges.
5. The procedure by which the customer may request amortization of the unpaid charges.
6. The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state, or federal sources, if applicable.

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**Rule No. 5 – Special Information Required on Forms (continued)**

(N)

7. The name, address, and telephone number of a representative of the water utility who can provide additional information and assist users in continuing service or in making arrangements for payment.
8. The telephone number of the Commission (Consumer Affairs Branch) to which inquiries by the customer may be directed. For water utilities operating in Northern California, the number of Consumer Affairs Branch is (415) 703-1170 (public) or (415) 703-2032 (hearing impaired - TDD).

Where water service is provided to residential users in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp, where the owner, manager or operator is listed by the utility as the customer of record, the notice of discontinuance shall further include:

9. The date on which service will be discontinued.
10. What the users are required to do in order to prevent the discontinuance or to re-establish service.
11. The estimated monthly cost of service.
12. The address and telephone number of a legal services project, as defined in Section 6213 of the Business and Professions Code, which has been recommended by the local county bar association, which will assist the users.

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**Rule No. 6 – Establishment and Re-Establishment of Credit**

(N)

**A. Establishment of Credit**

Each applicant for metered service will be required to establish credit, which will be deemed established upon qualifying under any one of the following:

1. Applicant owns the premises for which service is requested, or owns other real estate within the same service area of the utility.
2. Applicant makes the deposit prescribed in Rule No. 7 under “Amount to Establish Credit”.
3. Applicant arranges a guarantor satisfactory to the utility for the payment of applicant’s bills for service.
4. Applicant has been a customer of the utility and during the last 12 consecutive months of that prior service has paid all bills for service without having been disconnected for nonpayment thereof.

**B. Re-Establishment of Credit**

1. An applicant, who previously has been a customer of the utility, and during the last 12 months of that prior service has had service discontinued for nonpayment of bills will be required to pay any unpaid balance due the utility for the premises for which service is to be restored, and may be required to re-establish credit by making the deposit prescribed in Rule No. 7 under “Amount to Re-establish Credit”.
2. A customer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance due the utility for the premises for which service is to be restored and may be required to pay a reconnection charge as prescribed in Rule No. 11 under “Restoration - Reconnection Charge” and to re-establish credit by making the deposit prescribed in Rule No. 7 under “Amount to Re-establish Credit” before service is restored.

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**Rule No. 7 – Deposits**

(N)

**A. Amount to Establish Credit**

**1. Metered Service**

- a. To establish credit by deposit, the amount for all service will be twice the estimated average periodic bill when bills are rendered monthly, bimonthly or annually, but in any event not more than twice the estimated bimonthly bill nor less than the amounts set forth above.

**2. Flat Rate Service**

No deposit will be required, except as prescribed for temporary service in Rule No. 13.

**B. Amount to Re-Establish Credit**

**1. Former Customers**

To re-establish credit for an applicant who previously has been a customer of the utility and during the last 12 months of that prior service has had service discontinued for nonpayment of bills, the amount will be twice the estimated average monthly or bimonthly bill to be rendered for the service requested.

**2. Present Customers**

To re-establish credit for a customer whose service has been discontinued for nonpayment of bills, the amount will be twice the average monthly or bimonthly bill to be rendered for that service.

**C. Applicability to Unpaid Accounts**

Deposits made under this rule will be applied to unpaid bills for service when such service has been discontinued.

**D. Return of Deposits**

Upon discontinuance of service, the utility will refund the balance of the customer's deposit in excess of unpaid bills for that service for which the deposit was made

**E. Interest on Deposits**

Deposits will be placed in a savings account at a bank or savings and loan and the interest accrued while held in the savings account will be paid by the utility when the deposit is returned, upon discontinuance of service, or after the deposit has been held for 12 consecutive months, provided service has not been discontinued for nonpayment. No interest shall accrue after mailing to the customer or to the customer's last known address the refund or a notice that the refund is payable.

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**Rule No. 8 – Notices**

(N)

**A. Notice to Customers**

**1. In Writing**

Notice to a customer will normally be in writing and, depending on the type of notice, will either be delivered or mailed to the customer's last known address.

**2. Exception**

In emergencies or when circumstances warrant, the utility, where feasible, will endeavor to promptly notify the customer affected and may make such notification orally, either in person or by telephone.

**3. Discontinuance of Service**

- a. The utility shall make a reasonable attempt to contact an adult person on the residential customer's premises by telephone or in person at least 24 hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished, the utility shall post in a conspicuous location at the premises, a notice of discontinuance of service at least 48 hours prior to discontinuation.
- b. For elderly or handicapped residential customers, the utility shall provide at least 48 hours' notice by telephone or in person. For these customers, if a personal contact cannot be made, a notice of discontinuance of service shall be posted in a conspicuous location at the service address at least 48 hours prior to discontinuance.
- c. Where water service is provided to residential users in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp, where the owner, manager, or operator listed by the utility as the customer of record, the utility will inform the users by means of a notice, when the account is in arrears, that service will be discontinued. The notice will inform the users that they have the right to become a customer, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(N)

(continued)

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**Rule No. 8 – Notices (continued)**

(N)

**A. Notice to Customers**

**3. Discontinuance of Service (continued)**

- c. Where said users are master metered by the utility, the written notice will be at least 15 days prior to discontinuance of service. The notice will be posted on the door of each residential unit. If it is not reasonable or practical to post the notice on the door of each residential unit, the utility will post two copies of the in each accessible common area and at each point of access to the structure or structures. The notice will be in English and, to the extent practical, in any other language that the utility determines is the primary language spoken by a significant number of the occupants. The notice will be as prescribed in Rule No. 5, and shall be independent of, and in addition to, other notice(s) as may be prescribed in the utility’s tariffs.
- d. Discontinuance and restoration of service procedure is outlined in Rule No. 11.

**4. Third Party Notifications**

Notice of availability of third-party notification shall be given annually to all residential customers, commencing at time of first full billing after the effective date of this tariff schedule.

**B. Notice from Customers**

- 1. A customer may make notification in person, by telephone or by letter to the utility at its commercial office, or to an authorized representative of the utility.
- 2. Customers who are elderly or handicapped must have presented evidence to the utility establishing their status if they wish to qualify for consideration under Rule No. 8.A.3.b. (above) or under Rule No. 11.B.1.e
- 3. Elderly or handicapped customers who desire third-party notification must so inform the utility with certificate of status and with a letter from the third party accepting the responsibility.
- 4. Proof of age must be supported by certificate of birth, driver’s license, passport or other reliable document. Proof of handicap must be by certification from a licensed physician, public health nurse, or social worker.

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**Rule No. 9 – Rendering and Payment of Bills**

(N)

**A. Rendering of Bills**

Bills for service will be rendered each customer on a monthly or bi-monthly basis at the option of the utility, unless otherwise provided in the rate schedule.

**1. Metered Service**

- a. Meters will be read at regular intervals for the preparations of periodic bills and as required for the preparation of opening bills, closing bills, and special bills.
- b. The opening bill for metered service will not be less than the established annual minimum of readiness-to-serve charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
- c. It may not have always been practicable to read meters at intervals which will result in billing period of equal numbers of days.
  - (1) Should a monthly billing period contain less than 27 days or more than 33 days a pro rata correction in the amount of the bill will be made.
  - (2) The charge for metered service for a bi-monthly period will be computed by doubling the monthly minimum or readiness-to-serve charge and the number of cubic feet to which each block rate is applicable on a monthly basis.
  - (3) For billing periods other than monthly or bi-monthly, adjustments will be made proportionate to that for a monthly billing period.
- d. Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered, the meter constant, if any, the number and kind of units, and date of the current meter reading.

(N)

(continued)

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**Rule No. 9 – Rendering and Payment of Bills (continued)**

(N)

- e. Each meter on a customer’s premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the applicable rate schedule, or where the utility’s operating convenience of necessity may require the use of more than one meter or a battery of meters. In the latter case, the monthly minimum or readiness-to-serve charges will be prorated from the monthly minimum or readiness-to-serve charges of the applicable rate schedule upon the basis of a meter size equivalent in diameter to the total combined discharge areas of such meters.

**2. Flat Rate Service**

- a. Bill for flat rate service area payable in advance.
- b. The opening bill for flat rate service will be the established monthly charge for the service. Any amount paid in excess of the prorates charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
- c. For billing periods other than monthly, the charge for flat rate service will be computed by multiplying the monthly charge by the number of months in the billing period.

**3. Proration of Bills**

- a. The charges applicable to opening periods, closing bills, and bills rendered for periods corresponding to less than 27 days or more than 33 days for monthly billing periods will be computed as follows:

**(1) Metered Service**

The amount of the minimum charge (and the quantity allowed therefore) or the readiness-to-serve charge and the quantity in each of the several quantity rate blocks will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period. The measured quantity of usage will be applied to such prorated amounts and quantities.

(N)

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**Rule No. 9 – Rendering and Payment of Bills (continued)**

(N)

**(2) Flat Rate Service**

The billing period charge will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period.

**(3) Average Billing Period**

The number of days in an average billing period is defined as 365 divided by the number of billing periods in a year. It is 30.4 days for a monthly billing period.

**B. Payment of Bills**

Bills for service are due and payable upon presentation and payment may be made at any commercial office of the utility or to any representative of the utility authorized to make collections. Collection of closing bills may be made at the time of presentation.

1. The utility may charge \$20.00 for any bad check or electronic fund transfer not honored.

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Title

**Rule No. 10 – Disputed Bills**

(N)

**A. Correctness of Bill**

Any customer who has initiated a complaint to the utility or requested an investigation by the utility within five days of receiving a contested bill shall be given an opportunity for review of such complaint or investigation by a review manager of the utility. The review shall include consideration of whether the customer should be permitted to amortize the unpaid balance of his account over a reasonable period of time.

**B. Notice of Deposit to Avoid Discontinuance**

If an explanation satisfactory to the customer is not made by the utility and the bill is not paid within 19 days after its presentation, or at the time the explanation is made, whichever is longer, the utility will notify the customer in writing substantially as follows:

1. To avoid discontinuance of service, in lieu of paying the bill in question, the residential customer within 15 days and the non-residential customer within 7 days of the date of this notice, must deposit with the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, the amount of the bill claimed by the utility to be due.

**C. Commission Appeal**

When a customer and the utility fail to agree on a bill for service:

1. To avoid discontinuance of service, in lieu of paying the disputed bill the customer may deposit, with the California Public Utilities Commission at its office in 505 Van Ness Avenue, San Francisco, California 94102, the amount claimed by the utility to be due.
2. Checks or other forms of remittance for such deposit should be made payable to the California Public Utilities Commission and should be accompanied with the bill in question and a statement setting forth the basis for the dispute of the amount of the bill.

(N)

(continued)

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**Rule No. 10 – Disputed Bills (continued)**

(N)

3. Upon receipt of the deposit, the bill and customer's statement of the dispute, the Commission will notify the utility, will review the basis of the billed amount, and will advise both parties of its findings disburse the deposit in accordance therewith.
4. Service will not be discontinued for nonpayment of the disputed bill when deposit has been made with the Commission pending the outcome of the Commission's review.
5. Failure of the customer to make such deposit prior to the expiration of the discontinuance of service notice as given in Rule 10, B.1. will warrant discontinuance of service.
6. If before completion of the Commission's review, additional bills become due which the customer wishes to dispute, he shall also deposit with the Commission the additional amounts claimed by the utility to be due for such additional bills before they become past due and failure to do so will warrant discontinuance of his service in accordance with Rule No. 11.

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**Rule No. 11 – Discontinuance and Restoration of Service**

(N)

**A. Customer's Request for Discontinuance of Service**

1. A customer may have service discontinued by giving not less than two days' advance notice thereof to the utility. Charges for service may be required to be paid until the requested date of discontinuance or such later date as will provide not less than the required two days' advance notice.
2. When such notice is not given, the customer will be required to pay for service until two days after the utility has knowledge that the customer has vacated the premises or otherwise has discontinued water service.

**B. Discontinuance of Service by Utility**

**1. For Nonpayment of Bills**

- a. Past-Due Bills. When bills are rendered monthly, bimonthly or annually, they will be considered past due if not paid within 19 days from the date of mailing. The utility shall allow every residential customer at least 19 days from the date of mailing its bill for services, postage prepaid, to make payment of the bill. The utility may not discontinue residential service for nonpayment of a delinquent account unless the utility first gives notice of the delinquency and impending discontinuance, at least 10 days prior to the proposed discontinuance, by means of a notice mailed, postage prepaid, to the customer to whom the service is provided if different than to whom the service is billed, not earlier than 19 days from the date of mailing the utility's bill for services. The 10-day discontinuance of service notice shall not commence until five days after the mailing of the notice.
- b. When a bill for water service has become past due and a 10-day discontinuance of residential service notice or a 7-day discontinuance of nonresidential service notice for nonpayment has been issued, service may be discontinued if bill is not paid within the time required by such notice. The customer's service, however, will not be discontinued for nonpayment until the amount of any deposit made to establish credit for that service has been fully absorbed.

(N)

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

- c. Any customer, residential as well as nonresidential, who has initiated a billing complaint or requested an investigation within 5 days of receiving a disputed bill or who has, before discontinuance of service made a request for extension of the payment period of a bill asserted to be beyond the means of the customer to pay in full within the normal period for payment, shall not have residential water service discontinued for nonpayment during the pendency of an investigation by the utility of such customer complaint or request and shall be given an opportunity for review of the complaint, investigation, or request by a review manager of the utility. The review shall include consideration of whether a residential customer shall be permitted to make installment payments on any unpaid balance of the delinquent account over a reasonable period of time, not to exceed 12 months. Such service shall not be discontinued for nonpayment for any customer complying- with an installment payment agreement entered into with the utility, provided the customer also keeps current his account for water service as charges accrue in each subsequent billing period. If a residential customer fails to comply with an installment payment agreement, the utility will give a 10-day discontinuance of service notice before discontinuing such service but such notice shall not entitle the customer to further investigation by the utility.
- d. Any customer whose complaint or request for an investigation pursuant to subdivision (c) has resulted in an adverse determination by the utility may appeal the determination to the Commission. Any subsequent appeal of the dispute or complaint to the Commission shall be in accordance with the Commission adopted Rules of Practice and Procedure.
- e. Service to a residential water customer will not be discontinued for nonpayment when the customer has previously established to the satisfaction of the utility that:

- (1) The customer is elderly (age 62 or over) or handicapped\* or upon certification of a licensed physician or surgeon that to discontinue water will be life threatening to the customer;

***\*Proof of age must be supported by certificate of birth, driver's license, passport, or other reliable document. Proof of handicap must be by certification from a licensed physician, surgeon, public health nurse, or social worker.***

(N)

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

- (2) The customer is temporarily unable to pay for such service in accordance with the provisions of the utility's tariffs; and
- (3) The customer is willing to arrange installment payments satisfactory to the utility over a period not to exceed 12 months, including arrangements for prompt payment of subsequent bills. However, service may be discontinued to any customer who does not comply within installment payment agreement or keep current his account for water service as charges accrue in each subsequent billing period.
- f. A customer's residential service may be discontinued for nonpayment of a bill for residential service previously rendered him at any location served by the utility.
- g. Service will not be discontinued by reason of delinquency in payment for service on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the utility are not open to the public.
- h. Where water service is provided to residential users in a multi-unit residential structure, mobile home park, or permanent residential structures in a labor camp, where the owner, manager, or operator is listed by the utility as the customer of record, the utility will make every good faith effort to inform the users, when the account is in arrears, that service will be discontinued. Notice will be in as prescribed in subdivision (a) above, and in Rules Nos. 5 and 8.

- (1) Where said users are individually metered.

The utility is not required to make service available to these users unless each user agrees to the terms and conditions of service and meets the requirement of the law and the utility's rules and tariffs. However, if one or more users are willing and able to assume the satisfaction of the utility, and if there is a practical physical means, legally available to the utility of selectively providing services to these users who have met the requirements of the utility's rules and tariffs, the utility will make service available to these users. For these selected users, establishment of credit will be as prescribed in Rule No. 6, except that where prior service for a period of time is a condition for establishing credit with the utility, proof that is acceptable to the utility of residence and prompt payment of rent or other credit obligation during that period of time is a satisfactory equivalent.

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

(2) Where said users are master metered.

The utility is not required to make service available to these users unless each user agrees to the terms and conditions of service, and meets the requirements of the law and the utility's rules and tariffs and the following. The same Rule 11 Item B. 1.h (1) above which applies to individually metered users also applies to master-metered users, except a representative may act on the behalf of a master-metered user, and the utility will not discontinue service in any of the following situations:

- (a) During the pendency of an investigation by the utility of a master metered customer dispute or complaint.
  - (b) When the master-metered customer has been granted an extension of the period for repayment of a bill.
  - (c) For an indebtedness owed by the master-metered customer to any other person or corporation or when the obligation represented by the delinquent account or other indebtedness was incurred with a person or corporation other than the utility demanding payment therefore.
  - (d) When a delinquent account relates to another property owned, manager, or operated by the master-metered customer.
  - (e) When a public health or building officer certifies that discontinuance would result in a significant threat to the health or safety of the residential occupants or the public. Proof of age or handicap are described in Rule 11.B. 1.e.
- i. A reasonable attempt must be made by the utility to personally contact an adult person on the residential customer's premises either by telephone or in person, at least 24 hours prior to discontinuance. For elderly or handicapped residential customers, the utility shall provide at least 48 hours' notice by telephone or in person. For these customers, if telephone or personal contact cannot be made, a notice of discontinuance of service shall be posted in a conspicuous location at the service address at least 48 hours prior to discontinuance. Such notice shall be independent of, and in addition to, other notice(s) as may be prescribed in the utility's tariffs.

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

**j. Residential Customer's Remedies Upon Receipt of Discontinuance Notice**

- (1) If upon receipt of a 10-day discontinuance notice, a residential customer is unable to pay, he must contact the utility before discontinuance of service to make payment arrangements to avoid discontinuance of service.
- (2) If, after contacting the utility, the residential customer alleges to the Commission an inability to pay and that he is unable to make payment arrangements with the utility he should write to the Commission's Consumer Affairs Branch (CAB) to make an informal complaint. This action must be taken within the 10-day discontinuance of service notice.
- (3) The CAB's resolution of the matter will be reported to the utility and the residential customer within ten business days after receipt of the informal complaint. If the customer is not satisfied with such resolution, he must file, within ten business days after the date of the CAB's letter, a formal complaint with the Commission under Public Utilities Code Section 1702 on a form provided by the CAB.
- (4) Failure of the residential as well as nonresidential customer to observe these time limits shall entitle the utility to insist upon payment or, upon failure to pay, to discontinue the customer's service.

**k. Designation of a Third-Party Representative (Elderly or Handicapped only)**

- (1) Customer must inform utility if he desires that a third party receive discontinuance or other notices on his behalf.
- (2) Utility must be advised of name, address, and telephone number of third party with a letter from third party accepting this responsibility.
- (3) Only customers who certify that they are elderly or handicapped are entitled to third party representation.\*

*\*Proof of age must be supported by certificate of birth, driver's license, passport, or other reliable document. Proof of handicap must be by certification from a licensed physician, surgeon, public health nurse, or social worker.*

(continued)

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

**2. For Noncompliance with Rules**

The utility may discontinue service to any customer for violation of these rules after it has given the customer at least five days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.

**3. For Waste of Water**

- a. Where negligent or wasteful use of water exists on a customer's premises, the utility may discontinue the service if such practices are not remedied within five days after it has given the customer written notice to such effect.
- b. In order to protect itself against serious and unnecessary waste of misuse of water, the utility may meter any flat rate service and apply the regularly established meter rates where the customer continues to misuse or waste water beyond five days after the utility has given the customer written notice to remedy such practices.

**4. For Unsafe Apparatus or Where Service is Detrimental or Damaging to the Utility or its Customers**

If an unsafe or hazardous condition is found to exist on the customer's premises, or if the use of water there on by apparatus, appliances, equipment or otherwise is found to be detrimental or damaging to the utility or its customers, the service may be shut off without notice. The utility will notify the customer immediately of the reasons for the discontinuance and the corrective action to be taken by the customer before service can be restored.

**5. For Fraudulent Use of Service**

When the utility has discovered that a customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The utility will not restore service to such customer until that customer has complied with all filed rules and reasonable requirements of the utility and the utility has been reimbursed for the full amount of the service rendered and the actual cost to the utility incurred by reason of the fraudulent use.

(N)

(continued)

**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

**C. Restoration of Service**

**1. Reconnection Charge**

Where service has been discontinued for violation of these rules or for nonpayment of bills, the utility may charge \$25.00 for reconnection of service during regular working hours or \$40.00 for reconnection of at other than regular working hours when the customer has requested that the reconnection be made at other than regular working hours.

**2. To be Made During- Regular Working Hours**

The utility will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit, otherwise reconnections will be made on the regular working day following the day the request is made.

**3. To be Made at Other Than Regular Working Hours**

When a customer has requested the reconnection be made at other than regular working hours, the utility will reasonably endeavor to so make the reconnection if practicable under the circumstances.

**4. Wrongful Discontinuance**

A service wrongfully discontinued by the utility, must be restored without charge for the restoration to the customer within 24 hours.

**D. Refusal to Serve**

**1. Conditions for Refusal**

The utility may refuse to serve an applicant for service under the following conditions:

- a. If the applicant fails to comply with any of the rules as filed with the Public Utilities Commission.
- b. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing customers.

(continued)

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**Rule No. 11 – Discontinuance and Restoration of Service (continued)**

(N)

- c. If, in the judgment of the utility, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered.
- d. Where service has been discontinued for fraudulent use, the utility will not serve an applicant until it has determined that all conditions of fraudulent use or practice has been corrected.

**2. Notification to Customers**

When an applicant is refused service under the provisions of this rule, the utility will notify the applicant promptly of the reason for the refusal of service and of the right of applicant to appeal the utility's decision to the Public Utilities Commission.

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**Rule No. 12 – Information Available to Public**

(N)

**A. General Information**

The utility will maintain, open for public inspection at its more important commercial offices, pertinent information regarding the service rendered, including the following:

**1. Characteristics of Water**

A description in writing of the kind of water to be furnished, whether filtered or unfiltered and whether treated or untreated and the extent thereof.

**2. Rates and Rules**

A copy of the tariff schedules consisting of rates, general rules of the utility, service area maps, and forms of contracts and application applicable to the territory served from that office.

**3. Reading Meters**

A statement of the most recent past readings of the meter or meters serving a customer's own premises for a period of two years.

**B. Rates and Optional Rates**

The utility will explain to every applicant for service each rate schedule which is applicable, and of the applicant's right to elect therefrom the option under which service is desired.

**C. New or Revised Rates**

Should new or revised rates be established, the utility will duly notify all customers affected.

**D. Change of Rate Schedule**

1. Should a customer elect to take service under a different applicable rate schedule, the change will become effective immediately after the regular meter reading next following the date of such request for metered service and at the beginning of the regular billing period next following such request for flat rate service. The utility may refuse to permit such a change unless service has been taken under the current rate schedule for a period of not less than 12 months, except such change will be permitted when an applicable new or revised rate schedule is first put into effect or the customer's operations have so changed as to justify immediate transfer to a different schedule.

2. When service is furnished on an annual seasonal basis, a change in schedule may be made only at the end of a regular billing period. (N)

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**Rule No. 13 – Temporary Service**

(N)

**A. Establishment of Temporary Service**

1. The utility will, if no undue hardship to its existing customers would result therefrom, furnish temporary service when the applicant has requested service on this basis or the utility reasonably expects the service to be temporary and the applicant therefore has:
  - a. Advanced to the utility the estimated net cost of installing and removing the facilities necessary to furnish the service; and,
  - b.
    - (1) Deposited a sum of money equal to the estimated bill when the duration of service is to be for a period of one month or less, subject to adjustment and refund or repayment in accordance with the actual bill due upon discontinuance of the service,
    - OR**
    - (2) Establish credit in the same manner as is prescribed for permanent service when the duration of service is to exceed one month.
2. Adjustment to any difference between the net cost advanced and the actual cost of installing and removing the facilities necessary to furnish the service, including reasonable costs for depreciation and consumption of such facilities, will be made within 10 days after the utility has ascertained such actual cost. The actual cost thus advanced is not subject to refund except as hereinafter provided.

**B. Change to Permanent Status**

1. In the event a temporary service becomes permanent, the utility will refund the amount advanced for the temporary service when a main extension is not involved.
2. Where a main extension to an individual is involved, exclusive of an extension to serve a real estate development or subdivision, service which was initiated as temporary service hereunder when continued for 36 consecutive months, and at the end of that period appears to be permanent and established character and is received at a premises improved with structures of a permanent nature, will be then treated as though it had initially furnished on a permanent basis in accordance with Rule No. 15, Main Extensions. The amount advanced for the temporary service will be applied in full by the utility to the balance of any advance then due under such application of said main extension rule; any excess thereof over any such balance will be refunded by the utility.

**C. Rates, Charges, and Conditions for Service**

Rates, charges, and conditions for temporary service will be the same as those prescribed for permanent service condition as are herein otherwise provided.

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**Rule No. 14 – Continuity Service**

(N)

**A. Emergency Interruptions**

1. The utility will make all reasonable efforts to prevent interruptions to service and when such interruptions occur will endeavor to re-establish service with the shortest possible delay consistent with the safety to its customers and the general public.
2. Where an emergency interruption of service affects the service to any public fire protection device, the utility will promptly endeavor to notify the Fire Chief or other public official responsible for fire protection of such interruption and of subsequent restoration of normal service.

**B. Scheduled Interruptions**

1. Whenever the utility finds it necessary to schedule an interruption to its service, it will, where feasible, notify all customers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Schedule interruptions will be made at such hours as will provide least inconvenience to the customers consistent with reasonable utility operations.
2. Where public fire protection is provided by the mains affected by the interruptions, the utility will promptly endeavor to notify the Fire Chief or other officials responsible for fire protection, stating the approximate time and anticipated duration. In addition, the Fire Chief or other official responsible for fire protection will be notified promptly upon restoration of service.

**C. Apportionment of Supply During Times of Shortage**

During times of threatened or actual water shortage, the utility will apportion its available water supply among its customers as directed by the Public Utilities Commission. In the absence of direction from the Commission, it will apportion the supply in the manner that appears most equitable under circumstances then prevailing and with due regard to public health and safety.

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**Rule No. 14.1 – Water Conservation and Rationing Plan**

(N)

**General Information**

1. If water supplies are projected to be insufficient to meet normal customer demand, and are beyond the control of the utility, the utility may elect to implement voluntary conservation using the portion of this plan set forth in Section A of this Rule, after notifying the Director of the Commission's Division of Water and Audits of its intent, via a letter in both hard-copy and e-mailed formats.
2. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter.
3. If, in the opinion of the utility, more stringent water measures are required, the utility shall request Commission authorization to implement the staged mandatory conservation and rationing measures set forth in Sections B through E.
4. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff.
  - a. If a Declaration of Mandatory Rationing is made by utility or governing agency, or
  - b. If the utility is unable to address voluntary conservation levels set by itself, supplier, or governing agency, or
  - c. If the utility chooses to subsequently activate a different stage
5. When Schedule 14.1 is in effect and the utility determines that water supplies are again sufficient to meet normal demands, and mandatory conservation and rationing measures are no longer necessary, the utility shall seek Commission approval via a Tier 1 advice letter to de-activate the particular stage of mandatory rationing that had been authorized.
6. In the event of a water supply shortage requiring a voluntary or mandatory program, the utility shall make available to its customers water conservation kits as required by its version of Rule 20. The utility shall notify all customers of the availability of conservation kits via a bill insert or direct mailers.

(N)

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**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

**A. Conservation – Non-Essential or Unauthorized Water Use**

No customer shall use utility-supplied water for non-essential or unauthorized uses, including but not limited to:

1. Use of potable water for more than minimal landscaping, as defined in the landscaping regulated of the jurisdiction or as described in Article 10.8 of the California Government Code in connection with new construction;
2. Use through any meter when the company has notified the customer in writing to repair a broken or defective plumbing, sprinkler, watering or irrigation system and the customer has failed to effect such repairs within five business days;
3. Use of potable water which results in flooding or runoff in gutters or streets;
4. Individual private washing of cars with a hose except with the use of a positive action shut-off nozzle. Use of potable water for washing commercial aircraft, cars, buses, boats, trailers, or other commercial vehicles at any time, except at commercial or fleet vehicle or boat washing facilities operated at a fixed location where equipment using water is properly maintained to avoid wasteful use;
5. Use of potable water washing buildings, structures, , driveways, patios, parking lots, tennis courts, or other hard-surfaced areas, except in the cases where health and safety are at risk;
6. Use of potable water to irrigate turf, lawns, gardens, or ornamental landscaping by means other than drip irrigation, or hand watering without quick acting positive action shut-off nozzles, on a specific schedule, for example: 1) before 9:00 a.m. and after 5:00 p.m.; 2) every other day; or 3) selected days of the week;
7. Use of potable water for watering streets with trucks, except for initial wash-down for construction purposes (if street sweeping is not feasible), or to protect the health and safety of the public;
8. Use of potable water for construction purposes, such as consolidation of backfill, dust control, or other uses unless no other source of water or other method can be used;

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**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

9. Use of potable water for construction purposes unless no other source of water or other method can be used;
10. Use of potable water for street cleaning;
11. Operation of commercial car washes without recycling at least 50% of the potable water used per cycle;
12. Use of potable water for watering outside plants, lawn, landscape and turf areas during certain hours if and when specified in Schedule No. 14.1 when the schedule is in effect;
13. Use of potable water for decorative fountains or the filling or topping off of decorative lakes or ponds. Exceptions are made for those decorative fountains, lakes, or ponds which utilize recycled water;
14. Use of potable water for the filling or refilling of swimming pools;
15. Service of water by any restaurant except upon the request of a patron; and
16. Use of potable water to flush hydrants, except where required for public health or safety.

**B. Staged Mandatory Rationing of Water Usage**

1. Prior to declaration of mandatory rationing, a utility may request authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, with full justification. The utility may not institute Schedule 14.1 until it has been authorized to do so by the Commission.
  - a. A staged Schedule 14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule 14.1 tariff and utility has requested and received authorization for activating a stage by Commission.
  - b. Notice of the Tier 2 advice letter (example shown in Appendix C) and associated public participation hearing shall be provided to customers under General Order (GO) 96-B rules.

(N)

(continued)

**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

- c. Utility shall comply with all requirements of Sections 350-358 of the California Water Code.
- d. The Tier 2 advice letter requesting institution of a Schedule 14.1 shall include but not be limited to:
  - i. Proposed Schedule 14.1 tariff, which shall include but not be limited to:
    - (1) Applicability,
    - (2) Territory applicable to,
    - (3) A detailed description of each Stage of Rationing,
    - (4) A detailed description of the Trigger that Activates each Stage of Rationing,
    - (5) A detailed description of each water use restriction for each stage of rationing,
    - (6) Water use violation levels, written warning levels, associated fines, and exception procedures,
    - (7) Conditions for installation of a flow restrictor,
    - (8) Charges for removal of flow restrictors, and
    - (9) Special Conditions
  - ii Justification for, and documentation and calculations in support of plan, including but not limited to each item in B.1.d.i above.
- 2. Number of Stages requested by each utility/district may vary, depending on specifics of water shortage event.
- 3. The utility shall file a Tier 1 advice letter to request activation of a particular stage of Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff.
  - a. If a Declaration of Mandatory Rationing is made by utility or governing agency,
  - b. If the utility is unable to address voluntary conservation levels set by itself or governing agency, or
  - c. If the utility chooses to subsequently activate a different stage.

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**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

- d. The Tier 1 advice letter requesting activation of a Schedule 14.1 shall include but not be limited to:
  - i. Justification for activating this particular stage of mandatory rationing, as well as period during which this particular stage of mandatory conservation and rationing measures will be in effect.
  - ii. When the utility requests activation of a particular Stage, it shall notify its customers as detailed in Section E, below.
- 4. All monies collected by the utility through water use violation fines shall not be accounted for as income.
- 5. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission.
  - a. These monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.

**C. Enforcement of Staged Mandatory Conservation and Rationing**

- 1. The water use restrictions of the conservation program, in Section A of this rule, become mandatory when the authorized Schedule 14.1-Staged Mandatory Rationing Program is triggered, the utility files a Tier 1 advice letter requesting activation of a particular stage, and authorization is received from the Commission.
  - a. In the event a customer is observed to be using water for any nonessential or unauthorized use as defined in Section A of this rule, the utility may charge a water use violation fine in accordance with Schedule No. 14.1.
- 2. The utility may, after one verbal and one written warning, install a flow- restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in Section A above.

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**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

- 3. A flow restrictor shall not restrict water delivery by greater than 50% of normal flow and shall provide the premise with a minimum of 3 Ccf/person/month. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.
- 4. After the removal of the restricting device, if any non-essential or unauthorized use of water shall continue, the utility may install another flow-restricting device. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to the utility.
- 5. Any tampering with flow restricting device by customer can result in fines or discontinuation of water use at the utility’s discretion.
- 6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water shall continue, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.
- 7. All monies collected by the utility through water use violation fines shall not be accounted for as income. All expenses incurred by utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding, shall be recoverable by utility if determined to be reasonable by Commission. These additional monies shall be accumulated by the utility in a separate memorandum account for disposition as directed or authorized from time to time by the Commission.
- 8. The charge for removal of a flow-restricting device shall be in accordance with Schedule No. 14.1.

**D. Appeal Procedure**

- 1. Any customer who seeks a variance from any of the provisions of this water conservation and rationing plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.

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**Rule No. 14.1 – Water Conservation and Rationing Plan (continued)**

(N)

- 2. Any customer not satisfied with the utility's response may file an appeal with the staff of the Commission. The customer and the utility will be notified of the disposition of such appeal by letter from the Executive Director of the Commission.
- 3. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this water conservation and rationing plan.

**E. Publicity**

- 1. As stated under Section B.1.b and c, when a utility requests authorization of a Schedule 14.1 – Staged Mandatory Water Conservation and Rationing tariff, via a Tier 2 advice letter, it shall provide notice of the Tier 2 advice letter (example shown in Attachment C) and associated public meeting provided to customers, under General Order (GO) 96-B rules, and shall comply with all requirements of Sections 350-358 of the California Water Code (CWC), including but not limited to the following:
  - a. In order to be in compliance with both the GO and CWC, the utility shall provide notice via both newspaper and bill insert/direct mailing.
  - b. Utility shall file one notice for each advice letter filed, that includes both notice of the filing of the Tier 2 advice letter as well as the details of the public meeting (date, time, place, etc.).
  - c. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes implementation of the tariff.
  - d. Utility shall consult with Division of Water and Audits staff prior to filing advice letter, in order to determine details of public meeting.
- 2. In the event that a Schedule 14.1-Staged Mandatory Rationing Plan is triggered and utility requests activation through the filing of a Tier 1 advice letter, the utility shall notify its customers and provide each customer with a copy of Schedule 14.1 by means of bill insert or direct mailing. Notification shall take place prior to imposing any fines associated with this plan.
- 3. During the period that a stage of Schedule 14.1 is activated, the utility shall provide customers with updates in at least every other bill, regarding its water supply status and the results of customers' conservation efforts.

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**Rule No. 15 – Main Extensions**

(N)

**A. General Provisions and Definitions**

**1. Applicability**

- a. All extensions of distribution mains, from the utility's basic production and transmission system or existing distribution system, to serve new customers, except for those specifically excluded below, shall be made under the provisions of this rule unless specific authority is first obtained from the Commission to deviate therefrom. A main extension contract shall be executed by the utility and the applicant or applicants for the main extension before the utility commences construction work on said extensions or, if constructed by applicant or applicants, before the facilities comprising the main extension are transferred to the utility.
- b. Extensions primarily for fire hydrant, private fire protection, resale, temporary, standby, or supplemental service shall not be made under this rule.
- c. The utility may, but will not be required to, make extensions under this rule in easements or rights-of-way where final grades have not been established, or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that the existing grade will be changed, the utility shall require that the applicant or applicants for the main extension deposit, at the time of execution of the main extension agreement, the estimated net cost of relocating, raising or lowering facilities upon establishment of final grades. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within ten days after the utility has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The entire deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are lowering shall be refunded when such displacements are determined by proper authority to be not required.

**2. Limitation of Expansion**

- a. Whenever the outstanding advance contract balances reach 40 percent of total capital (defined, for the purpose of this rule, as proprietary capital, or capital stock and surplus, plus debt and advances for construction) the utility shall so notify the Commission with thirty days.

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**Rule No. 15 – Main Extensions (continued)**

(N)

- b. Whenever the outstanding advance contract balances plus the advance on a proposed new extension would exceed 50 percent of total capital, as defined in Section A.2.a. plus the advance on the proposed new extension, the utility shall not make the proposed new extension of distribution mains without authorization of the Commission. Such authorization may be granted by a letter from the Executive Director of the Commission.
- c. Whenever the outstanding advance contract balances reach the above level, the utility shall so notify the Commission within thirty days.

**3. Definitions**

- a. A "bona-fide customer," for the purposes of this rule, shall be a customer (excluding any customer formerly served at the same location) who has given satisfactory evidence that service will be reasonably permanent to the property which has been improved with a building of a permanent nature, and to which service has commenced. The provision of service to a real estate developer or builder, during the construction or development period, shall not establish him as a bona-fide customer.
- b. A "real estate developer" or "builder," for the purposes of this rule, shall include any individual, association or individuals, partnership, or corporation that divides a parcel of land into two or more portions, or that engages in the construction and resale of individual structures on a continuing basis.
- c. The "adjusted construction cost," for the purposes of this rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water utility accounting practices, and as specifically defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission for installing facilities of adequate capacity for the service requested. If the utility, at its option, should install facilities with a larger capacity or resulting in a greater footage of extension than required for the service requested, the "adjusted construction cost," for the purpose of this rule, shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to estimated cost of actual facilities installed.

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**Rule No. 15 – Main Extensions (continued)**

(N)

**4. Ownership, Design, and Construction of Facilities**

- a. Any facilities installed hereunder shall be the sole property of the utility. In those instances in which title to certain portions of the installation, such as fire hydrants, will be held by a political subdivision, such facilities shall not be included as a part of the main extension under this rule, and will neither be owned by the utility nor subject to refund under the provisions of Section C.2. of this rule.
- b. The size, type, quality of materials, and their location shall be specified by the utility; and the actual construction shall be done by the utility or by a construction agency acceptable to it.
- c. Where the property of an applicant is located adjacent to a right-of-way, exceeding 70 feet in width, for a street, highway, or other public purpose, regardless of the width of the traveled way or pavement; or on a freeway, waterway, or railroad right of way, the utility may elect to install a main extension on the same side thereof as the property of the applicant, and the estimated, and the adjusted construction costs in such case shall be based upon such an extension.
- d. When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and adjusted construction costs of said extension shall be based upon the facilities required to comply therewith.
- e. If the following provisions for water conservation are included in local building codes and/or ordinances, the main extension contract shall contain these provisions.

(1) All interior plumbing in new buildings shall meet the following requirements:

- (a) Toilets shall not use more than 3-1/2 gallons per flush, except that toilets and urinals with flush valves may be installed.
- (b) Shower heads shall contain flow controls which restrict flow to a maximum of approximately 3 gallons per minute.
- (c) Kitchen and lavatory faucets shall have flow controls which restrict flow to a maximum of approximately 2 gallons per minute.

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**Rule No. 15 – Main Extensions (continued)**

(N)

- (2) All new parks, median strips, landscaped public areas and landscaped areas surrounding condominiums, townhouses, apartments and industrial parks shall have a well-balanced automatic irrigation system designed by a landscape architect or other competent person, and shall be operated by electric time controller stations set for early morning irrigation.

**5. Estimates, Plans, and Specifications**

- a. Upon request by a potential applicant for a main extension of 100 feet or less, the utility shall prepare, without a charge, a preliminary sketch and rough estimates of the cost of installation to be advanced by said applicant.
- b. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, and cost estimates shall be required to deposit with the utility an amount equal to the estimated cost of preparation of such material. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, and cost estimates of the proposed main extension. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications, and cost estimates.
- c. In the event a main extension contract with the utility is executed within 180 days after the utility furnishes the detailed plans and specifications, the deposit shall become part of the advance, and shall be refunded in accordance with the terms of the main extension contract. If such contract is not so executed, the deposit to cover the cost of preparing plans, specifications, and cost estimates, shall be forfeited by the applicant for the main extension and the amount of the forfeited deposit shall be credited to the account or accounts to which the expense of preparing said material was charged.
- d. When detailed plans, specifications, and cost estimates are requested, the applicant for a main extension shall furnish a map to a suitable scale showing the street and lot layouts and, when requested by the utility, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the applicant, and these changes require additional expense in revising plans, specifications, and cost estimates, this additional expense shall be credited to the account or accounts to which the additional expense was charged.

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**Rule No. 15 – Main Extensions (continued)**

(N)

**6. Timing and Adjustment of Advances**

- a. Unless the applicant for the main extension elects to arrange for the installation of the extension himself, as permitted by Section C.1.c., the full amount of the required advance or an acceptable surety bond must be provided to the utility at the time of execution of the main extension agreement.
- b. If the applicant for a main extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten calendar days before construction is to commence; provided, however, that if special facilities are required primarily for the service requested, the applicant for the extension may be required to deposit sufficient cash to cover the cost of such special facilities before they are ordered by the utility.
- c. An applicant for a main extension who advances funds shall be provided with a statement of actual construction cost and adjusted construction cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs; or unit costs; or contract costs, whichever are appropriate.
- d. Said statement shall be submitted within sixty days after the actual construction costs of the installation have been ascertained by the utility. In the event that the actual construction costs for the entire installation shall not have been determined within 120 days after completion of construction work, a preliminary determination of actual and adjusted construction costs shall be submitted, based upon the base available information at that time.
- e. Any differences between the adjusted construction costs and the amount advanced shall be shown as a revision of the amount of advance and shall be payable within thirty days of date of submission of statement.

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**Rule No. 15 – Main Extensions (continued)**

(N)

**7. Assignment of Main Extension Contracts**

Any contract entered into under Sections B and C of this rule, or under similar provisions of former rules, may be assigned, after settlement of adjusted construction costs, after written notice to the utility by the holder of said contract as shown by the utility's records. Such assignment shall apply only to those refunds which become due more than thirty days after the date of receipt by the utility of the notice of assignment. The utility shall not be required to make any one refund payment under such contract to more than a single assignee.

**8. Interpretations and Deviations**

In case of disagreement of dispute regarding the application of any provision of this rule, or in circumstances where the application of this rule appears unreasonable to either party, the utility, applicant or applicants may refer the matter to the Commission for determination.

**B. Extensions to Serve Individuals**

**1. Payment**

Extensions of water mains to serve new individual customers shall be paid for and contributed to the utility by the individual customer requesting the main extension. Calculation of payment shall be on the basis of a main not in excess of 6" in diameter, except where a larger main is required by the special needs of the new customer. The utility shall be responsible for installing and paying for service pipes, meter boxes, and meters to serve the new individual customer; provided, however, a Class C or Class D utility, or a Class A or Class B utility district or subsidiary serving 2,000 or fewer connections, may accept from individual customers amounts in contribution as a connection fee calculated pursuant to the Commission's Connection Fee Data Form contained in the utility's tariffs.

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**Rule No. 15 – Main Extensions (continued)**

(N)

**2. Refunds**

If subsequent applicants for water service are connected directly to the main extension contributed by the original individual customer, such subsequent applicants shall pay to the utility an amount equal to the cost of 100 feet of the original extension. Such amounts shall be immediately refunded by the utility to the initial customer who originally paid for and contributed the main extension to the utility. Total payments to the initial customer by subsequent applicants for water service who are connected directly to the extension shall not exceed the original cost of the extension. No refunds shall be made after a period of ten years from completion of the main extension.

**C. Extensions to Serve Subdivisions, Tracts, Housing Projects, Industrial Developments, Commercial Buildings, or Shopping Centers.**

**1. Advances**

- a. Unless the procedure outlined in Section C.1.c., is followed, an applicant for a main extension to serve a new subdivision, tract, housing project, industrial development, commercial building, or shopping center shall be required to advance to the utility, before construction is commenced, the estimated reasonable cost of the extension to be actually installed, from the nearest utility facility at least equal in size or capacity to the main required to serve both the new customers and a reasonable estimate of the potential customers who might be served directly from the main extension. The costs of the extension shall include necessary service stubs or service pipes, fittings, gates and housing therefor, and meter boxes, but shall not include meters. To this shall be added the cost of fire hydrants when requested by the applicant for the main extension or required by public authority, whenever such hydrants are to become the property of the utility.
- b. If special facilities consisting of items not covered by Section C.1.a. are required for the service requested and, when such facilities to be installed will supply both the main extension and other parts of the utility's system, at least 50 percent of the design capacity (in gallons, gpm, or other appropriate units) is required to supply the main extension, the cost of such special facilities may be included in the advance, subject to refund, as hereinafter provided, along with refunds of the advance of the cost of the extension facilities described in Section C.1.a. above.

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**Rule No. 15 – Main Extensions (continued)**

(N)

- c. In lieu of providing the advances in accordance with Sections C.1.a. and C.1.b., the applicant for a main extension shall be permitted, if qualified in the judgment of the utility, to construct and install the facilities himself, or arrange for their installation pursuant to competitive bidding procedures initiated by him and limited to the qualified bidders. The cost, including the cost of inspection and supervision by the utility, shall be paid directly by applicant. The applicant shall provide the utility with a statement of actual construction cost in reasonable detail. The amount to be treated as an advance subject to refund shall be the lesser of (1) the actual cost, or (2) the price quoted in the utility's detailed cost estimate. The installation shall be in accordance with the plans and specifications submitted by the utility pursuant to Section A.5.b.
- d. If, in the opinion of the utility, it appears that a proposed main extension will not, within a reasonable period, develop sufficient revenue to make the extension self-supporting, or if for some other reason it appears to the utility that a main extension contract would place an excessive burden on customers, the utility may require nonrefundable contributions of plant facilities from developers in lieu of a main extension contract.

If an applicant for a main extension contract who is asked to contribute the facilities believes such request to be unreasonable, such applicant may refer the matter to the Commission for determination, as provided for in Section A.8. of this rule.

**2. Refunds**

- a. The amount advanced under Sections C.1.a., C.1.b., and C.1.c. shall be subject to refund by the utility, in cash, without interest, to the party or parties entitled thereto as set forth in the following two paragraphs. The total amount so refunded shall not exceed the total of the amount advanced and for a period not to exceed 40 years after the date of the contract.
- b. Payment of refunds shall be made not later than June 30 of each year, beginning the year following execution of contract, or not later than 6 months after the contract anniversary date if on an anniversary date basis.

(N)

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**Rule No. 15 – Main Extensions (continued)**

(N)

- c. Whenever costs of main extensions and/or special facilities have been advanced pursuant to Section C.1.a., C.1.b., or C.1.c., the utility shall annually refund to the contract holders an amount equal to 2-1/2 percent of the advances until the principal amounts of the contracts have been fully repaid.

Whenever costs of special facilities have been advanced pursuant to Sections C.1.b, or C.1.c., the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the special facilities are designed to serve, to obtain an average advance per lot (or living unit) for special facilities. When another builder applies for a main extension to serve any lots for which the special facilities are to be used, the new applicant shall, in addition to the costs of his proposed main extension, also advance an amount for special facilities. This amount shall be the average advance per lot for special facilities for each lot to be used less 2-1/2 percent of the average advance for each year in which refunds have been due and payable on the original contract, prorated to June 30, or the contract anniversary date on a monthly basis.

The amount advanced to the utility by the new applicant shall be immediately refunded to the holder of the original contract, which included the cost of the special facilities, and the original contract advance will be reduced accordingly. The utility will thenceforth refund 2-1/2 percent annually on each of the contract amounts, as determined above, to the holders of the contracts.

Advances and refunds based on additional builder participation will be determined in a similar manner.

In no case shall the refund on any contract exceed the amount advanced.

(N)

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**Rule No. 15 – Main Extensions (continued)**

(N)

**3. Termination Factors**

- a. Any contract whose refunds are based on a percentage of the amount advanced may be purchased by the utility and terminated provided that the terms are mutually agreed to by the parties or their assignees and Section C.3.c. and Section C.3.d are complied with. The maximum price that may be paid by the utility to terminate a contract shall be calculated by multiplying the remaining unrefunded contract balance times the appropriate termination factor set out below. No contract that has been in effect for less than 10 years shall be terminated without prior Commission approval.

Years Remaining (1-10)	Factor
1	0.8929
2	0.8450
3	0.8006
4	0.7593
5	0.7210
6	0.6852
7	0.6520
8	0.6210
9	0.5920
10	0.5650

Years Remaining (11-20)	Factor
11	0.5398
12	0.5162
13	0.4941
14	0.4734
15	0.4541
16	0.4359
17	0.4188
18	0.4028
19	0.3877
20	0.3729

Years Remaining (21-30)	Factor
21	0.3601
22	0.3475
23	0.3356
24	0.3243
25	0.3137
26	0.3037
27	0.2942
28	0.2851
29	0.2766
30	0.2685

Years Remaining (31-40)	Factor
31	0.2608
32	0.2535
33	0.2465
34	0.2399
35	0.2336
36	0.2276
37	0.2218
38	0.2136
39	0.2111
40	0.2061

(N)

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**Rule No. 15 – Main Extensions (continued)**

(N)

- b. Any contract with refunds based upon percentage of revenues and entered into under Section C. of the former rule, may be purchased by the utility and terminated, provided the payment is not in excess of the estimated revenue refund multiplied by the termination factor in the following table, the terms are otherwise mutually agreed to by the parties or their assignees and Section C.3.c. and Section C.3.d. herein are complied with. The estimated revenue refund is the amount that would otherwise be refunded, at the current level or refunds, over the remainder of the twenty-year contract period, or shorter period that would be required to extinguish the total refund obligation. It shall be determined by multiplying 22 percent of the average annual revenue per service for the immediately preceding calendar year by the number of customers at the proposed termination date, times the number of years or fractions thereof to the end of the twenty-year contract period or shorter period that would be required to refund the remaining contract balance.

Years Remaining (1-10)	Factor	Years Remaining (11-20)	Factor
1	0.8929	11	0.5398
2	0.8450	12	0.5162
3	0.8006	13	0.4941
4	0.7593	14	0.4734
5	0.7210	15	0.4541
6	0.6852	16	0.4359
7	0.6520	17	0.4188
8	0.6210	18	0.4028
9	0.5920	19	0.3877
10	0.5650	20	

(N)

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**Rule No. 15 – Main Extensions (continued)**

(N)

- c. The utility shall furnish promptly to the Commission the following information in writing and shall obtain prior authorization by a formal application under Sections 816-830 of the Public Utilities Code if payment is to be made other than in case:
- (1) A copy of the main extension contract, together with data adequately describing the development for which the advance as made and the total adjusted construction cost of the extension.
  - (2) The balance unpaid on the contract and the calculation of the maximum termination price, as above defined, as of the date of termination and the terms under which the obligation was terminated.
  - (3) The name of the holder of the contract when terminated.
- d. Discounts obtained by the utility from contracts terminated under the provisions of this section shall be accounted for by credits to Ac. 265, Contributions in Aid of Construction.

**D. Extension Designed to Include Fire Protection**

1. The cost of distribution mains designed to meet the fire flow requirements set forth in Section VIII.1(a) of General Order No. 103 is to be advanced by the applicant. The utility shall refund this advance as provided in Sections B.2. and C.2. of this rule.
2. Should distribution mains be designed to meet fire flow requirements in excess of those set forth in Section VIII.1(a) of General Order No. 103, the increase in cost of the distribution mains necessary to meet such higher fire flow requirements shall be paid to the utility as a contribution in aid of construction.
3. The cost of facilities other than hydrants and distribution mains required to provide supply, pressure, or storage primarily for fire protection purposes, or portions of such facilities allocated in proportion to the capacity designed for fire protection purposes, shall be paid to the utility as a contribution in aid of construction.

(N)

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**Rule No. 15 – Main Extensions (continued)**

(N)

**E. Income Tax Component of Contributions and Advances Provision**

1. Contributions in Aid of Construction and Advances for Construction shall include, but are not limited to, cash, services, facilities, labor, property, and income taxes thereon provided by a person or agency to the utility. The value of the non-cash contributions and advances shall be based on the utility’s estimates. Contributions and advances shall consist of two components for the purpose of recording transactions as follows:
  - a. Income Tax Component (ITC)
  - b. The balance of the contribution or advance
2. The ITC shall be calculated by multiplying the balance of the contribution or advance by the tax factor of 9.7% for 1997 and thereafter.
3. The tax factor is established by using Method 2 as set forth in D.87-09-026 in I.86-11-019.
4. The formula to compute Method 2 includes the following factor:
  - a. Corporate tax rate of 8.84% for 1997 and thereafter
5. This tariff is effective as of January 1, 1997.

**Special Conditions**

1. The ITC tax factor of 9.7% has been derived from corporate tax rate of 8.84% and it will be in effect until the utility’s net taxable income changes drastically. When and if that occurs, the Utility will file an advice letter showing the new rates and cancel out this sheet. Federal tax gross-ups are not required for contributions and advances used for facilities and received after June 12, 1996.
2. In the event that the Utility collects a gross-up using an incremental tax rate that is more than its incremental tax rate as determined on a taxable year basis, without consideration of a tax credit or tax loss carry forward, the difference between what was and what should have been collected will refunded to the Applicant.

F. The following paragraph will be added under “**Refunds**” to each of the Utility’s Main Extension Contract Forms signed after October 9, 1996 in the forms section of the Utility’s tariff book.

“In the event that the Utility collects a gross-up using an incremental tax rate that is more than its incremental tax rate as determined on a taxable year basis, without consideration of a tax credit or tax loss carry forward, the difference between what was and what should have been collected will be refunded to the Applicant.”

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities**

(N)

**A. General**

**1. Utility’s Responsibility**

- a. In urban areas with dedicated front streets, rear service roads, or public utility easements the utility will furnish and install the service pipe, curb stop, meter, and meter box at its own expense for the purpose of connecting its distribution system to the customer’s piping, except for temporary services and as otherwise provided in Rule 15, Main Extensions. The service connection, curb stop, meter, and meter box will be installed at a convenient place between the property line and the curb, or inside the customer’s property line where necessary.

In areas which do not have dedicated front streets, rear service roads, or public utility easements, the utility will furnish and install the service pipe, curb stop, meter, and meter box as above provided but at a convenient point on or near the customer’s property except for service beyond the service area.

- b. The service connection will determine the point of delivery of water service to the customer.

**2. Customer’s Responsibility**

**a. Condition Precedent to Receiving Service**

The customer as a condition precedent to receiving service shall:

- (1) Furnish and lay the necessary piping to make the connection from the service connection to the place of consumption and shall keep such piping in good repair in accordance with such reasonable requirements of the utility as may be incorporated in its rules herein.
- (2) Provide a main valve on the piping between the service connection and the point of customer use.
- (3) Where service is rendered at or near the service area boundary for use beyond the service area, install, operate, and maintain the facilities necessary to provide service.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

- b. The customer’s piping shall extend to that point on the curb line or property line of easiest access to the utility from its existing distribution system or requiring the least extension of the existing distribution main. The utility shall be consulted before installation thereof and its approval of location secured.

**3. Ownership and Absence of Rental Obligation Where Facilities Are on Premises of Customer.**

- a. The service pipe, curb stop, meter, and meter box furnished by or on behalf of the utility at its own expense and located wholly or partially upon a customer’s premises are the property of the utility.
- b. No rent or other charge will be paid by the utility where the utility-owned service facilities are located on a customer’s premises.

**4. Access to Premises of Customer**

- a. The utility shall at all reasonable hours have access to meters, service connections, and other property owned by it which may be located on customer’s premises for purposes of installation, maintenance, operation, or removal of the property at the time service is to be terminated. The customer’s system should be open for inspection at all reasonable times to authorized representatives of the utility.
- b. Any inspection work or recommendations made by the utility or its agents in connection with plumbing or appliances or any use of water on the customer’s premises, either as a result of a complaint or otherwise, will be made without charge.

**5. Responsibility for Loss or Damage**

- a. The utility will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or of a customer’s authorized representatives in installing, maintaining, operating, or using any or all appliances, facilities, or equipment for which service is supplied.
- b. The customer will be held responsible for damage to utility’s meters and other property resulting from the use or operation of appliances and facilities on customer’s premises, including, but not limited to damage caused by steam, hot water, or chemicals.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

**B. Services**

**1. Charge for Service Connections**

Except as provided in subparagraphs a., b., or c. below, the utility shall make no charge to a customer for making a service connection except in case of connections for private fire protection service, connections for temporary service, changes made at the request, and for the convenience of the customer, where additional connections are requested because of divisions of land ownership when the land before division was receiving service, and as otherwise provided in the utility’s main extension rules.

**a. Individual Customer Connection Fee**

A Class C or Class D utility, or a Class A or Class B utility district or subsidiary serving 2,000 or fewer connections, may accept from individual customers amounts in contribution as a connection fee calculated pursuant to the Commission’s Connection Fee Data Form contained in the utility’s tariffs.

**b.** In lieu of paying the connection fee, an applicant for a service connection may retain a licensed contractor, qualified in the judgment of the utility, to install the service connection. Cost to the utility of inspection and supervision of the installation, including gross-up for tax required by a contribution, shall be paid by the applicant. The applicant shall provide the utility with a statement of actual construction cost in reasonable detail. The amount shall be treated as contribution by the utility. The installation shall be in accordance with plans and specifications of the utility.

**c. Individual Customer Facilities Fee**

A Class C or Class D utility, or a Class A or Class B utility district or subsidiary serving 2,000 or fewer connections, may accept from individual customers amounts in contribution as a facilities fee calculated pursuant to tariff approved by the Commission.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

**2. Size of Service Pipe**

- a. The minimum size of service pipe installed by the utility will not be less than ¾-inch nominal size.
- b. The utility may require the customer to provide such data as may be necessary for the utility to properly size a service larger than ¾-inch nominal size consistent with pressure requirements.

**3. Installation**

Only duly authorized employees or agents of the utility (or contractors, upon approval of the utility) will be permitted to install a service pipe from the utility’s main to the location of the service connection. The connection from the meter to the customer’s piping will be made by the utility; provided, however, that if the customer’s piping requires repair or replacement, the connection may, at the option of the utility, be made by the customer or his agent.

**C. Cross Connections**

**1. Protective Regulation**

No physical connection between the potable water supply system of the public utility and that of any other water supply or source of actual or potential contamination will be permitted except in compliance with the regulations of the State Department of Public Health contained in Title 17, Sections 7583-7605 of the California Code of Regulations under “Regulations Relating to Cross-Connections.”

**2. Backflow Preventers Required**

The utility will evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user’s premises. As a minimum, the evaluation will consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity, and the potential for piping system modification.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

The utility will require the installation of approved backflow preventers of required type under any of the following conditions:

- a. Where a fresh water supply which has not been approved by the State Department of Health Services already available from a well, spring, reservoir or other source. If the customer agrees to abandon this other supply and agrees to remove all pumps and piping necessary for the utilization of this supply, the installation of backflow preventers will not be required.
- b. Where salt water, or water otherwise contaminated, is available for industrial or fire protection purposes at the same premises.
- c. Where the premises are or may be engaged in industrial processes using or producing process waters or liquid industrial wastes, or where the premises are or may be engaged in handling sewage or any other dangerous substances.
- d. Where fresh water hydrants or other outlets are or may be installed on piers or docks.
- e. Where the circumstances are such that there is special danger of backflow of sewage or other contaminated liquids through plumbing fixtures or water-using or treating equipment, or storage tanks and reservoirs.
- f. Premises that have internal cross-connections that are not abated to the satisfaction of the utility or health agency.
- g. Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- h. Premises having a repeated history of cross-connections being established or re-established.

**3. Type and Expense of Backflow Preventers**

Any backflow preventer utilized shall be of the type and design specified and approved for the circumstances in Section 7604, Title 17 of the California Code of Regulations, except that a customer may utilize an approval backflow preventer providing greater protection than required by Section 7604. Such backflow preventers shall be installed by and at the expense of the customer, in a manner approved by the utility and the public health agency having jurisdiction. Backflow preventers shall be installed as close as practical to the customer’s connection to the utility and in a location which is readily available for periodic inspection.

Backflow preventers shall be tested, repaired, or replaced at the expense of the customer.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

**4. Periodic Testing of Backflow Preventers**

Whenever a backflow preventer is installed, relocated, or repaired, the customer shall have it tested by persons who have demonstrated their competency in testing of these preventers to the utility or health agency. Backflow preventers shall be tested at least annually or more frequently if determined to be necessary by the health agency or utility. The utility shall notify the customer when testing of backflow preventers is needed. The notice shall give the date when the test must be completed. Reports of testing and maintenance shall be maintained by the utility for a minimum of three years.

**5. Refusal to Serve or Discontinuance of Service**

The utility may refuse or discontinue service:

- a. Until there has been installed on the customer’s piping an approved backflow preventer of the required type, if one is required.
- b. Where the utility has been denied access to the customer’s premises to make an evaluation.
- c. Where the customer refuses to test a backflow preventer, or to repair or replace a faulty backflow preventer.
- d. Where there is a direct or indirect connection between the public water system and a sewer line.
- e. Where there is an unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants.
- f. Where there is an unprotected direct or indirect connection between the public water system and auxiliary water system.
- g. Where there is a situation which presents an immediate health hazard to the public water system.

(N)

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**Rule No. 16 – Service Connections, Meters, and Customer’s Facilities (continued)**

(N)

**6. Pumps and Boosters**

When a customer receiving service at the utility’s main or service connection must, by means of a pump of any kind, increase the pressure of the water received, the pump shall not be attached to any pipe directly connected to the utility’s main or service pipe. Such pumping or boosting of pressure shall be done, at the option of the utility, either:

- a. From a sump, cistern, or storage tank which must be served through an air gap connection, or
- b. From a combination of an approved backflow preventer plus a device approved by the water utility to prevent the booster pump from drawing the utility’s system pressure below 20 p.s.i.g.

This requirement shall not apply to American Water Works Association (AWWA) Class 2 Fire Protection Systems, except as provided for in the Information Bulletin issued by the Office of State Fire Marshal on December 10, 1984.

AWWA Class 2 Fire Protection Systems have direct connections from public water mains only; no pumps, tanks, or reservoirs, except that booster pumps may be installed in the connections from the street mains to the fire protection systems; no physical connection from other water supplies; no antifreeze or other additives of any kind; all sprinkler drains discharging to atmosphere, dry wells, or other safe outlets.

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**Rule No. 17 – Standards for Measurement of Service**

(N)

The Standards for Measurement of Service are contained in General Order No. 103 and therefore are not covered under this rule.

(N)

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**Rule No. 18 – Meter Tests and Adjustment of Bills for Meter Error**

(N)

**A. Tests on Customer Request**

**1. Compliance by Utility**

The utility will within one week after request by a customer, proceed to test the meter serving the customers' premises, except where service is rendered from open conduits such test may be deferred for a reasonable length of time when it would necessitate the interruption of service to any other customer. Such test of meters, other than displacement meters for which standards of accuracy are established in General Order No. 103, Measurement of Service, will consist of an acceptable method of verifying the accuracy of the meter.

**2. Charge for Test**

Charge will be made for the test of a meter made at the request of a customer, except where a customer requests a test within six months after installation of the meter or more often than once a year, in which cases the customer shall be required to deposit with the utility the following amount to cover the cost of each such test:

<u>Size of Meter</u>	<u>Amount of Deposit</u>
One inch or smaller	\$20
Larger than one inch	\$40

**3. Test Procedure**

Every meter tested at the request of a customer will be tested in the condition as found in the customer's service prior to any alteration or adjustment in order to determine the average meter error. This test will consist of testing at the three rates of flow as determined in General Order No. 103 under "Accuracy Requirements of Water Meters", and in addition, at twice the minimum test flow. The average meter error will be considered to be the algebraic average of the errors of the three highest test flows.

**4. Return of Deposit**

Any deposit made under paragraph 2, above, will be returned to the customer if the average meter error is found to be more than 2% fast. The customer will be notified not less than five days in advance of the time and place of the test.

(N)

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**Rule No. 18 – Meter Tests and Adjustment of Bills for Meter Error (continued)**

(N)

**5. Location of Test**

A customer will have the right to require the utility to conduct the test in such customer's presence or in the presence of a representative of such customer. Where the utility has no proper meter testing facilities available locally, the meter may be tested by a meter manufacturer or its agency, or by any other reliable organization equipped for water meter testing or by the utility's meter testing plant where located in some other community, in which latter case the utility upon demand of the customer will furnish the customer with a notarized statement certifying as to the method used in making the test and as to the accuracy of the meter.

**6. Report of Test to Customer**

A report showing the results of the test will be furnished to the customer within 15 days after the completion of the test.

**B. Adjustment of Bills for Meter Error**

**1. Fast Meters**

When, upon test, a meter is found to be registering more than 2% fast, the utility will refund to the customer the amount of the overcharge based on corrected meter readings for the period the meter was in use, but not to exceed a period of six months.

**2. Slow Meters**

**a. Commercial Service**

When, upon test, a meter used for commercial (residential and business) service is found to be registering more than 25% show, the utility may bill the customer for the amount of the undercharge based upon corrected meter readings for the period the meter was in service, but not to exceed a period of three months.

(N)

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**Rule No. 18 – Meter Tests and Adjustment of Bills for Meter Error (continued)**

(N)

**b. Other than Commercial Service**

When, upon test, a meter used for other than commercial service is found to be registering more than 5% slow, the utility may bill the customer for the amount of the undercharge based upon corrected meter readings for the period the meter was in service, but not to exceed a period of three months.

**3. Non-registering Meters**

The utility may bill the customer for water consumed while the meter was non-registering, but not to exceed a period of three months, at the minimum monthly meter rate, or upon an estimate of the consumption based upon the customer's prior use during the same season of the year if conditions were unchanged, or upon an estimate based upon a reasonable comparison with the use of other customers during the same period receiving the same class of service under similar circumstances and conditions.

**4. General**

When it found that the error in a meter is due to some cause, the day of which can be fixed, the overcharge or the undercharge will be computed back to but not beyond such date.

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**Rule No. 19 – Service to Separate Premises and Multiple Units and Resale of Water**

(N)

**A. Number of Services to Separate Premises**

Separate premises under single control or management will be supplied through separate individual service pipes unless the utility elects otherwise.

**B. Service to Multiple Units on Same Premises**

Separate houses, buildings, living, or business quarters on the same premises or on adjoining premises, under a single control or management, may be served by either of the following methods:

**1. Separate Service Pipe**

Serve through separate pipes to each or any unit provided that the piping system from each service is independent of the others, and is not interconnected.

**2. Single Service Pipe**

- a. Serve through a single service pipe to supply the entire premises, in which case only one minimum or readiness-to-serve charge will be applied.
- b. Owners or operators of a mobile home park or a multiple unit residential complex who receive water service pursuant to B.2.a. above may submeter each individual residential unit in the park or complex. Such owners or operators are exempted from the Commission's jurisdiction, control, and regulation provided that each submetered user is charged at the rate which would be applicable if the user were receiving the water directly from the service public utility water company.
- c. Upon written request by such owner or operator, the utility will provide on a continuing basis, copies of the current rates applicable. The utility shall have no responsibility for monitoring or enforcing the provisions of B.2.b.

The responsibility for payment of charges for all service furnished to combined units through a single service pipe in accordance with these rules, must be assumed by the applicant.

(N)

(continued)

**Rule No. 19 – Service to Separate Premises and Multiple Units and Resale of Water**  
**(continued)**

(N)

**C. Resale of Water**

Except by special agreement with the utility, or except as provided in B.2.b. above, customer shall resell any of the water received from the utility, nor shall such water be delivered to premises other than those specified in such customer's application for service.

(N)

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**Rule No. 20 – Water Conservation**

(N)

**A. Purpose**

The purpose of this rule is to ensure that water resources available to the utility are put to a reasonable beneficial use and that the benefits of the utility’s water supply and service extend to the largest number of persons.

**B. Waste of Water Discouraged**

Refer to Rule 11 B (3c)

**C. Use of Water Saving Devices and Practices**

Each customer of the utility is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers. Each customer is further urged to adopt such other water usage and reuse practices and procedures as are feasible and reasonable.

**D. Water Saving Kits**

The utility will make available, without initial cost to the customer, for use in each residence receiving water service from the utility, a water-saving kit containing the following:

1. A device or devices for reducing toilet flush water requirements;
2. A device or devices for reducing shower flow rates;
3. A dye tablet or tablets for determining if a toilet tank leaks;
4. Other devices from time-to-time approved by the utility;
5. Installation and other instructions and information pertinent to conservation of water.

(N)

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**Rule No. 21 – Fire Protection**

(N)

**A. Furnished Under Filed Rate Schedules**

Fire protection service will be furnished by the utility only at the rates and under the conditions set forth in an appropriate rate schedule for the service filed as a part of these tariff schedules, except as service may be supplemented or amplified by more detailed contractual arrangements after authorization therefor has first been obtained from the Public Utilities Commission.

**B. Other Specific Considerations**

Specifications, location, installation, and the responsibility for the maintenance of fire hydrants, public and private fire protection facilities, connecting mains, and their ownership may be subject to negotiation between the utility and the applicant. Fire hydrants and public and private fire protection facilities will be installed to the requirements of the utility and when owned by the utility will be subject to such conditions as the Public Utilities Commission may determine based upon the compensation received for service.

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