

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 2, 2016

To whom it may concern:

Please be advised that the Water Division (WD) is approving the Stage 3 activation of Mandatory Water Conservation and Rationing via approval of Advice Letter (AL) 101-W filed by Southern California Edison (SCE) on behalf of its Catalina Island Service Area.

On August 4, 2016, SCE filed AL 101-W requesting authorization to activate Stage 3 Mandatory Water Conservation and Rationing (Stage 3) of its Schedule 14.1, Staged Mandatory Conservation and Rationing (Schedule 14.1). The Stage 3 AL proposed increased mandatory reductions of 40 to 50 percent (of pre-rationing baselines) particularized to water system and customer supply area; greater-than-50 percent (of pre-rationing baselines) mandatory reductions for high-use customers (by setting ceilings); no additional increased mandatory reductions for certain customers that already have very low water allotments (by setting floors); and further flexibility to increase or reduce the rationing levels, limits and parameters based on the supply, demand and conditions of each water system and customer supply area and factors unique to and within each customer class and customer usage behavior.

The WD is approving AL 101-W as California has suffered through a severe multi-year drought that has threatened the water supplies of many communities and residents and severe drought conditions persist in many areas of the state especially on Catalina Island. These ongoing drought conditions require us to move further along emergency drought measures to use water more wisely and increase water use efficiency. Water use for outdoor irrigation should be heavily restricted as well as described in Governor Brown's drought-related Executive Orders, several State Water Resources Control Board drought-related regulations, and Commission drought-related resolutions.

If you have any questions regarding the above, please contact Terence Shia at (415) 703-2213 or [ts2@cpuc.ca.gov](mailto:ts2@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce DeBerry".

Bruce DeBerry, Program Manager  
Water Division  
505 Van Ness Avenue  
San Francisco, CA. 94102

CC: Terence Shia, Water Division

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August 4, 2016

**ADVICE 101-W  
(U 338-W)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
DIVISION OF WATER AND AUDITS

**SUBJECT:** Activation of Mandatory Water Conservation and Rationing,  
Stage 3, on Santa Catalina Island

Southern California Edison Company (SCE) respectfully requests authorization to activate Stage 3 Mandatory Water Conservation and Rationing (Stage 3) of its Schedule 14.1, *Staged Mandatory Water Conservation and Rationing* (Schedule 14.1) on Santa Catalina Island (Catalina or Island) through this advice letter (AL) filing. In consideration of the severe ongoing and projected drought, unique isolated water systems and levels of the drinking water supplies on Catalina, and consistent with Resolution W-5103,<sup>1</sup> SCE requests to activate Stage 3 based on the parameters, limits and percentages as described in the sections below.

**PURPOSE**

This AL notifies the California Public Utilities Commission (CPUC or Commission) and the Director of the Commission's Division of Water and Audits (DWA) of SCE's intent, pursuant to SCE's Schedule 14.1 and Resolution W-5103, to implement Stage 3 with increased mandatory reductions of 40 to 50 percent (of pre-rationing baselines) as applied to water system and customer supply area; greater-than-50 percent (of pre-rationing baselines) mandatory reductions, by setting limits, for high-use customers; no additional increased mandatory reductions for certain customers that already have very low water allotments; and further flexibility to increase or reduce the rationing levels, limits and parameters as requested herein based on the supply, demand and conditions of each water system and customer supply area and factors unique to and within each customer class and customer usage behavior.

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<sup>1</sup> As corrected by Resolution W-5105.

## **BACKGROUND**

### **Emergency Drought Declaration:**

On January 17, 2014, following the driest year experienced by the State of California (State) in over 100 years, Governor Brown proclaimed a drought-related State of Emergency (Emergency Drought Declaration), directed State officials to assist farmers and communities that are economically impacted by dry conditions, and sought to ensure that the State could respond if Californians face drinking water shortages. In addition, the Emergency Drought Declaration gave State water officials more flexibility to manage water supplies throughout California under drought conditions. Accordingly, DWA sought review and update of Standard Practice U-40-W and the Commission subsequently issued Resolution W-4976, which directed water utilities to either establish tariffs or update existing tariffs consistent with the revised Standard Practice U-40-W, also known as "The Drought Procedures for Water Conservation, Rationing and Service Connection Moratoria." The Commission also directed water utilities to comply with future directives under the Emergency Drought Declaration for either additional voluntary conservation measures or requirements for mandatory rationing.

### **Executive Orders and Emergency Regulations:**

On April 25, 2014, Governor Brown issued an executive order to strengthen the State's ability to manage water and habitat effectively in drought conditions, and called on all Californians to redouble their efforts to conserve water. This executive order recognized the need for additional expedited actions to reduce the harmful impacts from the drought. In this regard, Governor Brown ordered California residents to refrain from wasting water and directed the State Water Resources Control Board (SWRCB) to adopt emergency regulations as it deemed necessary, pursuant to Water Code Section 1058.5, to implement called-for reductions in outdoor irrigation and wasteful water practices.

On July 15, 2014, the SWRCB, in response to the April 25, 2014 executive order, adopted an emergency regulation for statewide water conservation (Emergency Regulation). The Emergency Regulation, effective July 28, 2014 through April 25, 2015, adopted amendments to the California Code of Regulations by adding Sections 863, 864, and 865 to Title 23, Article 12.5 that included prohibited activities intended to promote water conservation, potential fines arising from violations of the prohibited water uses, and other requirements. Accordingly, on August 14, 2014, the CPUC issued Resolution W-5000 ordering water utilities under its jurisdiction to comply with the SWRCB's Emergency Regulation.

On December 22, 2014, in light of the continued lack of rain, Governor Brown issued an executive order that extended the California Environmental Quality Act suspension through May 31, 2016 for Water Code section 13247 and certain activities identified in the January 2014 Emergency Drought Declaration and the April 2014 executive order.

On March 17, 2015, the SWRCB amended and readopted the Emergency Regulation in light of the severe, ongoing and historic drought in California. The amended Emergency Regulation, effective March 27, 2015 through December 23, 2015, continued the prohibitions on potable water use adopted by the SWRCB in July 2014 and added new prohibitions. The CPUC subsequently issued Resolution W-5034, paralleling the amended Emergency Regulation, for the investor-owned water utilities under Commission jurisdiction. In Resolution W-5034, the CPUC ordered all CPUC-regulated water utilities to comply with and notify their customers of the Emergency Regulation.

On April 1, 2015, Governor Brown issued a new executive order that directed the SWRCB (and the CPUC) to impose restrictions on urban water suppliers to achieve a statewide 25 percent reduction in potable urban water usage through February 2016, amongst 30 additional directives intended to save water, increase enforcement to prevent wasteful water use, streamline the State's drought response and invest in new technologies that would make California more drought resilient.

On May 5, 2015, the SWRCB in response to Governor Brown's April 2015 executive order, adopted a new emergency regulation (Updated Emergency Regulation) that readopted and amended Sections 863, 864 and 865 of Title 23, Article 12.5 and adopted a new Section, 866, in Title 23. The Updated Emergency Regulation, effective May 18, 2015 through February 13, 2016, intended to safeguard urban water supplies in the event of continued drought, minimize the potential for waste and unreasonable use of water, and achieve the 25 percent statewide potable water usage reduction ordered by Governor Brown in his April 2015 executive order. The CPUC subsequently issued Resolution W-5041, setting forth the Commission's regulatory framework consistent with the April 2015 executive order and the Updated Emergency Regulation. In Resolution W-5041, the Commission ordered water utilities under its jurisdiction to comply with the Updated Emergency Regulation amongst other requirements consistent with the April 2015 executive order.

On November 13, 2015, Governor Brown issued another executive order calling for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist through January 2016. This executive order also directed the SWRCB to consider modifying the restrictions to incorporate insights gained from the existing restrictions. On February 2, 2016, the SWRCB revised and extended the Updated Emergency Regulation to address specific provisions of the November 2015 executive order. The revisions established adjustments to reduce the conservation standards of certain urban water suppliers in consideration of the differences in climate affecting different parts of the state, growth experienced by urban areas, and significant investments that have been made by some suppliers towards creating new, local, drought-resilient sources of potable water supply.

On May 9, 2016, Governor Brown issued his latest drought-related executive order calling for a further extension of the emergency water conservation regulations through the end of January 2017 in recognition of differing water supply conditions across the

state. On May 18, 2016 the SWRCB adopted additional revisions to the Updated Emergency Regulation, extending portions of the February 2016 emergency regulation revisions, establishing a process for developing locally-appropriate water conservation standards in recognition of differing water supply conditions across the state, and other requirements.

Accordingly, the Commission issued Resolution W-5103, ordering utilities under its jurisdiction to comply the latest Updated Emergency Regulation. The Commission further ordered all water utilities under its jurisdiction to take bold actions including, for example, restrictions on water use for the top residential, commercial and industrial water users, especially those with excessive water use, and setting limits on total water use.

**SCE's Fresh Water Rationing Plan:**

SCE's Santa Catalina Island Fresh Water Rationing Plan was established in 1977 by Resolution W-2122 and Advice 16-W, and was later modified by Decision (D.)90-05-033 and Advice 43-W. Advice 74-W, approved on March 2, 2010, further updated SCE's Santa Catalina Island Fresh Water Rationing Plan to substantially conform it to the then-current Standard Practice U-40-W. Specifically, Advice 74-W updated Rule 14.1 and Rule 20, Water Conservation. It also established Schedule 14.1. Advice 92-W and 92-W-A, approved on August 11, 2014, further updated SCE's Rule and Schedule 14.1 tariffs to conform to the now-current Standard Practice U-40-W. Advice 98-W, approved on November 22, 2015, further refined SCE's Rule and Schedule 14.1 by adding four additional mandatory conservation measures and changes that allow SCE flexibility in determining and implementing rationing levels.

On June 1, 2013, the CPUC approved SCE's request to activate Stage 1 pursuant to SCE's Schedule 14.1 because the Middle Ranch Reservoir (MRR) water level had dropped below 600 acre-feet of capacity. Under Stage 1, Catalina water customers have been restricted in certain ways from using potable water to wash cars, boats, hard surfaces, irrigate landscaping, use for construction purposes, operate commercial car washes without recycling capabilities, fill or refill pools, spas and fountains and serving water by any restaurant except upon the request of a patron.

On August 11, 2014, the CPUC approved SCE's request to activate Stage 2 pursuant to SCE's Schedule 14.1 because the MRR water level had dropped below 300 acre-feet of capacity. Under Stage 2, customers have been further prohibited from watering landscaping to only two specific days per week during specified time periods and have been mandated to reduce their water usage by 25 percent (i.e., a reduction in water usage to 75 percent of customers' water usage amounts prior to the implementation of Stage 1). This Stage of mandatory conservation and rationing is still in effect.

On November 2015, the CPUC approved SCE's request to delay activation of Stage 3 even though the MRR water level was forecast to drop below 200 acre-feet, the Stage 3 trigger, by December 2015. At the time, SCE anticipated it could meet customer water

demand through the end of 2015 and up to the 2016 peak summer demand season with existing and planned new resources.

**Results of Mandatory Conservation and Rationing Requirements:**

Since Stage 2 has been in effect and through June 2016, water use on the Island has been reduced by approximately 40 percent compared to the same periods during the pre-Stage 1 baseline period.<sup>2</sup> Even though customers are currently only required to reduce water use by 25 percent, SCE customers have reduced overall water usage by a much greater amount despite an approximate 25 percent *increase* in visitor counts/tourism over this same period. SCE has also put in place numerous teams to manage the water conservation and rationing efforts. SCE's teams regularly interact with customers and City of Avalon (City) staff and officials regarding water use requirements, variance requests, conservation devices and inspections, water resource plans, and other drought-related efforts. The combination of the customers' and SCE's efforts have proven to be successful in reducing water use.

**Status of Water Resources and Projected Conditions:**

Southern California continues to face exceptional drought conditions and Catalina is in the midst of one of its worst droughts in recorded history. With limited rain fall this past season, Catalina has now had five consecutive years of below-average rainfall<sup>3</sup> and its drinking water resources have been depleted to near all-time low levels. As of July 28, 2016, the MRR water level was at 153 acre-feet, or approximately 13.4 percent of its storage capacity.<sup>4</sup> The MRR's lowest documented water level was 150 acre-feet, which occurred on July 29, 1977.<sup>5</sup> Furthermore, experts with the National Oceanic and Atmospheric Administration (NOAA) are currently projecting a 55 to 60 percent probability that La Niña conditions will occur this fall and winter. The current outlook favors a weak event and although the amount of rain during a La Niña is not always tied to its strength, historically even wet La Niñas, while providing much of Northern California with significant rainfall, have provided Catalina with less than average rain fall.<sup>6</sup>

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<sup>2</sup> The pre-Stage 1 baseline period is from June 2012 through May 2013.

<sup>3</sup> Average recorded rain fall on Catalina since the 2009-10 rain season has been approximately 12-13 inches.

<sup>4</sup> The storage capacity of the MRR is approximately 1,143 acre-feet.

<sup>5</sup> The 1975-77 drought was also the last and only time Catalina entered into Stage 3 and it is likely that the MRR water level (later in 1977 than the last recorded measurement) dropped to around 120 acre-feet prior to the significant 1977-78 rain season (that had over 30 inches of rainfall), because SCE did not have any water desalination resources at that time and system-wide demand that year was approximately 215 acre-feet, which is near the 2015 system-wide demand.

<sup>6</sup> Since 1950, 24 El Niños have occurred with 17 of these becoming La Niñas. Of the 17 La Niñas, three produced greater-than-average rainfall, and two of these were memorable flood years in the State that occurred in December 1955 and December 1964. Catalina, however, only received approximately 11.6 and 10.6 inches of rain, respectively, during these two events, amounts which are below Catalina's historical average.

SCE's water system is made up of four non-integrated systems with additional customer areas within these systems that are served by different resources. The largest system is referred to as the Middle Ranch / Avalon system and is primarily served by the Middle Ranch groundwater wells and ocean-water desalination plants. This system serves the Avalon community, Middle Ranch, Hamilton Cove and a few other customers that collectively make up approximately 80 percent of the Island's water demand. This includes the Toyon system, which is normally served by the Toyon well, but can also receive water from the Middle Ranch system. However, SCE's desalination plants can only serve customers in the Avalon community whereas all remaining customers connected to this system are served exclusively by the Middle Ranch wells.<sup>7</sup> SCE's new (second) desalination plant was placed into service in April 2016, has sent approximately eight million gallons of fresh drinking water into the Avalon community distribution system since its commercial operation date and was recently permitted by the Division of Drinking Water to operate in brine-mode. With the new plant operating in brine mode, the two desalination plants together are capable of producing up to approximately 325,000 gallons of drinking water per day. This new resource is a significant benefit to the Avalon community and when operating in brine mode should be able to meet the average demand in the Avalon community the majority of the time. However, because there have been and will continue to be certain peak water demand days that exceed the capability of the desalination plants, and the fact that the desalination plants have to be taken offline from time to time for planned and unplanned maintenance, there are and will be times that Avalon community consumers will need to be served by the Middle Ranch wells.

SCE's next-largest interconnected system is referred to as the West End / Two Harbors system and is served entirely by groundwater wells, including the Cottonwood, Sweetwater and new Howlands Landing wells. Historically, the old Howlands Landing well primarily served the furthest western customers connected to this system and the Cottonwood and Sweetwater wells served the Two Harbors area and a few other customers. However, since the new Howlands Landing well has been in service, it has had to serve the majority of the Two Harbors customers because production from the Cottonwood and Sweetwater wells has been significantly reduced as a result of their age and the lack of groundwater recharge due to the ongoing drought. There are also a few customers connected to this system that can only be served by the Cottonwood and Sweetwater wells. Although the Howlands Landing well is a new resource, it is located near the old Howlands Landing well that had to be taken out of service in 2014 due to saltwater intrusion, has only been in service for one year, is still operating under a temporary permit, and has had to operate at higher production levels than originally planned, all of which limit SCE's long-term confidence to continue to meet anticipated demand without additional rationing.

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<sup>7</sup> A few customers and camps that can be served from the Middle Ranch wells are primarily served by the Toyon well, which is also an impacted resource due to the lack of groundwater recharge. Also, Hamilton Cove customers are within the Avalon city limits but are only served by the Middle Ranch wells.

The two other non-interconnected systems are also served by groundwater wells. The Airport system, historically served by the Blackjack well, is currently being served by water from the Middle Ranch system that gets periodically trucked to the Airport system tanks. The Whites Landing system is served by the Whites Landing well. This well is also nearer to the shoreline, similar to the Howlands Landing wells, and has shown increased conductivity, which could ultimately lead to salt water intrusion.

SCE has also been investigating other projects and new water resources (including non-potable resources that could supplant certain potable water use) in its ongoing assessment of the overall water conditions and how to further reduce potable water use and increase the potable water supply. SCE's efforts, for example, include working with the Santa Catalina Island Company (SCICO) to develop a potential new bedrock well in Avalon Canyon; those efforts to date have not had measurable success. The results of the test wells were below expectations and SCICO and SCE continue to assess next steps on any potential new wells in this area or other locations. Any potential next project, though, will likely take a year if not longer before it could be in service and benefiting SCE's customers. SCE's team recently developed a short list of projects that will be further evaluated and prioritized in terms of providing the most value to customers. SCE will also be holding meetings with other Island stakeholders to elicit input on this process.

### **STAGE 3 ACTIVATION AND IMPLEMENTATION PLAN**

Pursuant to Schedule 14.1 and Resolution W-5103 and in order to preserve the Island's water resources, SCE proposes to activate Stage 3, beginning on September 6, 2016, with mandatory rationing at a 40 to 50 percent level per water system in addition to establishing water allotment "floors," or minimum allotments, for customers that have been long-time low-use water consumers and water allotment "ceilings," or maximum allotments, for customers that are high-use consumers. As explained above, the community has come together to conserve, and it was SCE's and their efforts that made it possible to delay Stage 3 activation, but the continuing severity of the drought and the forecasted La Niña conditions mean that SCE needs to act now to be a good steward of the Island's water supply. In activating Stage 3, SCE is proposing to use a targeted approach that protects groundwater resources, accounts for the benefits and limitations of the drought-tolerant desalination capabilities, and recognizes that some customers have consistently used a very low amount of water and that other customers are high-use consumers who will need to more significantly reduce their usage. SCE also requests flexibility to more easily alter the rationing levels, floors, and ceilings on a going-forward basis as conditions change and lessons are learned. These proposals are further described below.

#### **Implementation Plan:**

SCE has worked closely with Island residents, business owners, and city officials over the last couple of years in managing the effects of the drought. Moreover, SCE has provided regular updates at Avalon City Council meetings that are broadcasted live on

television throughout the City of Avalon and archived at [www.cityofavalon.com](http://www.cityofavalon.com). The updates include communicating the status of current mandatory water conservation and rationing efforts, projecting drought impacts, status of drought relief efforts and other related information. SCE is prepared to implement Stage 3 and has developed important information such as customers' Stage 3 water allotments, customer notifications, frequently asked questions, and other information. Upon filing of this AL, SCE will send this information in addition to notifications to customers of its plans to hold two public meetings on Wednesday, August 24, 2016 from 10:00 a.m. to 12:00 p.m. and from 6:00 p.m. to 8:00 p.m. at the Avalon School Auditorium, located at 200 Falls Canyon Road, Avalon, CA 90704, to explain the proposed Stage 3 activation and to answer any questions customers may have. SCE has also developed updated public awareness posters, cards and related information and plans to place these in and around public areas to inform the many visitors to Santa Catalina Island of the importance of conserving water. In addition, SCE will continue to make water conservation devices available to customers.

Part of the water rationing plan includes the use of water allotments on a monthly basis. Individual monthly water allotments are calculated for each customer from a baseline of past monthly water usage or other applicable baseline information, e.g., average of similar customer baseline usage if a customer had no or very low usage during the baseline period. The individual baselines for any given billing period are calculated based on usage and data during the immediate 12-month period prior to the most recent Stage 1 period. This time period is used so that any conservation efforts implemented after Stage 1 are not included in the baseline usage. The most recent Stage 1 period began in June 2013. Therefore, the baseline period is June 2012 to May 2013. For example, when SCE activated Stage 2, 25 percent mandatory rationing, a customer's water allotment for the month of November 2015 was calculated based on multiplying that customer's November 2012 usage by 75 percent.

During Stage 2 and through July 22, 2016, SCE has processed over 1,200 variance requests. Of these variance requests, approximately 70 percent were approved for increased water allotments, approximately 20 percent were approved for reallocation across months (i.e., no net annual increase), and approximately 10 percent were denied. The vast majority of customers that requested a variance thus have different water allotments than their respective Stage 2 calculated monthly allotments. This process has allowed SCE to use alternate methods to calculate monthly allotments based on, for example, the number of people residing in a home (which could have changed from the baseline period), the number of projected guests and other factors. In calculating the Stage 3 water allotments, these changed allotments need to be taken into account. As such, all water allotments that were increased during Stage 2 will be factored based on the Stage 2 25 percent mandatory reduction such that when the Stage 3 40 to 50 percent mandatory reduction is applied, these customers will have an equivalent percentage reduction compared to customers that will have their water allotments based on reductions from their baseline usage. Also, SCE will use the approved monthly allotment profile for those customers that requested and had their

monthly allotments reallocated, which will ensure the same monthly profile accustomed to during Stage 2 for their Stage 3 monthly allotments.

SCE recognizes that circumstances can continue to change, and that typical water usage may not reflect changed conditions. As such, SCE will continue to use the variance process to assess and grant or deny a customer's request for increasing their water allotment during Stage 3. However, due to the severity of the current drought emergency, variances will be granted for exceptional circumstances only. SCE will utilize a consistent and equitable approach to balance customer needs and to further the goal to avoid even further water rationing.

**Stage 3 Watering of Plants, Gardens and Ornamental Landscaping:**

All customers will be further restricted from the watering of plants, gardens or ornamental landscaping to one day a week, as specified in Schedule 14.1. Customers will be limited to Tuesdays only, during the hours of 6:00 p.m. to 7:00 p.m., during the period Pacific Daylight Time is in effect, and 5:00 p.m. to 6:00 p.m., during the period Pacific Standard Time is in effect. Watering by use of a container or bucket, not exceeding a three-gallon capacity, will be permitted at any time on Tuesdays unless the water is recycled (e.g., collected in showering buckets) or non-potable, which will be permitted on any day. Certain high-use Irrigation customers will be required to cut back further as described below.

**Stage 3, 40 and 50 Percent Mandatory Rationing:**

All customers that are served by the desalination plants will be required to reduce water usage by 40 percent over their baseline/allotment amounts, and all customers served solely by groundwater resources will be required to reduce water usage by 50 percent over their baseline/allotment amounts, with exceptions for the floor and ceiling amounts described below. While the new desalination plant will provide the Avalon community with a drought-tolerant source of incremental drinking water, it cannot entirely eliminate the use of the Middle Ranch wells as a source of drinking water. There will be peak water demand days in the Avalon community that will exceed the production capacity of the desalination plants, requiring water from the Middle Ranch wells to serve this demand. Further, the new desalination plant and its integration with the existing desalination plant have just been operationalized. As with any new complex system, adjusting and managing its capabilities will take several months if not longer to fine tune for consistent and more predictable output. Additionally, it is not possible for the desalination plants to operate continuously year-round due to planned and unplanned maintenance. SCE anticipates, however, that the desalination plants will be capable of meeting the majority of customer demand in the Avalon community and it is for all these reasons that this subset of customers will have a lower rationing requirement than customers not able to be served by the desalination plants.

All of SCE's groundwater resources have been impacted by the severe, ongoing drought. Each of the various groundwater wells that serve customers in the Middle Ranch, Hamilton Cove, Airport, White's Landing, Two Harbors, and West End areas

have either been significantly impacted or are operating at limits that may not be able to be maintained. The groundwater resources on Catalina rely entirely on rain to recharge the aquifers. It is projected that the 2016-17 rain year will continue to provide less than average rainfall on Catalina. A sixth year of below-average rainfall will continue to impact all groundwater resources on the Island. In order to minimize the impact of continued drought on the groundwater resources, customers that are served solely by these resources need to reduce their water usage by a greater amount than those customers who are served by the desalination plants. Based on this information, SCE proposes that these customers be required to ration at a 50 percent level with exceptions for the floor and ceiling amounts.

**Stage 3, Floor and Ceiling Amounts:**

Water allotment floors and ceilings are being established to more evenly distribute the responsibility of reducing total water use for Catalina. Targeting both low-use and high-use consumers: 1) benefits those customers that already use a very low amount of water in which further rationing may provide these customers with insufficient water allotments for basic necessities; 2) appropriately requires high water-use customers to bear their fair share of the rationing burden; and 3) will likely lead to greater overall water use savings on a system-wide basis. This approach is consistent with Ordering Paragraph 4 of Resolution W-5103 that orders all water utilities under the Commission's jurisdiction to take bold actions by further restricting water users with excessive use and setting limits on total water use, amongst other actions.

In developing the floor and ceiling amounts, SCE assessed the highest water users, lowest water users and ranges of other users by customer class. SCE found that it could set up unique ceiling amounts across Single-Family, Multi-Family, Commercial/Industrial and Irrigation customer classes. Several high-use consumers will be required to increase rationing beyond 50 percent as a result of these ceiling amounts. If a high-use customer has a Stage 3 monthly allotment that falls above the established ceiling, that customer's monthly allotment will be reduced to the ceiling amount for that given month. SCE also found that there was no bright line in setting unique floor amounts across the different customer classes as there are several low-use consumers in each customer class. As such, the floor amount is the same for the Single-Family, Multi-Family and Commercial/Industrial customer classes. SCE also determined that all Irrigation customers should not have a floor, as this customer class primarily uses water for landscaping. Long-term low-use consumers will not have increased rationing if their Stage 3 allotment falls below the proposed floor amounts. Instead, a customer would retain their Stage 2 allotment for that given month. The proposed floor and ceiling amounts, by customer class, are shown in the table below.

<b>Stage 3 Water Allotment - Floor and Ceiling Amounts</b>					
<b>Customer Classification</b>	<b>Rates</b>	<b>Floor</b>		<b>Ceiling</b>	
		<b>Gallons Per Month</b>	<b>Gallons Per Day</b>	<b>Gallons Per Month</b>	<b>Gallons Per Day</b>
<b>Single Family</b>	DE-W-1, W-1-R, W-1-R-10, W-1-R-CARE, W-1-RDS, W-1-RDS-10, and W-1-RDS-CARE	1,000	33.3	6,000	200
<b>Multi-family</b>	W-1-RM	1,000	33	65,000	2,167
<b>Commercial / Industrial</b>	W-1-GS	1,000	33.3	75,000	2,500
<b>Irrigation</b>	W3	N/A	N/A	5,000	167

**Stage 3 Flexibility to Adjust Rationing Levels, Ceilings and Floors:**

The Catalina Water system is unique given its isolated location, non-integrated systems and customer areas in these systems that are served by specific resources, large seasonal demand differences driven by the tourist industry, and different consumer usage profiles within each class of customers (e.g., many of the residential customers are vacation homes that may have no usage for several months and high usage for a few months per year). In establishing the levels of rationing, floors and limits, SCE analyzed a number of variables to better target the uniqueness of the Catalina Water system, customers and their usage, and of the conditions of the Island’s water resources. While it is not possible to design a perfect rationing system, it is possible to improve any system with continued review and analysis. SCE plans to do just this to assess if the proposed parameters are meeting their objectives and not unduly causing significant customer inequities. In addition, SCE is continuing to collect production data from the new desalination plant as well as all of its other resources.

Moving forward, SCE will routinely reassess the rationing levels, floors and ceilings necessary to protect Catalina’s water reserves. In the future, should the data support reducing or increasing the level of rationing and/or modifying the floor or ceiling amounts, SCE proposes it be allowed to make these adjustments without the need to file a Tier 1 advice filing per the understanding that SCE will not implement any across-the-board rationing requirement greater than 50 percent without filing a Tier 2 advice filing with exception for any emergency event where SCE is not able to supply water to any part of its water system. To be clear, SCE is proposing that should the continuing data collection and analysis efforts reveal that any of the ceilings or floors need to be adjusted further, that it be allowed to do so, and that no system or customer area would be increased above 50 percent rationing except on an emergency basis. SCE will properly inform its customers should changes be made. Furthermore, should there be a need for any customer area or system to have rationing levels higher than 50 percent, with the exception of an emergency event, SCE will file a Tier 2 advice filing to implement Stage 4 or some other modified level of increase.

## **TIER DESIGNATION**

Pursuant to General Order (GO) 96-B and Standard Practice U-40-W, this AL is submitted with a Tier 2 designation.

## **EFFECTIVE DATE**

SCE requests that this AL become effective on September 6, 2016.

## **NOTICE**

Anyone wishing to protest this AL may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

Director, Division of Water and Audits  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)  
Facsimile: (415) 703-2200

In addition, protests and all other correspondence regarding this AL should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Telephone: (626) 302-4177  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
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Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with Water Industry Rule 4.1 of 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.10-11-009 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-3719. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the AL at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Ryan Stevenson at (626) 302-3613 or by electronic mail at [Ryan.Stevenson@sce.com](mailto:Ryan.Stevenson@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:rs:cm  
Enclosures

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

**Advice Letter Cover Sheet**

**Utility Name:** Southern CA Edison

**Date Mailed to Service List:** August 4, 2016

**CPUC Utility #:** WTC 338

**Protest Deadline (20<sup>th</sup> Day):** August 24,  
2016

**Advice Letter #:** 101-W

**Review Deadline (30<sup>th</sup> Day):** September 3,  
2016

**Tier**     1     2     3     Compliance

**Requested Effective Date:** September 6,  
2016

**Authorization**    Resolution W-5103

**Rate Impact:** \$ N/A  
N/A%

**Description:** Activation of Mandatory Water  
Conservation and Rationing, Stage 3, on  
Santa Catalina Island

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

**Utility Contact:** Darrah Morgan

**Utility Contact 2:** Jeanette Melgar

**Phone:** (626) 302-2086

**Phone 2:** (626) 302-4039

**Email:** [advicetariffmanager@sce.com](mailto:advicetariffmanager@sce.com)

**Email 2:** [Jeanette.melgar@sce.com](mailto:Jeanette.melgar@sce.com)

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**DWA USE ONLY**

DATE

STAFF

COMMENTS

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

APPROVED

WITHDRAWN

REJECTED

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

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

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

\_\_\_\_\_

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

**Advice Letter Cover Sheet**

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APPROVED

WITHDRAWN

REJECTED

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

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

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

\_\_\_\_\_