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Exhibit Number : _____
Commissioner : Catherine Sandoval
Administrative Law Judge : Robert Mason
DRA Project Coordinators : Yoke Chan; Pat Ma



DRA
DIVISION OF RATEPAYER ADVOCATES



**DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**REPORT ON
THE CONSERVATION
PROGRAM AND EXPENSES OF
CALIFORNIA WATER SERVICE COMPANY**

**General Rate Case Application 12-07-007
Test Year 2014
Escalation Years 2015 and 2016**

**For authority to increase water rates
in the 23 Districts
of California Water Service Company**

**San Francisco, California
March 1, 2013**

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CHAPTER 1: CONSERVATION PROGRAM AND EXPENSES

A. INTRODUCTION

California Water Service Company (CWS) requests a total conservation budget of \$10,089,868 for Test Year 2014 and \$10,307,817 and \$10,614,261 for Escalation Years 2015 and 2016, respectively as shown in Table 1.¹

Table 1: CWS Proposed Budget for 2014 – 2016

District	Abv.	2014	2015	2016
Antelope Valley	AV	\$ 23,045	\$ 23,296	\$ 25,605
Bear Gulch	BG	\$ 590,667	\$ 602,786	\$ 605,917
Bakersfield	BK	\$ 664,157	\$ 668,617	\$ 687,819
Bayshore	BS	\$ 2,068,073	\$ 2,114,514	\$ 2,131,706
Chico	CH	\$ 228,980	\$ 229,031	\$ 224,914
Dixon	DIX	\$ 27,910	\$ 27,966	\$ 27,487
Dominguez	DOM	\$ 929,795	\$ 951,904	\$ 1,002,385
East Los Angeles	ELA	\$ 619,395	\$ 633,643	\$ 632,661
Hermosa/Redondo	HR	\$ 834,354	\$ 850,900	\$ 846,930
King City	KC	\$ 33,111	\$ 36,224	\$ 39,787
Kern River Valley	KRV	\$ 27,719	\$ 27,510	\$ 26,661
Los Altos	LAS	\$ 363,688	\$ 371,071	\$ 378,146
Livermore	LIV	\$ 514,445	\$ 526,357	\$ 539,137
Marysville	MRL	\$ 18,721	\$ 18,955	\$ 18,860
Oroville	ORO	\$ 37,686	\$ 37,888	\$ 37,437
Palos Verdes	PV	\$ 678,057	\$ 690,713	\$ 721,375
Redwood Valley	RDV	\$ 19,348	\$ 19,642	\$ 19,338
Selma	SEL	\$ 45,522	\$ 46,052	\$ 52,652
Salinas	SLN	\$ 1,194,129	\$ 1,220,401	\$ 1,298,710
Stockton	STK	\$ 292,857	\$ 300,186	\$ 301,742
Visalia	VIS	\$ 401,348	\$ 423,410	\$ 487,986
Willows	WIL	\$ 40,562	\$ 40,628	\$ 41,757
Westlake	WLK	\$ 436,299	\$ 446,122	\$ 465,250
Totals		\$ 10,089,868	\$ 10,307,817	\$ 10,614,261

¹ 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12.

1 CWS’s requested conservation budget for 2014 of \$10,089,871 consists of
2 \$7,686,007 for customer programs, \$1,204,501 for administration and research (76% of
3 the administration and research budget is for conservation staff salaries and benefits),
4 \$785,619 for public information, and \$413,743 for school education programs.²

5 Section B summarizes DRA’s recommendation for CWS’s Conservation Program
6 and Expenses. Section C describes CWS’s method in developing its proposed budget,
7 addresses concerns and issues in reporting and accountability among others, and explains
8 DRA’s evaluation criteria and methodology in developing its recommended budget.

9 **B. SUMMARY OF RECOMMENDATIONS**

10 **1) CWS Proposed Budget and DRA Recommended Budget**

11 DRA recommends that the Commission authorize a total conservation budget of
12 \$3,827,847 each year for 2014, 2015 and 2016. This budget consists of \$2,187,530 for
13 customer conservation programs, \$648,082 for administration and research (mostly
14 salaries and benefits), \$785,619 for public information, and \$206,618 for school
15 education programs. Consistent with the settlement adopted in Decision (D.) 10-12-017³,
16 DRA recommends for removal of conservation expenses from Escalation for 2015 and
17 2016. Table 2 shows a comparison between CWS’s Proposed Budget and DRA’s
18 Recommended Budget broken down by each district for 2014 and 2015 and Table 3 is
19 programmatic budget comparison.

² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

³ Consistent with Decision (D.) 10-12-017, pg. 8, Section 7.2 Conservation Expenses states that “The settlement provides for removal of conservation expenses from escalation for 2012 and 2013.” Instead, it provides specific conservation budgets for each district for the 2011 test year, 2012 and 2013.

1 **Table 2: Comparison between CWS's Proposed Budget and DRA's Recommended**
 2 **Budget for Test Year 2014 and Escalation Year 2015 for Each District**

District	2014 CWS Proposed	2014 DRA Recommendation	Difference	2015 CWS Proposed	2015 DRA Recommendation	Difference
AV	\$ 23,045	\$ 8,320	\$ 14,725	\$ 23,296	\$ 8,320	\$ 14,976
BG	\$ 590,667	\$ 341,581	\$ 249,085	\$ 602,786	\$ 341,581	\$ 261,205
BK	\$ 664,157	\$ 355,547	\$ 308,610	\$ 668,617	\$ 355,547	\$ 313,070
BS	\$ 2,068,073	\$ 784,603	\$ 1,283,470	\$ 2,114,514	\$ 784,603	\$ 1,329,911
CH	\$ 228,980	\$ 72,535	\$ 156,444	\$ 229,031	\$ 72,535	\$ 156,496
DIX	\$ 27,910	\$ 7,708	\$ 20,202	\$ 27,966	\$ 7,708	\$ 20,258
DOM	\$ 929,795	\$ 275,714	\$ 654,081	\$ 951,904	\$ 275,714	\$ 676,190
ELA	\$ 619,395	\$ 221,832	\$ 397,563	\$ 633,643	\$ 221,832	\$ 411,811
HR	\$ 834,354	\$ 240,394	\$ 593,960	\$ 850,900	\$ 240,394	\$ 610,506
KC	\$ 33,111	\$ 9,110	\$ 24,001	\$ 36,224	\$ 9,110	\$ 27,114
KRV	\$ 27,719	\$ 14,433	\$ 13,286	\$ 27,510	\$ 14,433	\$ 13,077
LAS	\$ 363,688	\$ 168,109	\$ 195,579	\$ 371,071	\$ 168,109	\$ 202,962
LIV	\$ 514,445	\$ 219,732	\$ 294,713	\$ 526,357	\$ 219,732	\$ 306,625
MRL	\$ 18,721	\$ 7,688	\$ 11,033	\$ 18,955	\$ 7,688	\$ 11,267
ORO	\$ 37,686	\$ 12,398	\$ 25,288	\$ 37,888	\$ 12,398	\$ 25,490
PV	\$ 678,057	\$ 359,543	\$ 318,514	\$ 690,713	\$ 359,543	\$ 331,170
RDV	\$ 19,348	\$ 6,517	\$ 12,831	\$ 19,642	\$ 6,517	\$ 13,125
SEL	\$ 45,522	\$ 15,271	\$ 30,252	\$ 46,052	\$ 15,271	\$ 30,781
SLN	\$ 1,194,129	\$ 203,535	\$ 990,593	\$ 1,220,401	\$ 203,535	\$ 1,016,865
STK	\$ 292,857	\$ 199,257	\$ 93,600	\$ 300,186	\$ 199,257	\$ 100,929
VIS	\$ 401,348	\$ 158,003	\$ 243,345	\$ 423,410	\$ 158,003	\$ 265,407
WIL	\$ 40,562	\$ 25,821	\$ 14,741	\$ 40,628	\$ 25,821	\$ 14,807
WLK	\$ 436,299	\$ 120,196	\$ 316,103	\$ 446,122	\$ 120,196	\$ 325,926
Totals	\$ 10,089,868	\$ 3,827,847	\$ 6,262,021	\$ 10,307,817	\$ 3,827,847	\$ 6,479,970

3

1 **Table 3: Comparison between CWS's Proposed and DRA's Recommended Budget**
 2 **for Test Year 2014 and Escalation Year 2015 for each Conservation Program**

CWS Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 203,003	\$ 185,026	\$ (17,977)	\$ 234,925	\$ 185,026	\$ (49,899)
U-HE Toilet (R/V)	MF	\$ 83,026	\$ 82,650	\$ (376)	\$ 94,745	\$ 82,650	\$ (12,095)
HE CW (R/V)	SF	\$ 612,804	\$ 208,068	\$ (404,736)	\$ 612,804	\$ 208,068	\$ (404,736)
HE CW Common (R/V)	MF	\$ 48,215	\$ 36,544	\$ (11,671)	\$ 48,215	\$ 36,544	\$ (11,671)
HE CW In-Unit (R/V)	MF	\$ 56,490	\$ 34,794	\$ (21,696)	\$ 56,490	\$ 34,794	\$ (21,696)
Smart Controllers (R/V)	SF	\$ 704,972	\$ 210,944	\$ (494,028)	\$ 719,842	\$ 210,944	\$ (508,898)
Smart Controllers (R/V)	MF	\$ 55,470	\$ 35,754	\$ (19,716)	\$ 60,392	\$ 35,754	\$ (24,638)
HE Pop-Up Nozzle (V)	SF	\$ 638,857	\$ 242,023	\$ (396,835)	\$ 638,857	\$ 242,023	\$ (396,835)
HE Pop-Up Nozzle (V)	MF	\$ 203,684	\$ 69,453	\$ (134,232)	\$ 195,845	\$ 69,453	\$ (126,393)
HE Pop-Up Nozzle (V)	CII	\$ 825,522	\$ 298,389	\$ (527,133)	\$ 793,771	\$ 298,389	\$ (495,382)
HE Toilet (R/V) (b)	CII	\$ 171,371	\$ 151,247	\$ (20,124)	\$ 171,371	\$ 151,247	\$ (20,124)
HE CW Coin-Op (R/V)	CII	\$ 31,974	\$ 22,383	\$ (9,591)	\$ 31,974	\$ 22,383	\$ (9,591)
HE Urinals (R/V)	CII	\$ 84,024	\$ 51,174	\$ (32,850)	\$ 89,541	\$ 51,174	\$ (38,367)
Smart Controllers (R/V)	CII	\$ 142,656	\$ 119,124	\$ (23,532)	\$ 152,030	\$ 119,124	\$ (32,906)
CII Irrigation Sys (R)	CII	\$ 323,448	\$ 251,968	\$ (71,480)	\$ 325,120	\$ 251,968	\$ (73,152)
Cooling Tower Controller (R/I)	Ind	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ -
Cooling Tower pH Contr. (R/I)	Ind	\$ 7,620	\$ 7,620	\$ -	\$ 7,620	\$ 7,620	\$ -
HE Toilet Direct Install	SF	\$ 1,410,141	\$ -	\$ (1,410,141)	\$ 1,391,211	\$ -	\$ (1,391,211)
HE Toilet Direct Install	MF	\$ 953,227	\$ -	\$ (953,227)	\$ 945,935	\$ -	\$ (945,935)
HE Toilet Direct Install	CII	\$ 404,250	\$ -	\$ (404,250)	\$ 404,250	\$ -	\$ (404,250)
Urinal Direct Install	CII	\$ 141,375	\$ -	\$ (141,375)	\$ 152,175	\$ -	\$ (152,175)
Web-Based Home Survey	SF	\$ 66,600	\$ 66,600	\$ -	\$ 63,285	\$ 66,600	\$ 3,315
Industrial Process Audits (I)	Ind	\$ 6,415	\$ 6,415	\$ -	\$ 6,415	\$ 6,415	\$ -
Lrg Landscape Surveys	Irr	\$ 112,000	\$ -	\$ (112,000)	\$ 112,000	\$ -	\$ (112,000)
Lrg Landscape Water Use Rpt	Irr	\$ 165,843	\$ 35,846	\$ (129,997)	\$ 165,843	\$ 35,846	\$ (129,997)
Res. Conservation Kit	SF	\$ 207,142	\$ 66,508	\$ (140,634)	\$ 207,142	\$ 66,508	\$ (140,634)
Res. Conservation Kit	MF	\$ 20,878	\$ -	\$ (20,878)	\$ 20,878	\$ -	\$ (20,878)
Programmatic Sbtl.	All	\$ 7,686,008	\$ 2,187,529	\$ (5,498,479)	\$ 7,707,677	\$ 2,187,529	\$ (5,520,149)
Admin & Ressearch	All	\$ 1,204,501	\$ 648,082	\$ (556,419)	\$ 1,400,502	\$ 648,082	\$ (752,420)
Public Information	All	\$ 785,619	\$ 785,619	\$ -	\$ 785,844	\$ 785,619	\$ (225)
School Education	All	\$ 413,743	\$ 206,618	\$ (207,126)	\$ 413,798	\$ 206,618	\$ (207,181)
Total		\$ 10,089,871	\$ 3,827,847	\$ (6,262,023)	\$ 10,307,821	\$ 3,827,847	\$ (6,479,974)

3 Note: R=Rebate, V=Voucher and I=Incentive
 4

5 This table shows that in 2014, CWS requests a total of \$10,089,871 for
 6 conservation and this consists of \$7,686,007 for customer programs, \$1,204,501 for
 7 administration and research (which includes salaries and benefits for conservation staff),
 8 \$785,619 for public information, and \$413,743 for school education programs.

9 CWS's proposed \$7,686,008 budget for customer programs is made up of
 10 \$4,198,136 for the rebate program, \$2,908,993 for direct installs of high-efficiency toilets
 11 and urinals, \$350,858 for web surveys, large landscape surveys, industrial process audits,
 12 and large landscape water use reports, and \$228,020 for residential conservation kits.

1 DRA recommends a total conservation budget of \$3,827,849 for 2014 (and each
2 year 2015 and 2016). This budget consists of \$2,187,530 for customer programs,
3 \$648,082 for administration and research, \$785,619 for public information, and \$206,618
4 for school education programs.

5 DRA's customer program budget of \$2,187,530 consists of \$2,012,161 for the
6 rebate program, \$0 for direct installs of high efficiency toilets and urinals, \$108,861 for
7 web surveys, industrial process audits, and large landscape water use reports, and
8 \$66,508 for residential conservation kits. These recommendations are discussed in detail
9 below.

10 **2) One Way Balancing Account**

11 DRA recommends that authorized conservation expenses continue to be tracked in
12 a capped, one-way balancing account for each district separately. The one-way balancing
13 account will track the difference between authorized conservation budgets and actual
14 dollars spent with any unspent funds refunded to ratepayers after the end of each year
15 starting with Test Year 2014. DRA recommends refunding any unspent monies back to
16 the ratepayers after each year because it is unreasonable for the company to hold on to
17 any unspent funds belonging to ratepayers which are earmarked to a specific year.

18 **3) Annual Reporting Requirements**

19 DRA acknowledges the new requirements to Schedule E-3 of the Annual Report
20 filing, which was adopted in Decision (D.)11-05-004. CWS will include these revisions
21 made to Schedule E-3 in its 2012 Annual Report filing with the Commission, which is
22 due to be submitted to the Division of Water and Audits in March 2013.

23 **4) Program Flexibility and Spending Limits**

24 DRA recommends that conservation funds for each district are not transferrable
25 across districts and the following conservations programs in each district are subject to
26 spending caps: Public Information, School Education, Research and Administration, and
27 Conservation Kits.

1 In each district, CWS should have flexibility to spend funds within the rebate
2 programs when it finds other rebate devices not currently offered to be cost effective
3 provided that they are consistent with the Flex Track Menu of the Memorandum of
4 Understanding of the California Urban Water Conservation Council. CWS should
5 include the cost-effectiveness of all such measures in its Schedule E-3 of their Annual
6 Report to the Commission.

7 **C. DISCUSSION**

8 **1) Policy Goals**

9 Senate Bill 7 (“SBx7-7”), The Water Conservation Act of 2009, which was signed
10 into law in November 2009, amended the State Water Code to require a 20% reduction in
11 California’s urban per capita water use by December 31, 2020. Commonly known as the
12 20x2020 policy, the new requirements apply to every retail urban water supplier subject
13 to the Urban Water Management Planning Act (“UWMPA”). The state is required to
14 make incremental progress toward this goal by reducing per capita water use by at least
15 10% on or before December 31, 2015. SBx7-7 requires each urban retail water supplier
16 to develop interim and 2020 urban water use targets in accordance with specific
17 requirements. Urban retail water suppliers will not be eligible for state water grants or
18 loans unless they comply with SBx7-7’s requirements.

19 The CPUC’s Decision (“D.”) 07-05-062 directed Class A and B water utilities to
20 submit a plan to achieve a 5% reduction in average customer water use over each three-
21 year rate cycle. This policy was refined under D.08-02-036, which established a water
22 use reduction goal of 3% to 6% per customer or service connection consumption every
23 three years once a full conservation program, with price and non-price components, is in
24 place.

25 On May 5, 2011, the Commission adopted D.11-05-004, which directed Class A
26 water utilities to annually reduce consumption per service connection and customer class
27 by 1-2% for each general rate case cycle through price and non-price programs. All
28 Class A water utilities were directed to use 2003-2007 as a baseline to determine
29 compliance with the 1-2% annual reduction or, in the alternative, use a 10-year baseline

1 using the Department of Water Resources (“DWR”) methodology if (a) that baseline only
2 uses calendar years prior to the implementation of their conservation rate designs and
3 includes 2003-2007; or (b) the utility attaches supporting workpapers to justify use of
4 DWR’s methodology. These decisions anticipated and responded to enactment of policies
5 by the State legislature to reduce urban water use in California by 20% by 2020.

6 **2) CWS Conservation Budget Request**

7 CWS requests a total conservation budget of \$10,089,868 for Test Year 2014,
8 \$10,307,817 and \$10,614,261 for Escalation Years 2015 and 2016, respectively. CWS
9 states that these numbers represent a 7% increase in expenditure over the 2011-2013
10 adopted district budgets. CWS allocates 76% of the total proposed budget for
11 programmatic activities, such as rebates and vouchers, direct installs, and audits among
12 others; 11% for public information and school education combined, and 13% for
13 administration and research.⁴

14 **a) CWS Proposed Conservation Programs and Descriptions**

15 As described in its proposal, CWS’s proposed programs include some or all of the
16 following.⁵

17 **(i) Ultra High Efficiency Toilet Rebates/Vouchers (UHET)**

18 CWS will replace its High Efficiency Toilet (HET) Rebate program with the
19 UHET due to the change in state plumbing codes,⁶ which take effect in 2014. CWS will
20 market the program through direct mail, print media, bill stuffers, and its website.

21 **(ii) High Efficiency (HE) Pop-Up Nozzle Web Vouchers**

⁴ Report on Conservation Program Recommendations and Budget by M-Cubed, Gary Fiske & Associates, A&N Technical Services, 2012 General Rate Case, July 2012, pg. x.

⁵ Ibid, pg. 50.

⁶ http://www.water.ca.gov/urbanwatermanagement/docs/ab_715-Laird_chaptered.pdf - Assembly Bill (AB) No. 715, Chapter 499 AB 715, (1) Requiring water closets sold or installed to use no more than an average of 1.6 gallons per flush.

1 Water efficient sprinkler nozzles use up to 30% less water than a standard
2 sprinkler. Customers will be able to obtain the nozzles either directly through CWS or
3 through a web-voucher program.

4 (iii) **Smart Controllers Rebate/Vouchers**

5 CWS will target residential and non-residential customers with high landscape
6 water use. The program will offer incentives to either the customer or contractor for
7 proper installation of the Smart controller. CWS will market this program through direct
8 mail, print media, bill stuffers, and its website.

9 (iv) **Toilet/Urinal Direct Installation**

10 CWS will offer HET and urinal direct installation to its commercial customers and
11 UHET to its residential customers.

12 (v) **Audits and Surveys**

13 Residential surveys will evaluate a customer's indoor and outdoor water use and
14 provide information on how to reduce household water use. Available to all residential
15 and non-residential customers, CWS will market this program through direct mail, print
16 media, bill stuffers, and its website.

17 (vi) **Residential Conservation Kit Distribution**

18 This program will offer residential customers conservation kits which include:
19 high-efficiency showerheads, kitchen faucet aerators, bathroom faucet aerators, full-stop
20 hose nozzles, and toilet leak detection tablets. CWS will market this program through
21 direct mail, print media, bill stuffers, and its website.

22 (vii) **Large Landscape Water Use Reports**

23 This report calculates the recommended amount of water for irrigation based on
24 landscape size, plant mix, weather, and season. CWS plans to expand this program,
25 already implemented in several districts, to other customers and districts.

26 (viii) **Web-Based Home Survey**

1 Offered to single family residential customers, this program will provide
2 diagnostic information on recent and historical water use, guide customers through indoor
3 and outside water use, teach customers how to check for and repair leaks, make water
4 saving recommendations, and link customers to CWS conservation incentives and special
5 offers.

6 **b) CWS Staffing Request**

7 CWS is requesting an Administrative and Research budget of \$3,953,800, which
8 includes \$2,892,272 for salaries and benefits and \$1,061,528 administrative expenses
9 associated with supporting each position. This request includes the current four positions
10 and two new positions.

11 CWS's current conservation program staff consists of four full-time positions,
12 which include:

- 13 • One Conservation Program Manager
- 14 • One Conservation Program Analyst
- 15 • Two Regional Conservation Program Coordinators

16 This staff of four manages all aspects of CWS's conservation programs in all of its
17 23 districts and has been adequate for managing CWS's current conservation program,
18 which includes rebates, direct installations, conservation kit distribution, and some
19 landscape conservation programs.

20 In its conservation proposal, CWS includes expanding its landscape conservation
21 programs by offering the pop-up nozzle voucher and the smart controller rebate program.
22 CWS explains that additional staff is required to provide effective management,
23 coordination, and oversight of these programs. CWS therefore, requests two additional
24 Conservation Program analyst positions, one of which will provide assistance to the
25 Conservation Program Manager and Regional Conservation Programs Coordinators, and
26 the other will oversee the expansion of the landscape conservation program.

1 The salaries and benefits budget for these two new positions is \$260,000 for Test
2 Year 2014, and \$273,000 and \$286,650 for Escalation Years 2015 and 2016,
3 respectively. The total three year budget for the two positions is \$819,632.

4 CWS requests additional costs, other than salaries and benefits, which CWS states
5 are required for the two new positions. Examples of the additional costs are travel, office
6 supplies, phones and computers.⁷ The salaries, benefits and additional costs are all
7 included in the Administrative and Research category.

8 **c) Administration/ Research, Public Information and School Education**

9 CWS requests a total Administration/Research and Public Information & School
10 Education budget of \$2,403,861 for Test Year 2014 and \$2,600,142 and \$2,553,717 for
11 Escalation Years 2015 and 2016, respectively.

12 CWS states that it developed its proposed budget based on a combination of
13 historical expenditures and projected future need. CWS states the total budget for the
14 Administration/Research and Public Information & School Education was adjusted to
15 each district based on their corresponding percentage of proposed programmatic
16 expenditures as shown in Attachment 1.⁸

17 **3) CWS Method for Developing Request**

18 CWS states that it obtained the water savings required for district-specific and
19 regional compliance with SBx7-7 in 2020 by first obtaining the 20x2020 baseline district
20 demand from the districts' respective Urban Water Management Plan ("UWMP"). CWS
21 then made adjustments to the baseline demand to account for water savings that should
22 occur due to new plumbing codes, 2009-2010 conservation measures and meter
23 installations, and the recent slowdown in service growth and water use.⁹

⁷ CWS data request response DT1002, page 2, dated December 6, 2012.

⁸ Ibid, pg. 41.

⁹ Report on Conservation Program Recommendation and Budget, by M-Cubed, Gary Fiske & Associates, and A&N Technical Services, July 2012, page 6, section 3.3.

1 In 2010, CWS retained the services of M-Cubed, Gary Fiske and Associates, and
2 A&N Technical Services to develop five-year Conservation Master Plans for each district
3 for the period 2011 through 2015. These plans were completed in July 2011.¹⁰

4 In developing its conservation proposal, CWS states that it used the Conservation
5 Master Plans¹¹ for each district as a starting point in meeting the district’s 2020 savings
6 target. CWS analyzed the conservation programs discussed in these master plans and
7 applied a multi-step approach to developing a conservation budget. First, CWS
8 determined the Gallons per Capita per Day (“GPCD”) and annual volumetric savings
9 “target” for each district. CWS explained that they adjusted these targets to account for
10 expected water savings due to increases in water rates and plumbing/energy code
11 requirements. CWS used these adjusted targets to determine the volume of water savings
12 that would need to be generated by its proposed conservation programs from 2014
13 through 2020.

14 CWS performed net present value calculations for costs and benefits using
15 assumptions about the expected water savings, avoided cost of water and cost
16 information for each program. CWS then calculated Benefit-Cost Ratios and inputted
17 these into its “LP optimization model” to determine the level of each program that it
18 should pursue in each district. CWS states that based upon this optimization analysis of
19 the 24 districts, 13 are expected to meet their 2020 target and 11 are not. Therefore, since
20 SBx7-7¹² allows water suppliers to form regional alliances and set regional targets, CWS
21 grouped districts by hydrologic regions and calculated population-weighted regional

¹⁰ Direct Testimony of Kenneth G. Jenkins on Water Conservation and Efficiency, 2012 General Rate Case, pg. 1.

¹¹ The California Water Code requires all urban water suppliers that provide water for municipal purposes either directly or indirectly to more than 3,000 customers to prepare to prepare Urban Water Management Plans (“UWMP”) at least every five years. The Conservation Master Plan is a component of the UWMP which specifically describes and evaluates all conservation related programs and activities for the district.

¹² For purposes of compliance, SBx7-7 also allows water suppliers to form regional alliances and set regional targets. Under the regional compliance approach, urban retail water suppliers within the same hydrologic region can comply with SBx7-7 by either meeting their individual target or being part of a regional alliance that can together meet its regional target.

1 targets. CWS then included this information in its LP optimization model and re-
2 optimized the spending for each district.

3 CWS then developed least cost conservation programs aimed at achieving the
4 regional and/or district-specific targets.

5 **4) DRA Evaluation and Recommendation**

6 DRA notes several discrepancies and inconsistencies in CWS's proposal. For
7 example, the district specific benefit cost ratios (BCR) for each conservation program
8 presented in the M-Cubed Report ¹³ have substantially changed with some conservation
9 programs showing a BCR increase of over 700% when compared to the district's 2011
10 Master Plans. CWS did not provide any explanation for this significant difference. An
11 example of the BCR changes is in Table 4.

¹³ Report on Conservation Program Recommendations and Budget by M-Cubed, Gary Fiske and Associates and A&N Technical Services, dated July, 2012, pages 27 – 32.

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Table 4: Comparison between CWS’s 2011-2015 Master Plan BCRs and CWS’s 2014-2016 GRC BCRs for Hermosa Redondo

HR Programs	Class	2011-2015 Master Plan BCR	2014-2016 GRC BCR	Change
HE CW (R/V)	SF	1.05	0.78	-0.27
HE CW Common (R/V)	MF	1.28	0.96	-0.32
HE CW In-Unit (R/V)	MF	0.75	0.58	-0.17
HE CW Coin-Op (R/V)	CII	1.58	1.19	-0.39
HE Urinals (R/V)	CII	1.27	1.93	0.66
Urinal Direct Install	CII	1.40	2.04	0.64
HE Pop-Up Nozzle (V)	SF	6.00	9.31	3.31
HE Pop-Up Nozzle (V)	MF	6.00	11.02	5.02
HE Pop-Up Nozzle (V)	CII	6.00	11.02	5.02
Res. Conservation Kit	SF	2.08	2.32	0.24
Res. Conservation Kit	MF	2.11	2.32	0.21
Lrg Landscape Water Use Rpt	Irr	1.24	1.02	-0.22
Lrg Landscape Surveys	Irr	0.97	0.79	-0.18
CII Irrigation Sys (R)	CII	2.69	1.08	-1.61
Cooling Tower Controller (R/I)	Ind	5.23	5.85	0.62
Cooling Tower pH Contr. (R/I)	Ind	5.30	5.92	0.62
Total Overall Average Change				0.82

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Footnote 16 on page 6 of the M-Cubed Report states that “After 2013, the analysis assumes rates remain constant in real terms, since future adjustments are unknown.” It is unclear as to why CWS makes this assumption given the increases it requests and deem reasonable and prudent. It is unrealistic to assume that there will be no rate increase generated neither in this GRC nor in the next GRC. Further, CWS’s consultant made a contradictory statement on page 1 of the same M-Cubed Report when it said that in developing its conservation program proposal, it adjusted the annual volumetric targets to

1 account for expected water savings **due to increases in water rates** among other
2 factors.¹⁴

3 Because of the issues described above, DRA did not solely rely on one factor in its
4 analysis but rather considered a number of factors and reviewed several documents in
5 evaluating and developing a recommended budget for each conservation program
6 proposed in all of CWS's districts. These include Mr. Jenkins testimony and replies to
7 data requests and electronic inquiries, Report on Conservation Program
8 Recommendations and Budget by M-Cubed, Gary Fiske & Associates, and A&N
9 Technical Services, Rebuttal to DRA's Report on the Conservation Expenditures of CWS
10 dated March 29, 2010 (from the last GRC), Conservation Master Plans for each district,
11 CWS's historical budget requests versus actual spending, benefit-cost ratios and the cost
12 effectiveness of a program, and each district's GPCD status.

13 **a) GPCD Analysis and Status**

14 CWS noted that the Conservation Master Plans examined savings required by the
15 Urban Water Conservation MOU administered by the California Urban Water
16 Conservation Council (CUWCC) and found that savings were consistently less than the
17 SBx7-7 requirements. Therefore, analysis in the Report on Conservation Program
18 Recommendations and Budget focused on the SBx7-7 mandates.¹⁵ With this in mind,
19 DRA created a grading scale tool to evaluate the progress of each of the CWS districts in
20 meeting policy objectives and reduction goals of SBx7-7. Using the grading scale shown
21 in Table 5 below, DRA reviewed and rated CWS district's historical GPCD status from
22 2008 thru 2011.

¹⁴Ibid, pg. 1.

¹⁵ Report on Conservation Program Recommendations and Budget by M-Cubed, Gary Fiske & Associates and A&N Technical Services, page 2, footnote 8.

Table 5: Evaluating Progress on Meeting 2020 GPCD Target

Grade	Reduction Progress Evaluation (for the Period 2008-2011)
A=	Met/Exceeded 2015 and 2020 GPCD targets
B=	Met/Exceeded 2015 GPCD target
C=	On track to meet 2015 GPCD target
F=	Not on track to meet 2015 GPCD target

Table 6 provides an overview of each district’s SBx7-7 goal, each district’s GPCD from 2008 through 2011, and the current status based on 2011 data compared to 2015 and 2020 targets. DRA gave each district their corresponding grade using its reduction progress evaluation,

Table 6: CWS District GPCD Status and Corresponding Grade

District	GPCD				Grade	SBX 7-7 Targets		Meet/Exceed Status 2011 vs	
	2008	2009	2010	2011		2015 GPCD	2020 GPCD	2015 Target GPCD	2020 Target GPCD
AV	307	268	255	259	A	312	281	53	22
BG	253	227	201	204	B	217	190	13	-14
BK	295	289	262	248	B	267	239	19	-9
BS	137	128	121	118	A	132	124	14	6
CH	137	128	121	218	A	256	229	38	11
DIX	137	128	121	131	A	168	164	37	33
DOM	201	176	182	170	A	197	171	27	1
ELA	114	106	98	96	A	118	115	22	19
HR	126	120	110	107	A	129	126	22	19
KC	161	158	148	145	B	157	142	12	-3
KRV	185	165	157	149	A	186	179	37	30
LAS	249	228	183	177	A	217	193	40	16
LIV	202	182	162	158	A	179	158	21	0
MRL	221	191	166	158	A	179	158	21	0
ORO	377	295	270	262	A	303	268	41	6
PV	300	289	246	249	B	255	225	6	-24
RDV	144	135	121	116	A	166	157	50	41
SEL	264	242	211	203	A	241	215	38	12
SLN	143	127	112	117	A	131	117	14	0
STK	177	165	149	145	A	171	165	26	20
VIS	236	229	209	202	B	216	194	14	-8
WIL	239	224	238	206	B	222	198	16	-8
WLK	509	475	386	393	A	448	393	55	0

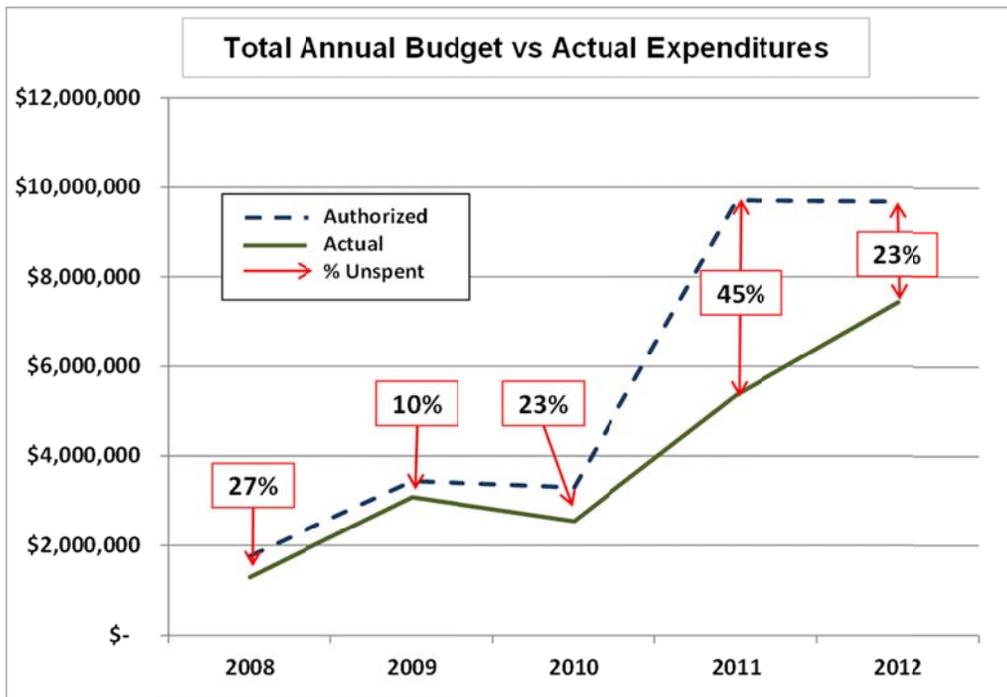
1 Of the 23 districts listed above, only six districts: Bear Gulch, Bakersfield, King
2 City, Palos Verdes, Visalia, and Willows received a grade B. While these districts did
3 not rate an A, they have met both policies with their 2011 usage levels and are on track to
4 meeting the 20x2020 goal. All other districts have met and exceeded their respective
5 20x2020 goal usage levels in 2011 and are on track to meeting the 2015 and 2020 goals.

6 **b) Inflated Forecasts**

7 DRA analyzed CWS's past conservation requests, approved budgets, and actual
8 spending. In most cases, CWS did not consider the total amount it spent in the previous
9 years compared to the amount previously adopted by the Commission and therefore DRA
10 does not agree with CWS's proposal. CWS has in the past consistently overestimated its
11 conservation forecasts and underspent its approved budget as shown in Figure 1 below.

12 DRA considers the amounts requested for each district unreasonable because,
13 between the years 2008 and 2012, CWS only spent approximately 71% or \$19,701,862 of
14 its authorized 5-yr yearly budget of \$27,872,162 as shown in Figure 1 below.

15 **Figure 1: CWS Total Annual Budget vs. Annual Expenditure**



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1 In 2008, 2009, and 2010, the amount of unspent funds totalled 27%, 10% and 23%
2 of the adopted budget, respectively. D.08-07-008 addressed CWS’s historical spending
3 pattern. The Commission specifically states “We expect to see Cal Water spend at or
4 near budgeted levels on sound conservation measures ..”¹⁶

5 However, CWS continues its pattern on underspending its approved budget. As
6 shown in Figure 1 above, the amount of unspent funds for 2011 and 2012 totalled 45%
7 and 23% of the adopted budget, respectively. These percentages represent a significant
8 increase of unspent budgets when compared to the previous years.

9 **c) Administration and Research (Adm. and Research)**

10 (i) **Existing Staff**

11 In response to DR DT1-002 Q#2, dated December 6, 2012, CWS explained that it
12 allocated the Adm. and Research costs to each district based on the district’s percentage
13 of proposed programmatic costs. CWS further explained in response to an electronic
14 email inquiry DRA made on December 11, 2012 that for the purpose of developing a
15 budget for Adm. and Research, the company calculated benefit expenses at 100% of the
16 salaries for each employee.

17 DRA reviewed the CWS’s General Office Benefits to district workpapers to
18 determine the average benefit to payroll percentage for all General Office employees.
19 Per DRA’s calculations, that ratio is 48.6%, or approximately 50%. DRA then adjusted
20 the benefits total for each current conservation employee by 50% of his/her salary.

21 (ii) **Additional Staffing Requests**

22 DRA recommends disallowing the two new Conservation Program Analyst
23 positions requested. While DRA agrees with CWS that the expansion of conservation
24 programs, such as high-efficiency pop-up nozzle vouchers require management and
25 oversight, DRA found several of CWS’s other proposed programs to be unnecessary and
26 recommends CWS not establish these programs. The reasons for that are discussed in

¹⁶ D.08-07-008, page 19.

1 detail below under Programmatic Conservation Programs section. Therefore, the two
 2 new positions are unnecessary and CWS's existing conservation staff can more than
 3 adequately handle all of the conservation programs recommended.

4 In addition to the adjustments made for the existing staff and additional staffing
 5 requests discussed above, DRA adjusted the ratio related expenses (i.e. travel, office
 6 supplies, computers, etc.) associated with these positions as shown in Table 7 below.

7 **Table 7: DRA Breakdown of Administrative and Research**

DRA Administrative Budget Calculation		Line	Calculation
CWS Admin Total Request:	\$ 1,204,501	A	
CWS Salary Total Request:	\$ 459,993	B	
CWS Benefit Total Request:	\$ 459,993	C	
CWS Total S&B Request:	\$ 919,986	D	B + C
CWS New Position Salary:	\$ 129,994	E	
CWS New Position Benefits:	\$ 129,994	F	
CWS New Position S&B:	\$ 259,988	G	E + F
DRA Salary Recommendation:	\$ 329,999	H	B - E
DRA Benefit Recommendation:	\$ 165,000	I	(C - F) / 2
DRA S&B Recommendation:	\$ 494,999	J	H + I
% of Original S&B Request:	54%	K	J / D
Other Admin Costs Request:	\$ 284,515	L	A - D
DRA Other Admin Recommendation:	\$ 153,083	M	K * L
Total DRA Admin Recom.	\$ 648,082	N	J + M

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 10 DRA then allocated its Administrative and Research Recommended budget of
 11 \$648,082, from Table 7, to the 23 districts by applying CWS's allocation method as
 12 shown in Table 8 below.

1 **Table 8: Comparison between CWS and DRA’s Breakdown of Administrative and**
 2 **Research Budget for each District**

	A	B	C	D	E	F
District	CWS 2014-16 Prog Costs	% of Total	2014 CWS Adm Budget	DRA 2014 Prog Costs	% of Total	2014 DRA Adm Budget
AV	\$ 53,941	0.23%	\$ 2,770	\$ 4,197	0.19%	\$ 1,243
BG	\$ 1,381,779	5.89%	\$ 70,962	\$ 220,753	10.09%	\$ 65,401
BK	\$ 1,470,200	6.27%	\$ 75,503	\$ 208,590	9.54%	\$ 61,797
BS	\$ 4,894,244	20.87%	\$ 251,348	\$ 516,464	23.61%	\$ 153,009
CH	\$ 481,657	2.05%	\$ 24,736	\$ 31,526	1.44%	\$ 9,340
DIX	\$ 61,452	0.26%	\$ 3,156	\$ 3,057	0.14%	\$ 906
DOM	\$ 2,194,386	9.36%	\$ 112,694	\$ 139,718	6.39%	\$ 41,393
ELA	\$ 1,416,716	6.04%	\$ 72,757	\$ 118,112	5.40%	\$ 34,992
HR	\$ 1,940,010	8.27%	\$ 99,631	\$ 123,766	5.66%	\$ 36,667
KC	\$ 79,703	0.34%	\$ 4,093	\$ 3,495	0.16%	\$ 1,035
KRV	\$ 60,538	0.26%	\$ 3,109	\$ 8,347	0.38%	\$ 2,473
LAS	\$ 833,378	3.55%	\$ 42,799	\$ 98,667	4.51%	\$ 29,231
LIV	\$ 1,201,766	5.12%	\$ 61,718	\$ 129,989	5.94%	\$ 38,511
MRL	\$ 31,084	0.13%	\$ 1,596	\$ 1,278	0.06%	\$ 379
ORO	\$ 78,711	0.34%	\$ 4,042	\$ 4,277	0.20%	\$ 1,267
PV	\$ 1,608,404	6.86%	\$ 82,601	\$ 227,139	10.38%	\$ 67,293
RDV	\$ 43,338	0.18%	\$ 2,226	\$ 3,108	0.14%	\$ 921
SEL	\$ 98,850	0.42%	\$ 5,077	\$ 4,987	0.23%	\$ 1,477
SLN	\$ 2,828,173	12.06%	\$ 145,243	\$ 66,516	3.04%	\$ 19,706
STK	\$ 598,060	2.55%	\$ 30,714	\$ 114,058	5.21%	\$ 33,791
VIS	\$ 963,200	4.11%	\$ 49,456	\$ 80,697	3.69%	\$ 23,908
WIL	\$ 91,162	0.39%	\$ 4,682	\$ 16,283	0.74%	\$ 4,824
WLK	\$ 1,043,476	4.45%	\$ 53,588	\$ 62,506	2.86%	\$ 18,518
Totals	\$ 23,454,229	100%	\$ 1,204,501	\$ 2,187,529	100%	\$ 648,082

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 4 Table 8 above provides a comparison of CWS and DRA’s calculation for the
 5 Administrative and Research Budget for each district.

6 CWS’s calculations are in Columns A, B and C. Column A lists CWS’s total
 7 proposed programmatic budget for each district. Column B lists the corresponding
 8 percentage CWS allocated using their calculation for each district. CWS determined the
 9 Administrative and Research budget for each district by multiplying their proposed
 10 Admin budget for each district as shown in Column C with the district’s corresponding
 11 percentages in Column B.

12 DRA’s calculations are in Columns D, E, and F. Columns D, E and F to the right
 13 duplicate this formula using the DRA programmatic recommendations and the
 14 Administrative and Research budget calculated in Table 7.

1 **d) Programmatic Conservation Programs**

2 DRA evaluates each water conservation program proposed for each district on
3 cost-effectiveness, necessity, BCRs, and historical spending, among other factors.

4 (i) **Rebate Programs**

- 5 • UHET – DRA recommends allowing most UHET rebates programs
6 CWS proposed. The UHET rebate programs are cost effective
7 compared to the HET or UHET direct install programs. Further, the
8 UHETs save more water than the HETs at a rebate cost of \$9 or less
9 in all districts but Los Altos and Livermore.

- 10 • High Efficiency Clothes Washer (“HECW”) – DRA recommends
11 allowing HECW rebate programs in districts where the program is
12 cost effective. In some districts however, CWS proposes offering
13 only one HECW rebate. Even if centrally administered, DRA does
14 not agree that it is cost effective to market a rebate program when
15 only one or two rebates are budgeted to a particular district. The
16 Commission should require CWS to focus its marketing efforts to
17 only those programs that target more customers.

- 18 • High Efficiency (“HE”) Pop-Up Nozzle Voucher – DRA
19 recommends allowing the HE Pop-Up Nozzle Voucher program in
20 all CWS districts. HE pop-up nozzles can save up to 6,600 gallons
21 of water per nozzle over a 5-year period. Water efficient sprinkler
22 nozzles apply water more evenly than conventional spray nozzles,
23 thus saving water and reducing the amount of run-off. Further, as
24 shown in Table 9¹⁷ below, the BCR of this program is greater when
25 compared to other programs CWS proposed in all districts.

¹⁷ For illustration purposes, DRA will be referring to Conservation Programs offered by CWS in its Hermosa/Redondo district.

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Table 9: CWS Conservation Programs Proposed for Hermosa/Redondo District

HR Programs	Cost Categories	Class	2014 Unit Cost	Benefit Cost Ratio (BCR)
U-HE Toilet (R/V)	Residential Rebate	SF	\$ 142.00	3.34
U-HE Toilet (R/V)	Residential Rebate	MF	\$ 114.00	5.60
HE Pop-Up Nozzle (V)	Res. HE Sprinkler Nozzle	SF	\$ 3.85	9.31
HE Pop-Up Nozzle (V)	CII HE Sprinkler Nozzle	MF	\$ 3.25	11.02
HE Pop-Up Nozzle (V)	CII HE Sprinkler Nozzle	CII	\$ 3.25	11.02
HE Toilet (R/V) (b)	Commercial Rebate	CII	\$ 117.00	1.68
HE CW Coin-Op (R/V)	Commercial Rebate	CII	\$ 417.00	1.19
HE Urinals (R/V)	Commercial Rebate	CII	\$ 318.00	1.93
CII Irrigation Sys (R)	Commercial Rebate	CII	\$ 2,032.00	1.08
Cooling Tower Controller (R/I)	Commercial Rebate	Ind	\$ 1,000.00	5.85
Cooling Tower pH Contr. (R/I)	Commercial Rebate	Ind	\$ 3,810.00	5.92
Web-Based Home Survey	Residential Survey	SF	\$ 15.00	4.19
Lrg Landscape Surveys	Large Landscape Survey	Irr	\$ 1,400.00	0.79
Lrg Landscape Water Use Rpt	Lrg Landscape Mthly Water Use	Irr	\$ 85.00	1.02
Res. Conservation Kit	Residential Conservation Kits	SF	\$ 26.00	2.32

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DRA compared CWS’s proposed number of units for this program with those specified in all of CWS district’s Conservation Master Plans and notes a significant difference, with some ranging from a few hundred to over 60,000 nozzles a year. The total number of HE pop-up nozzles CWS proposed for each district are far greater than those specified in the district specific Conservation Master Plan.

1 Since this is a fairly new program and in most cases, only needed to help maintain
 2 GPCD levels for most districts, DRA used the total numbers of HE pop-up nozzles CWS
 3 requested in this GRC for each customer class to determine the corresponding percentage
 4 distribution. DRA then applied these distribution percentages to the total amount
 5 specified in the districts' Conservation Master Plan as shown in Table 10.

6 **Table 10: Calculations for Determining Hermosa-Redondo Pop-Up**
 7 **Nozzle Activity Levels**

HR Pop-Up Nozzle Distribution Calculation					
	Column	A	B	C	
Row	Type	CWS Request	Req Type % Distribution	Master Plan	Calculations
1	SF	9,374	41%	2,469	C4 * B1
2	MF	2,011	9%	530	C4 * B2
3	CII	11,395	50%	3,001	C4 * B3
4	Total	22,780	100%	6,000	C4 = MP Total

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- 9 • Smart Controller – Smart controllers regulates customer
 10 irrigation run-times using sensor¹⁸, or signal¹⁹ based controls.
 11 When properly used, smart controllers can reduce irrigation
 12 water consumption by up to 50%.²⁰ However, while a smart
 13 controller may be one of the most cost effective solutions to
 14 reducing landscape water use for single family homes, it
 15 would be impractical to think that a low to medium income
 16 user would purchase a smart controller when devices, such as

¹⁸ Sensor Based Controllers – A sensor based controller uses real-time measurements of one or more locally measured factors to adjust irrigation timing. The factors typically considered include: temperature, rainfall, humidity, solar radiation, and soil moisture. A sensor-based system often has historic weather information for the site programmed into memory and then uses the sensor information to modify the expected irrigation requirement for the day. (Source: Alliance for Water Efficiency)

¹⁹ Signal Based Controllers – A signal-based controller receives a regular signal of prevailing weather conditions via radio, telephone, cable, cellular, web, or pager technology. The signal typically comes from a local weather station and usually updates the current evaporation rate to the controller. (Source: Alliance for Water Efficiency)

²⁰ Weathermatic Smartline Series “Water Savings can range from 20% to 50% while runoff is virtually eliminated”

1 a digital water timer which costs between \$30 to \$90 each are
2 available in the market. Therefore, DRA recommends the
3 disallowance of the smart controller in those districts that
4 have met or exceeded their 20x2020 goals.

5 DRA recommends allowing the smart controller program for
6 single family residential customers only if the district meets
7 the following criteria: 1) district has not met its 20x2020 goal
8 and 2) the benefit of the unit outweighs the cost of the unit as
9 shown in CWS's proposal under BCR.

10 (ii) **Direct Install programs**

11 These programs currently target all of CWS's commercial and residential
12 customers. DRA finds in general that the rebate programs CWS proposed, such as UHET
13 and HECW, which costs approximately \$114 to \$209, to be more cost effective than the
14 equivalent direct install programs which cost approximately \$175 to \$374. DRA
15 therefore, recommends the disallowance of the direct install program offerings.

16 (iii) **Audits and Surveys including Large Landscape Audits and Reports**

17 DRA compared the audits and surveys including Large Landscape Audits and
18 Reports program to the web-based survey programs CWS proposed. Based on the
19 information CWS provided, the audits and surveys programs have a 10% savings decay
20 rate, a 1-5 year life, are very expensive, and the BCR's presented have a low to negative
21 result. The web-based survey, on average, provides a BCR far greater than the Audits
22 and Surveys program and does not burden ratepayers with additional costs as shown in
23 Table 11 below. In addition, web-based surveys can be managed more easily by current
24 CWS Conservation staff rather than hiring outside consultants or additional employees.
25 Therefore, unless a district is off target and needs to further reduce its GPCD, DRA
26 recommends disallowing these program offerings.

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Table 11: CWS Conservation Programs Proposed for Hermosa/Redondo District

HR Programs	Cost Categories	Class	2014 Unit Cost	Benefit Cost Ratio (BCR)
U-HE Toilet (R/V)	Residential Rebate	SF	\$ 142.00	3.34
U-HE Toilet (R/V)	Residential Rebate	MF	\$ 114.00	5.60
HE Pop-Up Nozzle (V)	Res. HE Sprinkler Nozzle	SF	\$ 3.85	9.31
HE Pop-Up Nozzle (V)	CII HE Sprinkler Nozzle	MF	\$ 3.25	11.02
HE Pop-Up Nozzle (V)	CII HE Sprinkler Nozzle	CII	\$ 3.25	11.02
HE Toilet (R/V) (b)	Commercial Rebate	CII	\$ 117.00	1.68
HE CW Coin-Op (R/V)	Commercial Rebate	CII	\$ 417.00	1.19
HE Urinals (R/V)	Commercial Rebate	CII	\$ 318.00	1.93
CII Irrigation Sys (R)	Commercial Rebate	CII	\$ 2,032.00	1.08
Cooling Tower Controller (R/I)	Commercial Rebate	Ind	\$ 1,000.00	5.85
Cooling Tower pH Contr. (R/I)	Commercial Rebate	Ind	\$ 3,810.00	5.92
Web-Based Home Survey	Residential Survey	SF	\$ 15.00	4.19
Lrg Landscape Surveys	Large Landscape Survey	Irr	\$ 1,400.00	0.79
Lrg Landscape Water Use Rpt	Lrg Landscape Mthly Water Use	Irr	\$ 85.00	1.02
Res. Conservation Kit	Residential Conservation Kits	SF	\$ 26.00	2.32

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(iv) **Conservation Kits**

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Based on historical data, DRA believes that CWS overestimated the total number of kits proposed for all districts by approximately 71% of the total number of kits they distributed in the past. Instead, DRA took the two-year average activity from 2010 through 2011 to determine the recommended number of conservation kits for each district.

1 e) **Public Information and School Education**

2 In response to Data Request MA-003, Q#3, dated October 9, 2012, CWS provided
3 a breakdown of their proposed Public Information and School Education program to
4 school assemblies, design, print ads, promotional items, district events, and local
5 sponsorship. In the same data request response, Q#4, CWS explained that for school
6 education programs administered by Resource Action Programs, CWS targets both 5th
7 and 6th graders.

8 DRA recommends reducing the School Education Program budget by 50% for
9 each district. DRA proposes that CWS only reach out to 6th graders to avoid duplication
10 of devices distributed and/or yearly repetitive devices distributed to students who stay in
11 the same school program. School education programs reach the youngest water users and
12 enforce the need to engage in water conservation as a life-long behavior. However, the
13 need to double the budget and reach out to two age groups is not warranted given that
14 most districts have met and or exceeded their 20x2020 goals and those districts that have
15 not are on track to meeting their goals.

16 DRA recommends the same amount CWS proposed for its Public Information.
17 However, DRA recommends that Public Information is capped at the total recommended
18 amount each year and that Public Information include **all** marketing and outreach
19 activities for **all** conservation activities. Marketing and outreach activities include, but
20 are not limited to conservation messaging, bill inserts, direct mail, print, radio, web
21 advertising, billboards, and local events.

22 **D. CONCLUSION**

23 DRA recommends that the Commission authorize a total conservation budget of
24 \$3,827,847 for each of the Test Year 2014, Escalation Years 2015 and 2016.

25 DRA's recommended budget is contingent upon expenditures being tracked in
26 one-way balancing accounts for each district with any unspent funds refunded to
27 ratepayers after the end of each year starting with Test Year 2014.

1 DRA recommends that funds for each district are not transferrable across districts
2 and the following conservations programs in each district are subject to spending caps:
3 Public Information, School Education, and Research and Administration, and
4 Conservation Kits. In each district, CWS will have flexibility to spend funds within the
5 rebate programs if it finds other rebate devices CWS is currently not offering in this GRC
6 to be cost effective provided that they are consistent with the Flex Track Menu of the
7 Memorandum of Understanding of the California Urban Water Conservation Council.
8 CWS will include the cost-effectiveness of such measures in schedule E-3 of their
9 Annual Report filing to the Commission.

10 DRA recommends the disallowance of the two new conservation program related
11 positions requested.

12 Lastly, DRA notes that CWS will in its 2012 Annual Report filing with the
13 Commission include revisions made to Schedule E-3 that was adopted in D. 11-05-004.

CHAPTER 2: CONSERVATION – BY DISTRICT

A. Antelope Valley (AV)

1) Introduction

CWS proposes a conservation budget of \$23,045 for Test Year 2014 and \$23,296 and \$26,606 for escalating years 2015 and 2016, respectively, for a total three-year conservation budget of \$71,947.²¹

2) Summary of Recommendations

DRA recommends a budget of \$8,320 for Test Year 2014, and \$8,320 and \$8,320 for Escalating Years 2015 and 2016, respectively. Consistent with the settlement adopted in CWS’s last GRC D. 10-12-017, DRA recommends removal of conservation expenses from Escalation for 2015 and 2016. Table 12 shows a comparison between CWS’s conservation budget request²² and DRA’s recommendation for 2014 and 2015 broken down by program.

Table 12: Comparison between CWS Proposed Conservation Budget and DRA’s Recommended Budget

AV Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 724	\$ 710	\$ (14)	\$ 767	\$ 710	\$ (57)
HE CW (R/V)	SF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
Smart Controllers (R/V)	SF	\$ 4,608	\$ -	\$ (4,608)	\$ 4,608	\$ -	\$ (4,608)
HE Pop-Up Nozzle (V)	SF	\$ 2,121	\$ 354	\$ (1,767)	\$ 2,121	\$ 354	\$ (1,767)
HE Pop-Up Nozzle (V)	MF	\$ 1,622	\$ 273	\$ (1,349)	\$ 1,560	\$ 273	\$ (1,287)
HE Pop-Up Nozzle (V)	CII	\$ 4,352	\$ 728	\$ (3,624)	\$ 4,186	\$ 728	\$ (3,458)
HE Toilet (R/V) (b)	CII	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE Urinals (R/V)	CII	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Web-Based Home Survey	SF	\$ 390	\$ 390	\$ -	\$ 375	\$ 390	\$ 15
Res. Conservation Kit	SF	\$ 2,860	\$ 1,742	\$ (1,118)	\$ 2,860	\$ 1,742	\$ (1,118)
Admin & Ressearch	All	\$ 2,770	\$ 1,243	\$ (1,527)	\$ 3,221	\$ 1,243	\$ (1,978)
Public Information	All	\$ 2,879	\$ 2,879	\$ -	\$ 2,879	\$ 2,879	\$ -
School Education	All	\$ 92	\$ -	\$ (92)	\$ 92	\$ -	\$ (92)
Total		\$ 23,045	\$ 8,320	\$ (14,725)	\$ 23,296	\$ 8,320	\$ (14,976)

Note: R/V in the Table above refers to Rebates/Vouchers

²¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

²² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, AV tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **3) District Profile**

2 The AV district is located near the border of northeastern Los Angeles and
3 southeastern Kern Counties in the Western Mojave Desert. This district consists of four
4 hydraulically separated water systems in unincorporated areas of these counties. The
5 Lancaster, Lake Hughes, and Leona Valley systems are found at the base of the San
6 Gabriel Mountains west of the City of Lancaster. The Fremont Valley system is located
7 at the base of the Tehachapi Mountains approximately 25 miles north of the city of
8 Lancaster.

9 The district’s population in 2011 was approximately 3,300. On average, the
10 district receives about 8 inches of rainfall annually, most of which falls in the late
11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
12 generally dry. In its reports, CWS states that annual evapotranspiration in the district
13 averages 66 inches, which means that most landscapes cannot survive on rainfall alone
14 and must be irrigated.²³

15 **4) Policy Goals**

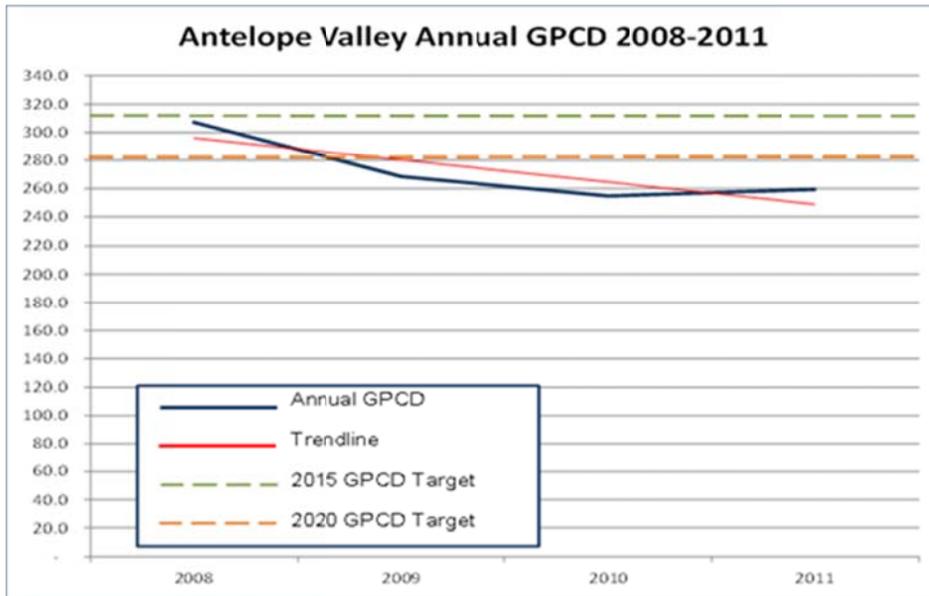
16 The AV district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
17 16.8% or 52.6 GPCD. Over the period of 2008-2011, the AV district reduced its overall
18 GPCD by 15.5%. In addition, its 2011 usage has already exceeded its 2020 target by
19 7.7%.²⁴

²³ District profile information from California Water Service Company, Water Conservation Report: Antelope Valley District, page 1.

²⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1

Figure 2: Antelope Valley Annual Average GPCD 2008-2011



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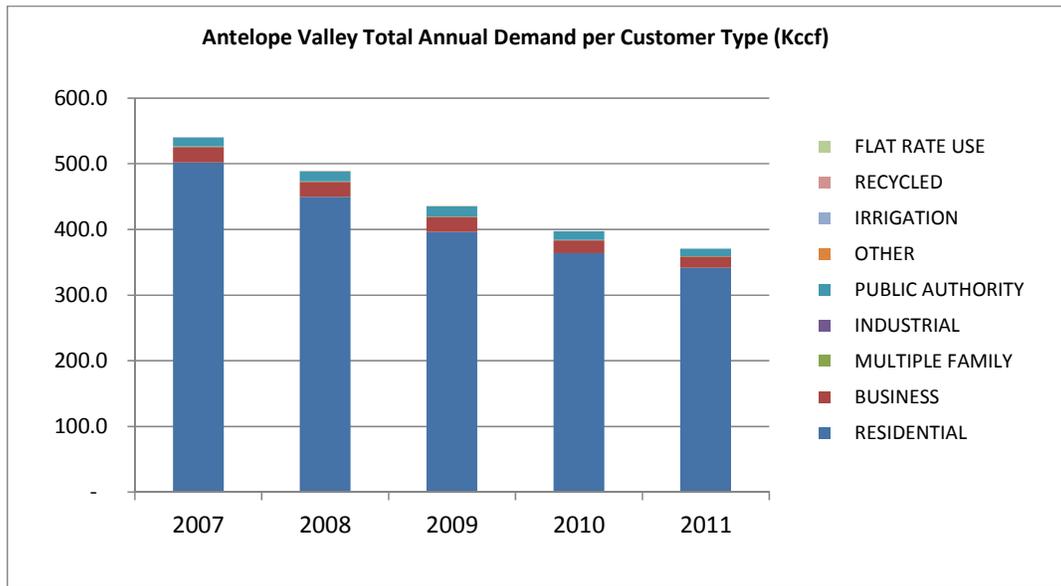
3 **5) DRA's Analysis**

4 AV has shown a continuous reduction in customer usage since 2007²⁵ (see Figure
5 3) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
6 2). CWS's objective for its AV district should be to, at a minimum; maintain its current
7 GPCD levels through 2020. DRA recommends that CWS focus on the most cost
8 effective conservation programs that target customer types that would have the greatest
9 impact on reducing overall demand.

²⁵ Annual demand per customer type data from Application A. 12-07-007, Antelope Valley Exp July 2012, Table 4-C and 4-D.

1

Figure 3: Antelope Valley Annual Demand per Customer Type



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3

As shown in Figure 3 above, the AV district is mostly composed of residential customer's usage and of the programs CWS proposed for this district, DRA recommends the UHET rebate, HE Pop-Up Nozzle voucher, Web-Based Home Survey, and Conservation kit distribution which are the most cost effective programs.

7

The total number of kits CWS proposed under the conservation kit distribution program is not an accurate representation of units for the district. Instead, DRA adjusted the proposed number of conservation kits down from 110 kits to 67 kits, which represent the total average of kits distributed by CWS during the past two years.

11

DRA recommends disallowing the HECW rebate, Smart Controller rebate, HET rebate and HE Urinal rebate, which are the least cost effective programs.

13

In addition, CWS's proposed budget of \$92 for its School Education program is unnecessary and it is not economically feasible to target any grade level with such a minimal budget.

16

As discussed in Chapter 1, Section C of this report, the employee benefits total under the Admin and Research program was adjusted including an adjustment to estimated benefits of 50% of the employees' salaries, which is the average benefit to payroll percentage for all CWS General Office employees.

19

1 **B. Bear Gulch (BG)**

2 **1) Introduction**

3 CWS proposes a conservation budget of \$590,667 for Test Year 2014 and
4 \$602,787 and \$605,917 for Escalating Years 2015 and 2016, respectively, for a total
5 budget of \$1,799,371.²⁶

6 **2) Summary of Recommendations**

7 DRA recommends a budget of \$341,581 for Test Year 2014, and \$341,581 and
8 \$341,581 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
9 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
10 from Escalation for 2015 and 2016 Table 13 shows a comparison between CWS's
11 proposed conservation budget²⁷ and DRA's recommendation for 2014 and 2015 broken
12 down by program.

²⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

²⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, BG tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 13: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

BG Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 13,348	\$ 13,348	\$ -	\$ 15,336	\$ 13,348	\$ (1,988)
U-HE Toilet (R/V)	MF	\$ 3,192	\$ 3,192	\$ -	\$ 3,648	\$ 3,192	\$ (456)
HE CW (R/V)	SF	\$ 32,800	\$ 32,800	\$ -	\$ 32,800	\$ 32,800	\$ -
HE CW Common (R/V)	MF	\$ 3,296	\$ 3,296	\$ -	\$ 3,296	\$ 3,296	\$ -
HE CW In-Unit (R/V)	MF	\$ 2,706	\$ 2,706	\$ -	\$ 2,706	\$ 2,706	\$ -
Smart Controllers (R/V)	SF	\$ 32,768	\$ 32,768	\$ -	\$ 32,768	\$ 32,768	\$ -
Smart Controllers (R/V)	MF	\$ 1,272	\$ 1,272	\$ -	\$ 1,272	\$ 1,272	\$ -
HE Pop-Up Nozzle (V)	SF	\$ 27,458	\$ 10,457	\$ (17,002)	\$ 27,458	\$ 10,457	\$ (17,002)
HE Pop-Up Nozzle (V)	MF	\$ 4,976	\$ 1,895	\$ (3,081)	\$ 4,784	\$ 1,895	\$ (2,889)
HE Pop-Up Nozzle (V)	CII	\$ 28,174	\$ 10,728	\$ (17,446)	\$ 27,092	\$ 10,728	\$ (16,364)
HE Toilet (R/V) (b)	CII	\$ 36,512	\$ 36,512	\$ -	\$ 36,512	\$ 36,512	\$ -
HE CW Coin-Op (R/V)	CII	\$ 1,236	\$ 1,236	\$ -	\$ 1,236	\$ 1,236	\$ -
HE Urinals (R/V)	CII	\$ 4,635	\$ 4,635	\$ -	\$ 4,944	\$ 4,635	\$ (309)
Smart Controllers (R/V)	CII	\$ 12,084	\$ 12,084	\$ -	\$ 12,720	\$ 12,084	\$ (636)
CII Irrigation Sys (R)	CII	\$ 32,512	\$ 32,512	\$ -	\$ 32,512	\$ 32,512	\$ -
HE Toilet Direct Install	SF	\$ 72,912	\$ -	\$ (72,912)	\$ 71,232	\$ -	\$ (71,232)
HE Toilet Direct Install	MF	\$ 64,165	\$ -	\$ (64,165)	\$ 63,852	\$ -	\$ (63,852)
HE Toilet Direct Install	CII	\$ 37,400	\$ -	\$ (37,400)	\$ 37,400	\$ -	\$ (37,400)
Urinal Direct Install	CII	\$ 8,400	\$ -	\$ (8,400)	\$ 9,100	\$ -	\$ (9,100)
Web-Based Home Survey	SF	\$ 5,040	\$ 5,040	\$ -	\$ 4,785	\$ 5,040	\$ 255
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 11,437	\$ 11,437	\$ -	\$ 11,437	\$ 11,437	\$ -
Res. Conservation Kit	SF	\$ 15,730	\$ 4,836	\$ (10,894)	\$ 15,730	\$ 4,836	\$ (10,894)
Res. Conservation Kit	MF	\$ 598	\$ -	\$ (598)	\$ 598	\$ -	\$ (598)
Admin & Resesearch	All	\$ 70,962	\$ 65,401	\$ (5,561)	\$ 82,510	\$ 65,401	\$ (17,109)
Public Information	All	\$ 49,401	\$ 49,401	\$ -	\$ 49,406	\$ 49,401	\$ (5)
School Education	All	\$ 12,053	\$ 6,027	\$ (6,027)	\$ 12,053	\$ 6,027	\$ (6,027)
Total		\$ 590,667	\$ 341,581	\$ (249,085)	\$ 602,787	\$ 341,581	\$ (261,205)

3
4 **3) District Profile**

5 The BG district is located in San Mateo County approximately 30 miles south
 6 southeast of the City of San Francisco. The service area includes the communities of
 7 Atherton, Portola Valley, Woodside, portions of Menlo Park, and adjacent
 8 unincorporated portions of San Mateo County including West Menlo Park, Ladera, North
 9 Fair Oaks, and Menlo Oaks.

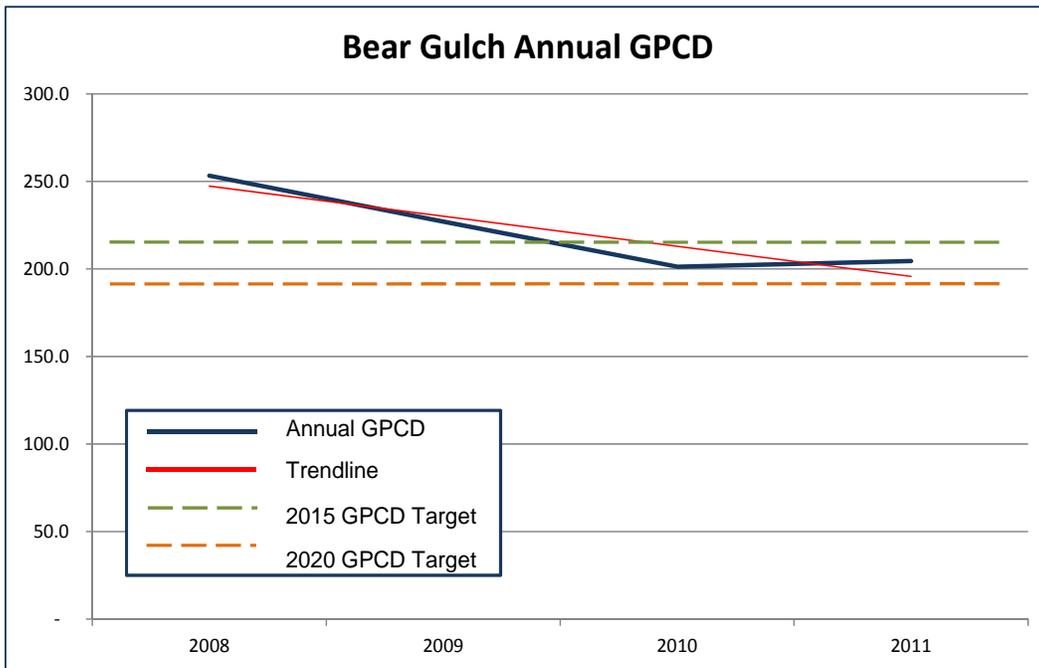
10 The district's population in 2011 was approximately 58,000. On average, the
 11 district receives about 23 inches of rainfall annually, most of which falls in the late
 12 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 13 generally dry. CWS states that the annual evapotranspiration in the district averages 46

1 inches, which means that most landscapes cannot survive on rainfall alone and must be
2 irrigated.²⁸

3 **4) Policy Goals**

4 The BG district in its 2011 usage exceeded its SBx 7-7, 2015 GPCD target by
5 5.8% or 12.5 GPCD. Over the period of 2008-2011, the BG district reduced its overall
6 GPCD by 19.3%. However, the BG district's 2011 GPCD total has not yet reached its
7 2020 target level. In order to meet its 2020 target, BG will need to further reduce its
8 GPCD by a total of 7.6% over the course of the next seven years.²⁹

9 **Figure 4: Bear Gulch Annual Average GPCD 2008-2011**



10

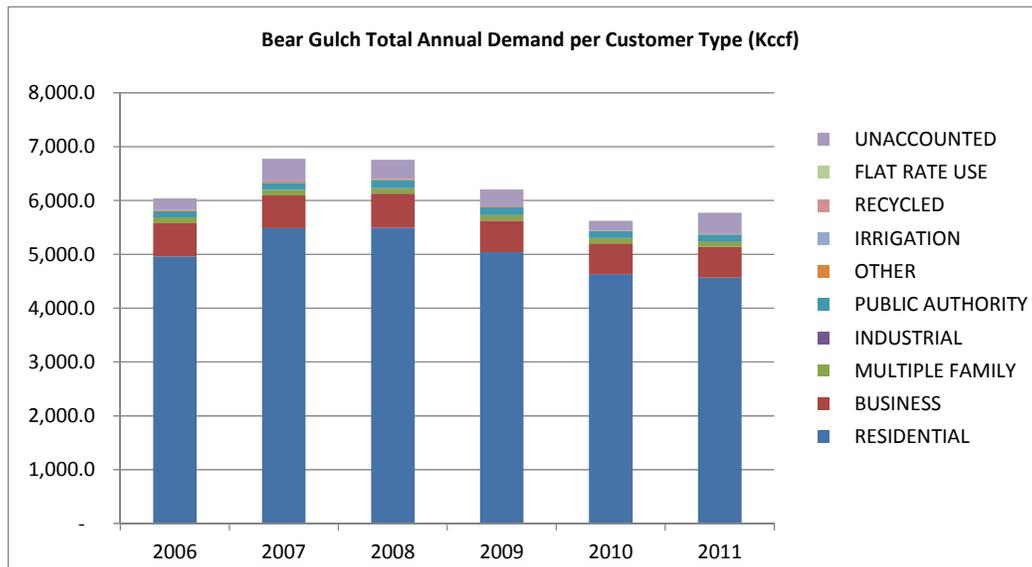
²⁸ District profile information from California Water Service Company, Water Conservation Report: Bear Gulch District, page 1.

²⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1 **5) DRA's Analysis**

2 BG has shown a continuous reduction in customer usage since 2008³⁰ (see Figure
3 5) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 (see Figure 4). Since
4 CWS's BG district has not yet met its 20x2020 goal, DRA recommends that CWS focus
5 on the most cost effective conservation programs that target customer types that would
6 have the greatest impact on reducing overall demand.

7 **Figure 5: Bear Gulch Annual Demand per Customer Type**



8
9 As shown in Figure 5 above, the BG district is mostly composed of residential
10 customers' usage and of the programs CWS proposed for this customer group, DRA
11 recommends the UHET, HECW, and Smart Controller rebates, HE Pop-Up Nozzle
12 Voucher, Web-Based Home Survey, and Conservation Kit distribution which are the
13 most cost effective programs.

14 The total number of kits CWS proposed under the conservation kit distribution
15 program is not an accurate representation of units for the district. Instead, DRA adjusted
16 the proposed number of conservation kits down from 628 kits to 186 kits, which
17 represent the average total number of kits distributed by CWS during the past two years.

³⁰ Annual demand per customer type data from Application A. 12-07-007, Bear Gulch Exp July 2012, Table 4-C and 4-D.

1 DRA also reduced the School Education Program budget by 50% from \$12,053 to
2 \$6,027 and recommends that CWS only reach out to 6th graders to avoid duplication of
3 devices distributed and/or yearly repetitive devices distributed to students who stay in the
4 same school program.

5 Of the programs targeted for BG's business customers, DRA recommends the HE
6 Pop-Up Nozzle voucher, HET, HECW, and HE Urinal rebate programs, Smart Controller
7 voucher, Commercial Irrigation, and Large Landscape Water Use Report which are the
8 most cost effective programs.

9 DRA recommends disallowing all Direct Install programs and the Large
10 Landscape audit since these are the least cost effective programs for the district.

11 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
12 under the Admin and Research program were adjusted by 50% of the employees'
13 salaries, which is the average benefit for all other CWS General Office employees.

14 **C. Bakersfield (BK)**

15 **1) Introduction**

16 CWS proposes a conservation budget of \$664,157 for Test Year 2014, and
17 \$668,617 and \$687,819 for Escalating Years 2015 and 2016, respectively, for a total
18 budget of \$2,020,594.³¹

19 **2) Summary of Recommendations**

20 DRA recommends a budget of \$355,547 for Test Year 2014, and \$355,547 and
21 \$355,547 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
22 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
23 from Escalation for 2015 and 2016 Table 14 shows a comparison between CWS's
24 proposed conservation budget³² and DRA's recommendation for 2014 and 2015 broken
25 down by program.

³¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

³² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, BK tab. Admin & Research, Public

1 **Table 14: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

BK Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 568	\$ 568	\$ -	\$ 710	\$ 568	\$ (142)
U-HE Toilet (R/V)	MF	\$ 14,022	\$ 14,022	\$ -	\$ 16,188	\$ 14,022	\$ (2,166)
HE CW (R/V)	SF	\$ 10,560	\$ -	\$ (10,560)	\$ 10,560	\$ -	\$ (10,560)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 768	\$ -	\$ (768)	\$ 768	\$ -	\$ (768)
Smart Controllers (R/V)	SF	\$ 76,032	\$ 76,032	\$ -	\$ 76,032	\$ 76,032	\$ -
HE Pop-Up Nozzle (V)	SF	\$ 95,488	\$ 31,239	\$ (64,249)	\$ 95,488	\$ 31,239	\$ (64,249)
HE Pop-Up Nozzle (V)	MF	\$ 69,154	\$ 22,623	\$ (46,530)	\$ 66,495	\$ 22,623	\$ (43,872)
HE Pop-Up Nozzle (V)	CII	\$ 195,956	\$ 64,106	\$ (131,849)	\$ 188,419	\$ 64,106	\$ (124,313)
HE Toilet (R/V) (b)	CII	\$ 819	\$ -	\$ (819)	\$ 819	\$ -	\$ (819)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 636	\$ -	\$ (636)	\$ 636	\$ -	\$ (636)
Lrg Landscape Surveys	Irr	\$ 8,400	\$ -	\$ (8,400)	\$ 8,400	\$ -	\$ (8,400)
Lrg Landscape Water Use	Irr	\$ 11,095	\$ -	\$ (11,095)	\$ 11,095	\$ -	\$ (11,095)
Res. Conservation Kit	SF	\$ 3,614	\$ -	\$ (3,614)	\$ 3,614	\$ -	\$ (3,614)
Res. Conservation Kit	MF	\$ 312	\$ -	\$ (312)	\$ 312	\$ -	\$ (312)
Admin & Resesearch	All	\$ 75,503	\$ 61,797	\$ (13,706)	\$ 87,789	\$ 61,797	\$ (25,992)
Public Information	All	\$ 69,922	\$ 69,922	\$ -	\$ 69,982	\$ 69,922	\$ (60)
School Education	All	\$ 30,475	\$ 15,238	\$ (15,238)	\$ 30,475	\$ 15,238	\$ (15,238)
Total		\$ 664,157	\$ 355,547	\$ (308,610)	\$ 668,616	\$ 355,547	\$ (313,068)

3
 4 **3) District Profile**

5 The BK district is located in Kern County. It is situated in the Tulare Lake
 6 hydrologic region. The district is approximately 115 miles north of the City of Los
 7 Angeles. The district serves portions of the City of Bakersfield and segments of
 8 unincorporated Kern County lands adjacent to the City of Bakersfield.

9 The district's population in 2011 was approximately 270,000. On average, the
 10 district receives about 6 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that annual evapotranspiration in the district averages 58
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.³³

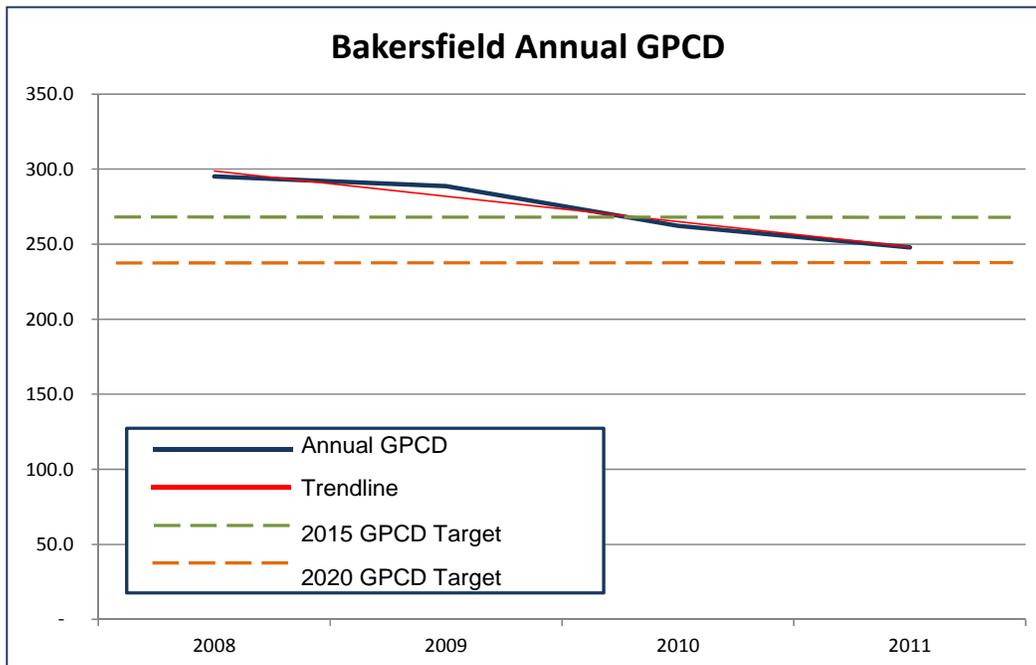
Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

³³ District profile information from California Water Service Company, Water Conservation Report: Bakersfield District, page 1.

1 **4) Policy Goals**

2 The BK district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by 7.2%
3 or 19.1 GPCD. Over the period of 2008-2011, the BK district reduced its overall GPCD
4 by 16%. However, the BK district's 2011 GPCD total has not yet reached its 2020 target
5 level. In order to meet its 2020 target, BK will need to further reduce its GPCD by 3.7%
6 over the course of the next seven years.³⁴

7 **Figure 6: Bakersfield Annual Average GPCD 2008-2011**



8

9 **5) DRA's Analysis**

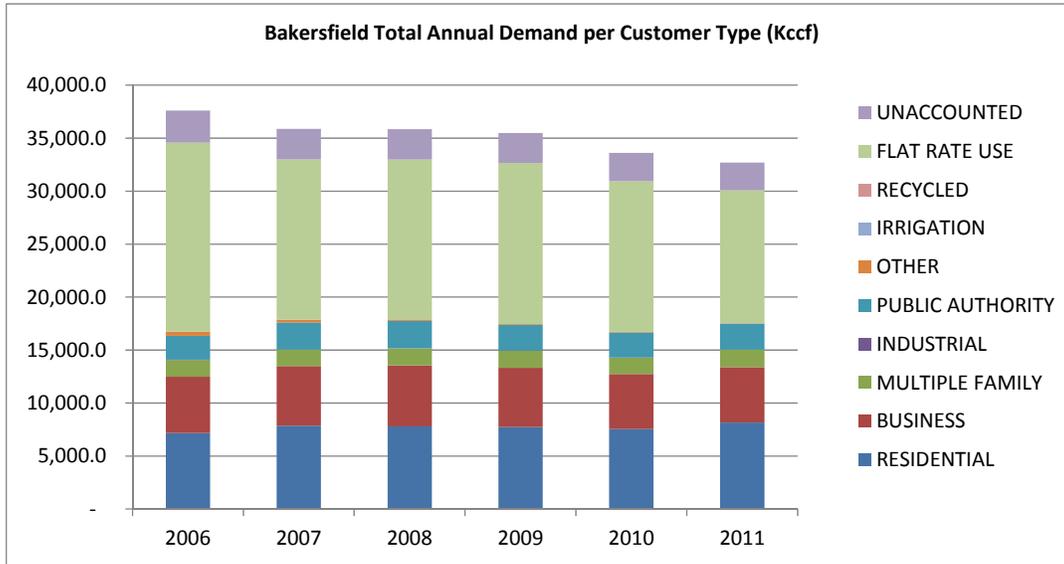
10 BK has shown a continuous reduction in customer usage since 2006³⁵ (see Figure
11 7) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 (see Figure 6). Since
12 CWS's BK district has not yet met its 20x2020 goal, DRA recommends that CWS focus

³⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

³⁵ Annual demand per customer type data from Application A. 12-07-007, Bakersfield Exp July 2012, Table 4-C and 4-D.

1 on the most cost effective conservation programs that target customer types that would
2 have the greatest impact on reducing overall demand.

3 **Figure 7: Bakersfield Annual Demand per Customer Type**



4
5 As shown in Figure 7 above, the BK district is mostly composed of residential
6 customers usage and of the programs CWS proposed for this customer group, DRA
7 recommends the UHET rebate, Smart Controller rebate, and HE Pop-Up Nozzle Voucher
8 which are the most cost effective programs.

9 DRA also recommends reducing the School Education Program budget by 50%
10 from \$30,475 to \$15,238 and proposes that CWS only reach out to 6th graders to avoid
11 duplication of devices distributed and/or yearly repetitive devices distributed to students
12 who stay in the same school program.

13 DRA recommends disallowing the HECW, HET, and HE Urinal rebates, Large
14 Landscape audits, Water Report, and Conservation kit distribution since these are the
15 least cost effective programs.

16 DRA also notes that the BK district has a substantial number of flat rate
17 customers, which will be converting to meters. Figure 7 above shows that as customers
18 switch from flat rate to metered, the total number of residential customers rises slightly
19 while the overall water consumption goes down. In other words, as customers continue

1 to make the switch to meters, it is likely this pattern of reduced water demand should
2 continue until full conversion.

3 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
4 under the Admin and Research program were adjusted by 50% of the employees' salaries
5 which is the average benefit for all other CWS employees.

6 **D. Bayshore (BS)**

7 **1) Introduction**

8 CWS proposes a budget of \$2,068,073 Test Year 2014 and \$2,114,514 and
9 \$2,131,706 for Escalating Years 2015 and 2016, respectively for a three-year total of
10 \$6,314,293.³⁶

11 **2) Summary of Recommendations**

12 DRA recommends a budget of \$784,603 for Test Year 2014, and \$784,603 and
13 \$784,603 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
14 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
15 from Escalation for 2015 and 2016 Table 15 shows a comparison between CWS's
16 proposed conservation budget³⁷ and DRA's recommendation for 2014 and 2015 broken
17 down by program.

³⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

³⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, MPS and SSF tabs. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 15: Comparison between CWS Proposed Conservation Budget and DRA’s**
 2 **Recommended Budget**

BS Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 41,606	\$ 41,606	\$ -	\$ 47,996	\$ 41,606	\$ (6,390)
U-HE Toilet (R/V)	MF	\$ 13,452	\$ 13,452	\$ -	\$ 15,390	\$ 13,452	\$ (1,938)
HE CW (R/V)	SF	\$ 127,100	\$ 127,100	\$ -	\$ 127,100	\$ 127,100	\$ -
HE CW Common (R/V)	MF	\$ 25,544	\$ 25,544	\$ -	\$ 25,544	\$ 25,544	\$ (0)
HE CW In-Unit (R/V)	MF	\$ 20,828	\$ 20,828	\$ -	\$ 20,828	\$ 20,828	\$ 0
Smart Controllers (R/V)	SF	\$ 97,792	\$ -	\$ (97,792)	\$ 97,792	\$ -	\$ (97,792)
Smart Controllers (R/V)	MF	\$ 11,448	\$ 11,448	\$ -	\$ 12,720	\$ 11,448	\$ (1,272)
HE Pop-Up Nozzle (V)	SF	\$ 73,416	\$ 29,229	\$ (44,186)	\$ 73,416	\$ 29,229	\$ (44,186)
HE Pop-Up Nozzle (V)	MF	\$ 13,296	\$ 5,294	\$ (8,002)	\$ 12,782	\$ 5,294	\$ (7,488)
HE Pop-Up Nozzle (V)	CII	\$ 75,332	\$ 29,994	\$ (45,338)	\$ 72,436	\$ 29,994	\$ (42,442)
HE Toilet (R/V) (b)	CII	\$ 61,600	\$ 61,600	\$ -	\$ 61,600	\$ 61,600	\$ -
HE CW Coin-Op (R/V)	CII	\$ 9,888	\$ 9,888	\$ -	\$ 9,888	\$ 9,888	\$ -
HE Urinals (R/V)	CII	\$ 18,540	\$ -	\$ (18,540)	\$ 19,776	\$ -	\$ (19,776)
Smart Controllers (R/V)	CII	\$ 48,336	\$ 48,336	\$ -	\$ 51,516	\$ 48,336	\$ (3,180)
CII Irrigation Sys (R)	CII	\$ 65,024	\$ 65,024	\$ -	\$ 65,024	\$ 65,024	\$ -
HE Toilet Direct Install	SF	\$ 353,472	\$ -	\$ (353,472)	\$ 348,768	\$ -	\$ (348,768)
HE Toilet Direct Install	MF	\$ 264,798	\$ -	\$ (264,798)	\$ 262,607	\$ -	\$ (262,607)
HE Toilet Direct Install	CII	\$ 149,600	\$ -	\$ (149,600)	\$ 149,600	\$ -	\$ (149,600)
Urinal Direct Install	CII	\$ 34,125	\$ -	\$ (34,125)	\$ 36,575	\$ -	\$ (36,575)
Web-Based Home Survey	SF	\$ 13,470	\$ 13,470	\$ -	\$ 12,795	\$ 13,470	\$ 675
Lrg Landscape Surveys	Irr	\$ 16,800	\$ -	\$ (16,800)	\$ 16,800	\$ -	\$ (16,800)
Lrg Indscp Wtr Use Rpt	Irr	\$ 30,042	\$ -	\$ (30,042)	\$ 30,042	\$ -	\$ (30,042)
Res. Conservation Kit	SF	\$ 46,722	\$ 13,650	\$ (33,072)	\$ 46,722	\$ 13,650	\$ (33,072)
Res. Conservation Kit	MF	\$ 6,292	\$ -	\$ (6,292)	\$ 6,292	\$ -	\$ (6,292)
Admin & Ressearch	All	\$ 251,348	\$ 153,009	\$ (98,339)	\$ 292,248	\$ 153,009	\$ (139,239)
Public Information	All	\$ 32,059	\$ 32,059	\$ -	\$ 32,059	\$ 32,059	\$ -
School Education	All	\$ 166,143	\$ 83,072	\$ (83,072)	\$ 166,198	\$ 83,072	\$ (83,127)
Total		\$ 2,068,072	\$ 784,603	\$ (1,283,470)	\$ 2,114,514	\$ 784,603	\$ (1,329,911)

3

4 **3) District Profile**

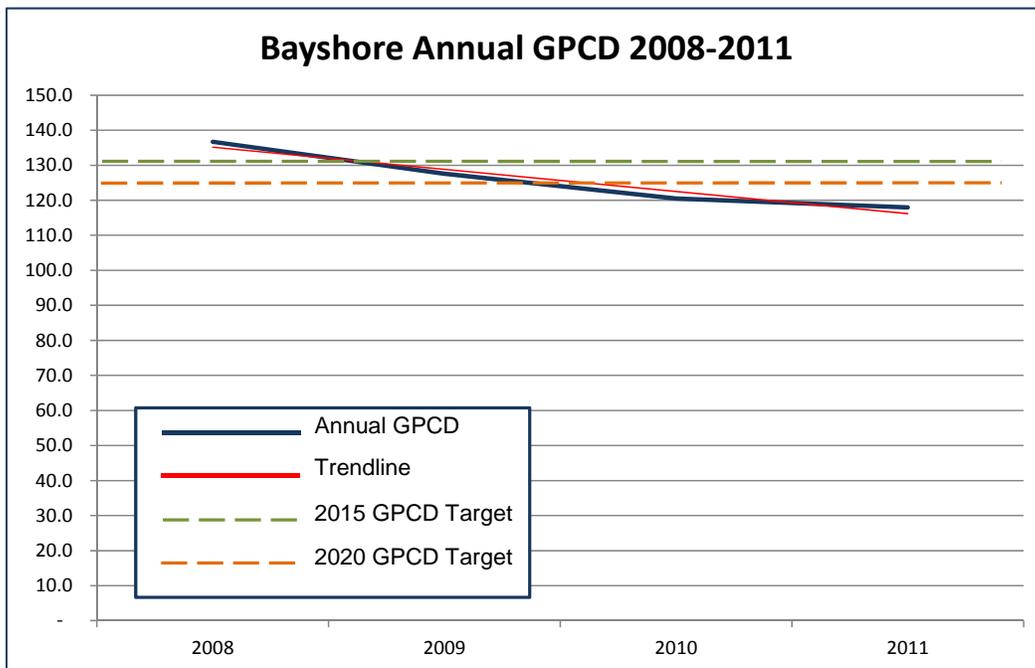
5 The BS district is made up of the service areas of Mid-Peninsula and South San
 6 Francisco, which were consolidated in 2011. Mid-Peninsula district is located in San
 7 Mateo County approximately 20 miles south-southeast of the City of San Francisco. The
 8 district serves the communities of San Carlos and San Mateo and adjacent unincorporated
 9 portions of San Mateo County including The Highlands and Palomar Park. The South
 10 San Francisco district is located in northern San Mateo County approximately six miles
 11 south of the City of San Francisco. The district serves the communities of South San
 12 Francisco, Colma, a small portion of Daly City, and an unincorporated area of San Mateo
 13 County known as Broadmoor. The system is bounded on the north by San Bruno
 14 Mountain, on the west and northwest by Daly City, on the south by the City of San
 15 Bruno, and on the east by the San Francisco Bay.

1 The district's total population in 2011 was approximately 187,300. On average,
2 the district receives about 19.5 inches of rainfall annually, most of which falls in the late
3 autumn, winter, and early spring. The late spring, summer, and early autumn months are
4 generally dry. CWS states that the annual evapotranspiration in the district averages 39-
5 46 inches, which means that most landscapes cannot survive on rainfall alone and must
6 be irrigated.³⁸

7 **4) Policy Goals**

8 The BS district in its 2011 usage exceeded its SBx7-7 2015 GPCD target by
9 10.3% or 13.5 GPCD. Over the period of 2008-2011, the BS district reduced its overall
10 GPCD by 13.7%. In addition, its 2011 usage has already exceeded its 2020 target by
11 4.9%.³⁹

12 **Figure 8: Bayshore Annual Average GPCD 2008-2011**



13

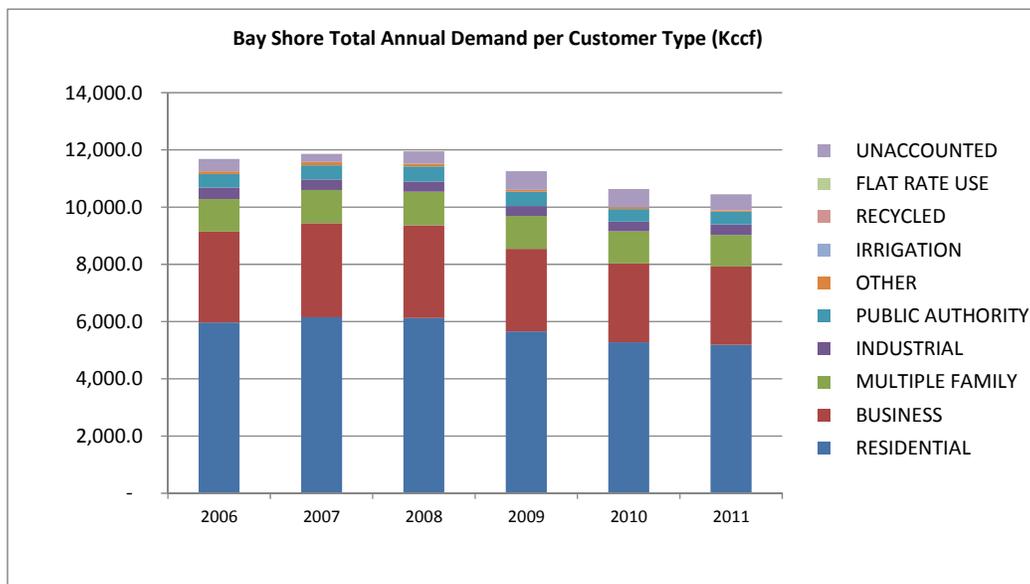
³⁸ District profile information from California Water Service Company, Water Conservation Report: Bayshore District, page 1.

³⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1 **5) DRA's Analysis**

2 BS has shown a continuous reduction in customer usage since 2007⁴⁰ (see Figure
3 9) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
4 8). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objective for its BS
5 district should be to, at a minimum; maintain its current GPCD levels through 2020. DRA
6 recommends that CWS focus on the most cost effective conservation programs that target
7 customer types that would have the greatest impact on reducing overall demand.

8 **Figure 9: Bayshore Annual Demand per Customer Type**



9
10 As shown in Figure 9 above, the BS district is mostly composed of residential
11 customers usage followed closely by business customers. Of the programs proposed by
12 CWS for this district, DRA recommends the UHET, HECW, and Smart Controller rebate,
13 HE Pop-up Nozzle vouchers, Web-based home surveys, and Conservation kit distribution
14 which are the most effective programs for its residential customers.

15 The total number of units CWS proposed under the Conservation kit distribution is
16 not an accurate representation of units for the district. Instead, DRA adjusted the
17 proposed number of conservation kits down from 2,039 kits to 525 kits which represent

⁴⁰ Annual demand per customer type data from Application A. 12-07-007, Bayshore Exp July 2012, Table 4-C and 4-D.

1 the average total number of conservation kits distributed by CWS during the past two
2 years.

3 DRA also recommends reducing the School Education Program budget by 50%
4 from \$166,143 to \$83,072 and proposes that CWS only reach out to 6th graders to avoid
5 duplication of devices distributed and/or yearly repetitive devices distributed to students
6 who stay in the same school program.

7 Of the programs targeted for BS' business and industrial customers, DRA
8 recommends the HE Pop-Up Nozzle Voucher, HET, HECW, and Smart Controller
9 rebate, and CII Irrigation because these are the most cost effective programs.

10 DRA recommends disallowing the HE Urinal rebates, all Direct Install programs,
11 and the Large Landscape Audit. These conservation programs are the least cost effective
12 programs.

13 DRA also notes that the BS district has a substantial number of flat rate customers,
14 which will be converting to meters. Figure 9 above shows that as customers switch from
15 flat rate to metered, the total number of residential customers rises slightly while the
16 overall water consumption goes down. In other words, as customers continue to make
17 the switch to meters, it is likely this pattern of reduced water demand should continue
18 until full conversion.

19 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
20 under the Admin and Research program were adjusted by 50% of the employees' salaries
21 which is the average benefit for all other CWS employees.

22 **E. Chico (CH)**

23 **1) Introduction**

24 CWS proposes a budget of \$228,980 for Test Year 2014 and \$229,031 and
25 \$224,914 for Escalating Years 2015 and 2016, respectively for a total of \$682,925.⁴¹

⁴¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

1 **2) Summary of Recommendations**

2 DRA recommends a budget of \$72,535 for Test Year 2014, and \$72,535 and
 3 \$72,535 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
 4 CWS’s last GRC D. 10-12-017, DRA recommends removal of conservation expenses
 5 from Escalation for 2015 and 2016 Table 16 shows a comparison between CWS
 6 proposed budget⁴² and DRA’s recommendation for 2014 and 2015 broken down by
 7 program.

8 **Table 16: Comparison between CWS Proposed Conservation Budget and DRA’s**
 9 **Recommended Budget**

CH Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 426	\$ -	\$ (426)	\$ 426	\$ -	\$ (426)
U-HE Toilet (R/V)	MF	\$ 228	\$ -	\$ (228)	\$ 228	\$ -	\$ (228)
HE CW (R/V)	SF	\$ 6,336	\$ -	\$ (6,336)	\$ 6,336	\$ -	\$ (6,336)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 768	\$ -	\$ (768)	\$ 768	\$ -	\$ (768)
HE Pop-Up Nozzle (V)	SF	\$ 37,399	\$ 8,347	\$ (29,052)	\$ 37,399	\$ 8,347	\$ (29,052)
HE Pop-Up Nozzle (V)	MF	\$ 27,092	\$ 6,048	\$ (21,044)	\$ 26,049	\$ 6,048	\$ (20,001)
HE Pop-Up Nozzle (V)	CH	\$ 76,752	\$ 17,131	\$ (59,621)	\$ 73,801	\$ 17,131	\$ (56,670)
HE Toilet (R/V) (b)	CH	\$ 468	\$ -	\$ (468)	\$ 468	\$ -	\$ (468)
HE CW Coin-Op (R/V)	CH	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CH	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 8,400	\$ -	\$ (8,400)	\$ 8,400	\$ -	\$ (8,400)
Lrg Landscape Water Use	Irr	\$ 4,097	\$ -	\$ (4,097)	\$ 4,097	\$ -	\$ (4,097)
Res. Conservation Kit	SF	\$ 1,300	\$ -	\$ (1,300)	\$ 1,300	\$ -	\$ (1,300)
Res. Conservation Kit	MF	\$ 130	\$ -	\$ (130)	\$ 130	\$ -	\$ (130)
Admin & Resesarch	All	\$ 24,736	\$ 9,340	\$ (15,396)	\$ 28,761	\$ 9,340	\$ (19,421)
Public Information	All	\$ 23,643	\$ 23,643	\$ -	\$ 23,664	\$ 23,643	\$ (21)
School Education	All	\$ 16,053	\$ 8,027	\$ (8,027)	\$ 16,053	\$ 8,027	\$ (8,027)
Total		\$ 228,980	\$ 72,535	\$ (156,444)	\$ 229,031	\$ 72,535	\$ (156,496)

11 **3) District Profile**

12 The CH district serves the City of Chico, Hamilton City, and portions of
 13 unincorporated Butte County. The Hamilton City system is a small isolated system
 14 located approximately ten miles to the west of the City of Chico. The district is
 15 approximately 80 miles north of the City of Sacramento.

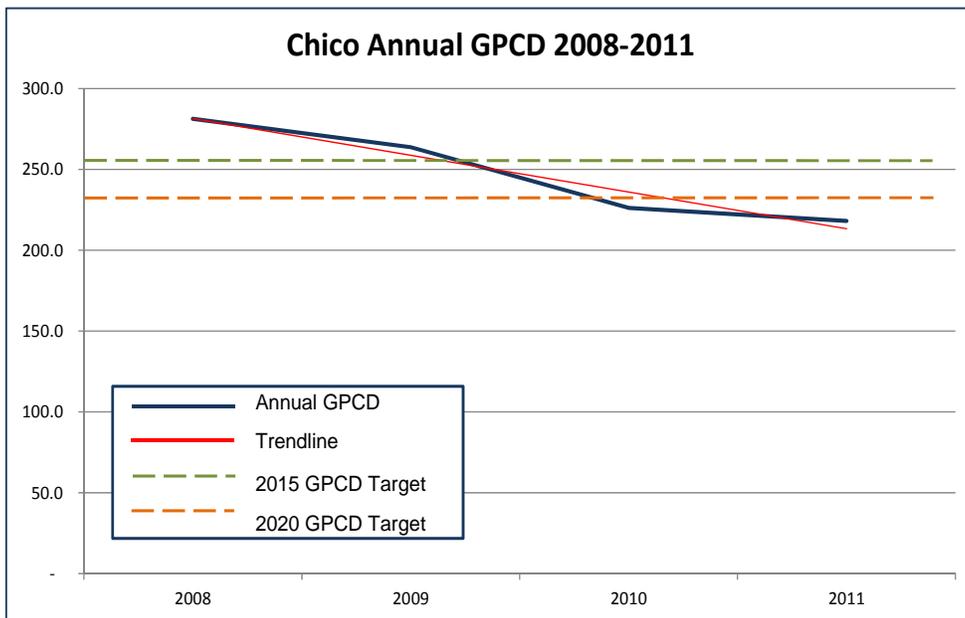
⁴² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, CH tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 The district's population in 2011 was approximately 106,000. On average, the
2 district receives about 26 inches of rainfall annually, most of which falls in the late
3 autumn, winter, and early spring. The late spring, summer, and early autumn months are
4 generally dry. CWS states that the annual evapotranspiration in the district averages 53
5 inches, which means that most landscapes cannot survive on rainfall alone and must be
6 irrigated.⁴³

7 **4) Policy Goals**

8 The CH district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
9 14.8% or 37.9 GPCD. Over the period of 2008-2011, the CH district reduced its overall
10 GPCD by 22.4%. In addition, its 2011 usage has already exceeded its 2020 target by
11 4.7%.⁴⁴

12 **Figure 10: Chico Annual Average GPCD 2008-2011**



13

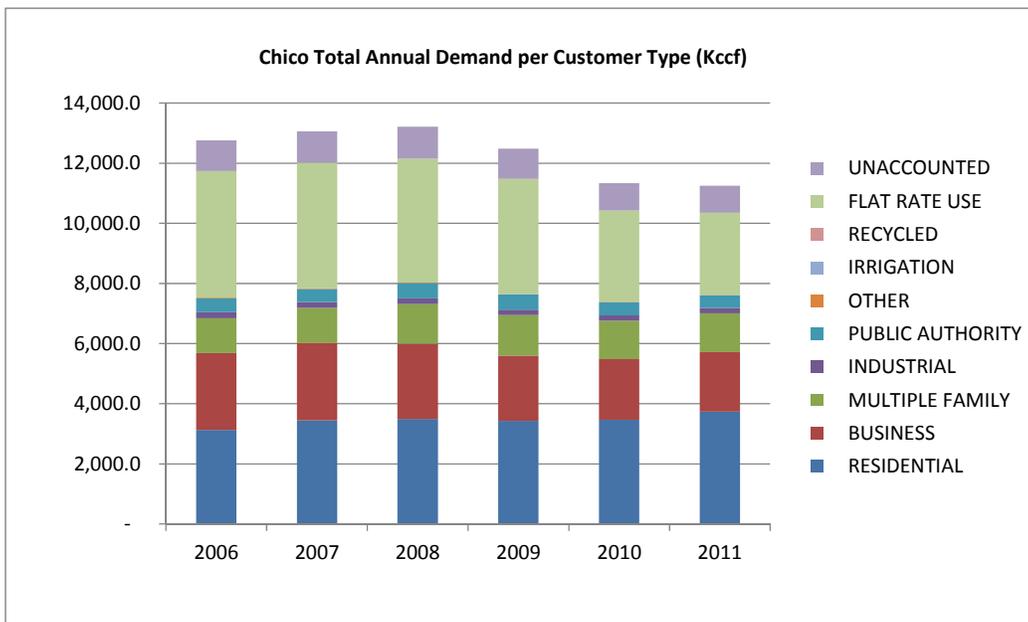
⁴³ District profile information from California Water Service Company, Water Conservation Report: Chico District, page 1.

⁴⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1 **5) DRA's Analysis**

2 CH has shown a continuous reduction in customer usage since 2008⁴⁵ (see Figure
3 11) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
4 10). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objective for its CH
5 district should be to, at a minimum; maintain its current GPCD levels through 2020. DRA
6 recommends that CWS focus on the most cost effective conservation programs that target
7 customer types that would have the greatest impact on reducing overall demand.

8 **Figure 11: Chico Annual Demand per Customer Type**



9
10 As shown in Figure 11 above, the CH district is mostly composed of residential
11 customers usage followed closely by business customers and of the programs proposed by
12 CWS for both customer groups, DRA only recommends the HE Pop-Up Nozzle Voucher
13 which is the only cost effective conservation program.

14 DRA also recommends reducing the School Education Program budget by 50%
15 from \$16,053 to \$8,027 and proposes that CWS only reach out to 6th graders to avoid
16 duplication of devices distributed and/or yearly repetitive devices distributed to students
17 who stay in the same school program.

⁴⁵ Annual demand per customer type data from Application A. 12-07-007, Chico Exp July 2012, Table 4-C and 4-D.

1 DRA recommends disallowing all other proposed programs because the cost
2 benefit ratio falls below .50 and therefore is not cost effective.

3 DRA also notes that the CH district has a substantial number of flat rate
4 customers, which will be converting to meters. Figure 11 above shows that as customers
5 switch from flat rate to metered, the total number of residential customers rises slightly
6 while the overall water consumption goes down. In other words, as customers continue
7 to make the switch to meters, it is likely this pattern of reduced water demand should
8 continue until full conversion.

9 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
10 under the Admin and Research program were adjusted by 50% of the employees' salaries
11 which is the average benefit for all other CWS employees.

12 **F. Dixon (DIX)**

13 **1) Introduction**

14 CWS proposes a conservation budget of \$27,910 for Test Year 2014 and \$27,966
15 and \$27,487 for Escalating Years 2015 and 2016, respectively for a total of \$83,363.⁴⁶

16 **2) Summary of Recommendations**

17 DRA recommends a budget of \$7,761 for Test Year 2014, and \$7,761 and \$7,761
18 for Escalating Year 2015 and 2016. Consistent with the settlement adopted in CWS's
19 last GRC D. 10-12-017, DRA recommends removal of conservation expenses from
20 Escalation for 2015 and 2016 Table 17 shows a comparison between CWS's proposed
21 budget⁴⁷ and DRA's recommendation for 2014 and 2015 broken down by program.

⁴⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁴⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, DIX tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 17: Comparison between CWS Proposed Conservation Budget and DRA’s**
 2 **Recommended Budget**

DIX Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 142	\$ -	\$ (142)
U-HE Toilet (R/V)	MF	\$ 684	\$ 684	\$ -	\$ 684	\$ 684	\$ -
HE CW (R/V)	SF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 4,274	\$ 628	\$ (3,646)	\$ 4,274	\$ 628	\$ (3,646)
HE Pop-Up Nozzle (V)	MF	\$ 3,110	\$ 458	\$ (2,652)	\$ 2,990	\$ 458	\$ (2,532)
HE Pop-Up Nozzle (V)	CH	\$ 8,772	\$ 1,287	\$ (7,485)	\$ 8,434	\$ 1,287	\$ (7,147)
HE Toilet (R/V) (b)	CH	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE Urinals (R/V)	CH	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 1,400	\$ -	\$ (1,400)	\$ 1,400	\$ -	\$ (1,400)
Lrg Landscape Water Use	Irr	\$ 939	\$ -	\$ (939)	\$ 939	\$ -	\$ (939)
Res. Conservation Kit	SF	\$ 130	\$ -	\$ (130)	\$ 130	\$ -	\$ (130)
Res. Conservation Kit	MF	\$ 26	\$ -	\$ (26)	\$ 26	\$ -	\$ (26)
Admin & Resesearch	All	\$ 3,156	\$ 906	\$ (2,250)	\$ 3,669	\$ 906	\$ (2,763)
Public Information	All	\$ 3,746	\$ 3,746	\$ -	\$ 3,746	\$ 3,746	\$ -
School Education	All	\$ 105	\$ -	\$ (105)	\$ 105	\$ -	\$ (105)
Total		\$ 27,911	\$ 7,708	\$ (20,203)	\$ 27,966	\$ 7,708	\$ (20,258)

3
4 **3) District Profile**

5 The DIX district is located in northern Solano County, about 20 miles southwest
 6 of the City of Sacramento and about 65 miles northeast of the City of San Francisco. The
 7 district serves parts of the City of Dixon as well as unincorporated areas of Solano
 8 County adjacent to Dixon.

9 The district’s population in 2011 was approximately 9,500. On average, the
 10 district receives about 17 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 58
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.⁴⁸

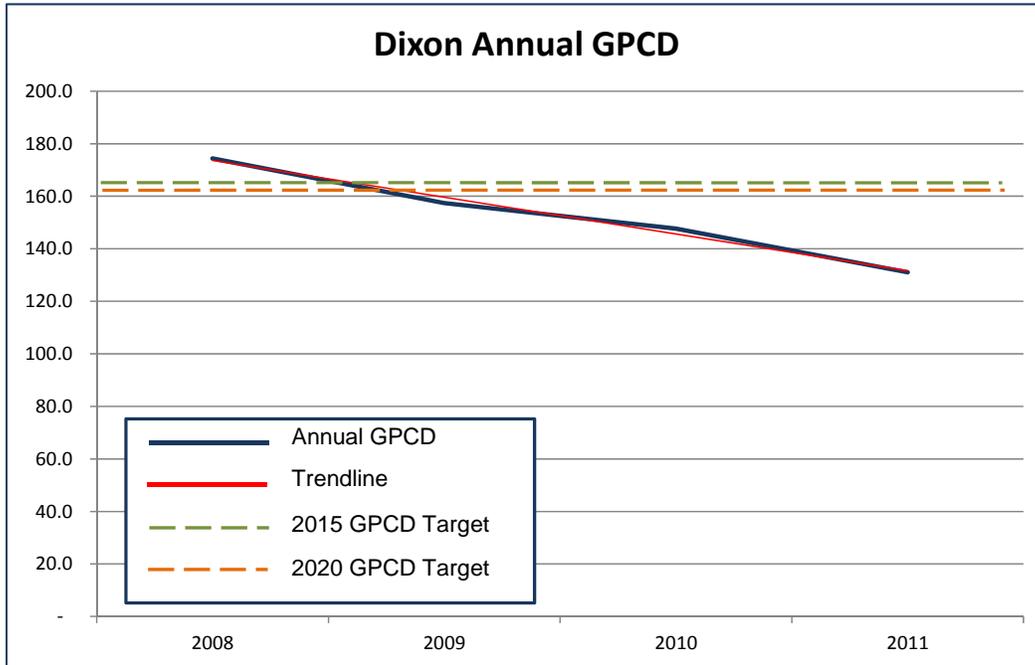
15 **4) Policy Goals**

16 The DIX district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
 17 22% or 36.9 GPCD. Over the period of 2008-2011, the DIX district reduced its overall

⁴⁸ District profile information from California Water Service Company, Water Conservation Report: Dixon District, page 1.

1 GPCD by 24.9%. In addition, its 2011 usage has already exceeded its 2020 target by
2 20.1%.⁴⁹

3 **Figure 12: Dixon Annual Average GPCD 2008-2011**



4

5 **5) DRA's Analysis**

6 DIX has shown a continuous reduction in customer usage since 2007⁵⁰ (see Figure

7 13) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure

8 12). Having exceeded its SBx7-7 target for 2015 and 2020, CWS objective for its DIX

9 district should be to, at a minimum; maintain its current GPCD levels through 2020. DRA

10 recommends that CWS focus on the most cost effective conservation programs that target

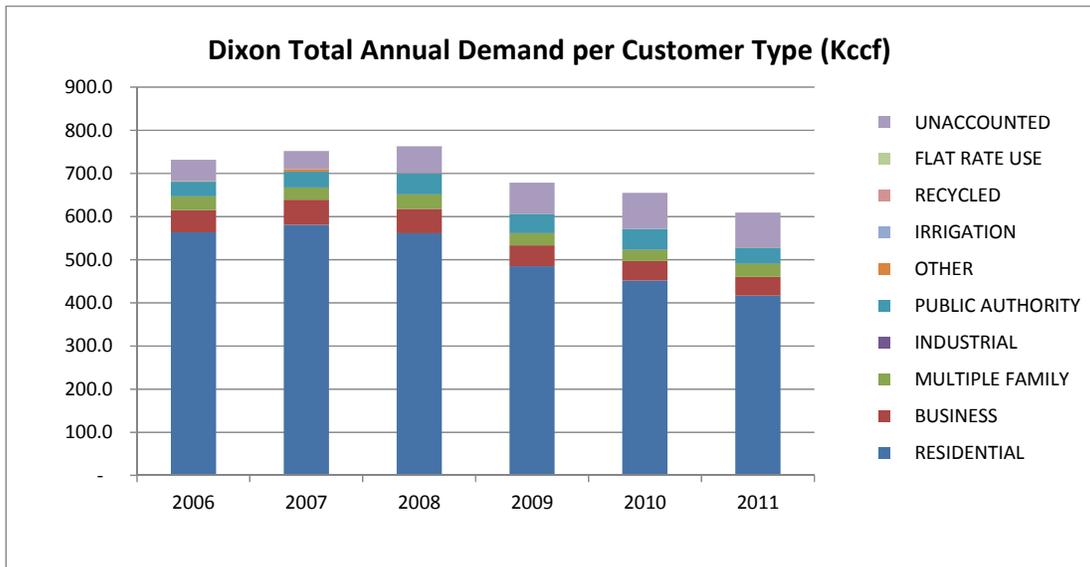
11 customer types that would have the greatest impact on reducing overall demand.

⁴⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁵⁰ Annual demand per customer type data from Application A. 12-07-007, Dixon Exp July 2012, Table 4-C and 4-D.

1

Figure 13: Dixon Annual Demand per Customer Type



2

3 As shown in Figure 13 above, the DIX district is mostly composed of residential
4 customers' usage and of the programs proposed by CWS, DRA recommends the UHET
5 rebate and HE Pop-Up Nozzle Vouchers which are the most cost effective programs.

6 In addition, CWS's proposed budget of \$105 for its School Education program is
7 unnecessary and it is not economically feasible to target any grade level with such a
8 minimal budget.

9 DRA recommends disallowing all other proposed programs because they are the
10 least cost effective programs and DIX has already exceeded its 20x2020 target by 20.1%.

11 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
12 under the Admin and Research program were adjusted by 50% of the employees' salaries
13 which is the average benefit for all other CWS employees.

14 **G. Dominguez (DOM)**

15 **1) Introduction**

16 CWS proposes a conservation budget of \$929,795 for the Test Year 2014 and
17 \$951,904 and \$1,002,385 for Escalating Years 2015 and 2016, respectively for a total of
18 \$2,884,084.⁵¹

⁵¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

1 **2) Summary of Recommendations**

2 DRA recommends a conservation budget of \$275,714 budget for Test Year 2014,
 3 and \$275,714 and \$275,714 for Escalating Years 2015 and 2016. Consistent with the
 4 settlement adopted in CWS’s last GRC D. 10-12-017, DRA recommends removal of
 5 conservation expenses from Escalation for 2015 and 2016 Table 18 shows a comparison
 6 between CWS’s proposed conservation budget⁵² and DRA’s recommendation for 2014
 7 and 2015 broken down by program.

8 **Table 18: Comparison Between CWS Conservation Budget Request and DRA’s**
 9 **Proposed Budget**

DOM Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 19,312	\$ 19,312	\$ -	\$ 22,294	\$ 19,312	\$ (2,982)
U-HE Toilet (R/V)	MF	\$ 3,078	\$ 3,078	\$ -	\$ 3,534	\$ 3,078	\$ (456)
HE CW (R/V)	SF	\$ 109,632	\$ -	\$ (109,632)	\$ 109,632	\$ -	\$ (109,632)
HE CW Common (R/V)	MF	\$ 2,502	\$ -	\$ (2,502)	\$ 2,502	\$ -	\$ (2,502)
HE CW In-Unit (R/V)	MF	\$ 4,224	\$ -	\$ (4,224)	\$ 4,224	\$ -	\$ (4,224)
Smart Controllers (R/V)	SF	\$ 37,888	\$ -	\$ (37,888)	\$ 37,888	\$ -	\$ (37,888)
Smart Controllers (R/V)	MF	\$ 11,448	\$ -	\$ (11,448)	\$ 12,720	\$ -	\$ (12,720)
HE Pop-Up Nozzle (V)	SF	\$ 46,754	\$ 13,737	\$ (33,018)	\$ 46,754	\$ 13,737	\$ (33,018)
HE Pop-Up Nozzle (V)	MF	\$ 8,470	\$ 2,490	\$ (5,980)	\$ 8,145	\$ 2,490	\$ (5,655)
HE Pop-Up Nozzle (V)	CII	\$ 47,973	\$ 14,095	\$ (33,878)	\$ 46,127	\$ 14,095	\$ (32,032)
HE Toilet (R/V) (b)	CII	\$ 17,550	\$ 17,550	\$ -	\$ 17,550	\$ 17,550	\$ -
HE CW Coin-Op (R/V)	CII	\$ 2,502	\$ 2,502	\$ -	\$ 2,502	\$ 2,502	\$ -
HE Urinals (R/V)	CII	\$ 10,494	\$ 10,494	\$ -	\$ 11,130	\$ 10,494	\$ (636)
Smart Controllers (R/V)	CII	\$ 26,712	\$ 26,712	\$ -	\$ 28,620	\$ 26,712	\$ (1,908)
CII Irrigation Sys (R)	CII	\$ 32,512	\$ -	\$ (32,512)	\$ 32,512	\$ -	\$ (32,512)
Cooling Tower Controller	Ind	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -
Cooling Tower pH Contr.	Ind	\$ 3,810	\$ 3,810	\$ -	\$ 3,810	\$ 3,810	\$ -
HE Toilet Direct Install	SF	\$ 176,064	\$ -	\$ (176,064)	\$ 174,048	\$ -	\$ (174,048)
HE Toilet Direct Install	MF	\$ 32,865	\$ -	\$ (32,865)	\$ 32,552	\$ -	\$ (32,552)
HE Toilet Direct Install	CII	\$ 37,400	\$ -	\$ (37,400)	\$ 37,400	\$ -	\$ (37,400)
Urinal Direct Install	CII	\$ 18,900	\$ -	\$ (18,900)	\$ 20,300	\$ -	\$ (20,300)
Web-Based Home Survey	SF	\$ 8,565	\$ 8,565	\$ -	\$ 8,145	\$ 8,565	\$ 420
Industrial Process Audits	Ind	\$ 6,415	\$ 6,415	\$ -	\$ 6,415	\$ 6,415	\$ -
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 17,752	\$ -	\$ (17,752)	\$ 17,752	\$ -	\$ (17,752)
Res. Conservation Kit	SF	\$ 20,592	\$ 9,958	\$ (10,634)	\$ 20,592	\$ 9,958	\$ (10,634)
Res. Conservation Kit	MF	\$ 702	\$ -	\$ (702)	\$ 702	\$ -	\$ (702)
Admin & Resesearch	All	\$ 112,694	\$ 41,393	\$ (71,301)	\$ 131,032	\$ 41,393	\$ (89,639)
Public Information	All	\$ 82,822	\$ 82,822	\$ -	\$ 82,859	\$ 82,822	\$ (37)
School Education	All	\$ 23,562	\$ 11,781	\$ (11,781)	\$ 23,562	\$ 11,781	\$ (11,781)
Total		\$ 929,794	\$ 275,714	\$ (654,081)	\$ 951,903	\$ 275,714	\$ (676,190)

⁵² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, DOM tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **3) District Profile**

2 The DOM district covers a 35-square mile service area and includes the majority
3 of the City of Carson, a section of the City of Torrance, small sections of the Cities of
4 Compton, Long Beach and Los Angeles, and a portion of Los Angeles County. The
5 northwest and west section of the service area is adjacent to Cal Water’s Hermosa-
6 Redondo district. Cal Water’s Palos Verdes district lies to the south of the district.

7 The district’s population in 2011 was approximately 144,400. On average, the
8 district receives about 14 inches of rainfall annually, most of which falls in the late
9 autumn, winter, and early spring. The late spring, summer, and early autumn months are
10 generally dry. CWS states that the annual evapotranspiration in the district averages 47
11 inches, which means that most landscapes cannot survive on rainfall alone and must be
12 irrigated.⁵³

13 **4) Policy Goals**

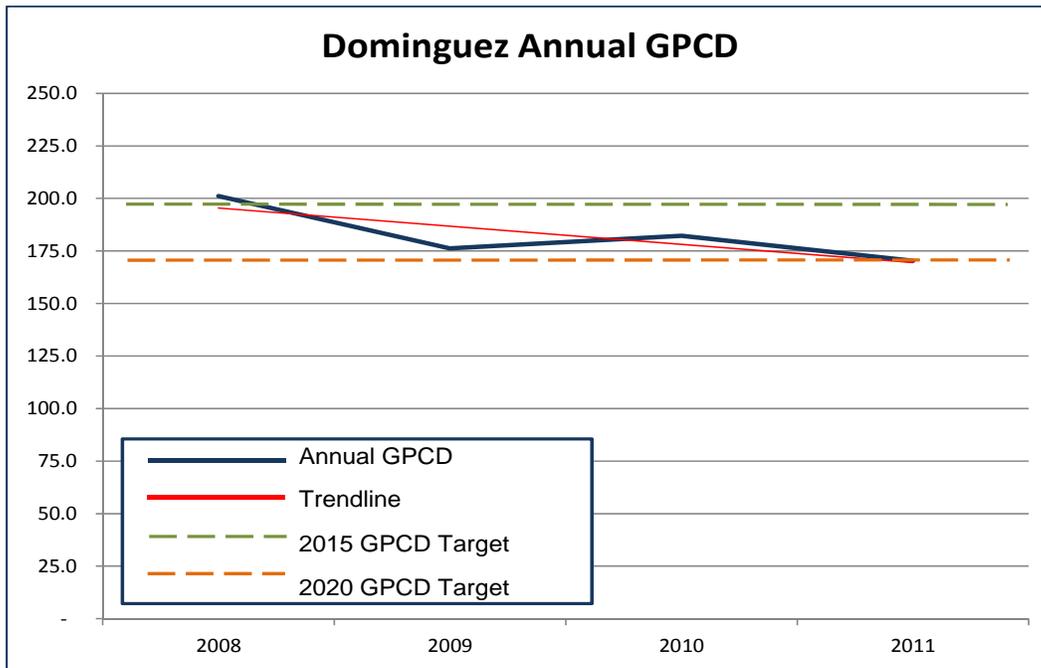
14 The DOM district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
15 13.5% or 26.6 GPCD. Over the period of 2008-2011, the DOM district reduced its overall
16 GPCD by 15.3%. In addition, its 2011 usage has already exceeded its 2020 target by
17 0.4%.⁵⁴

⁵³ District profile information from California Water Service Company, Water Conservation Report: Dominguez District, page 1.

⁵⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1

Figure 14: Dominguez Annual Average GPCD 2008-2011



2

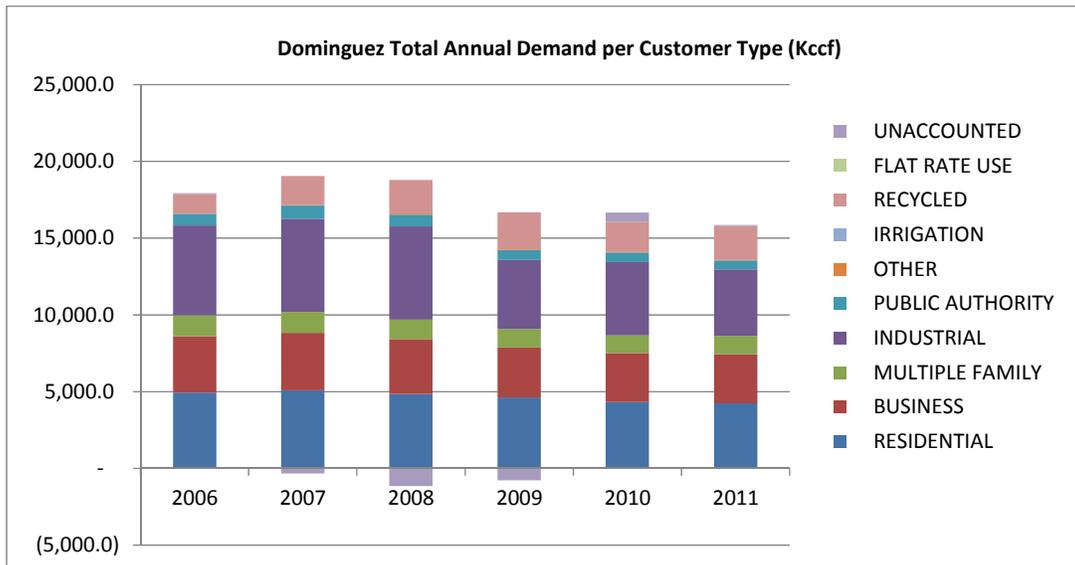
3 **5) DRA's Analysis**

4 DOM has shown a continuous reduction in customer usage since 2007⁵⁵ (see
5 Figure 15) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
6 Figure 14). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
7 its DOM district should be to, at a minimum, maintain its current GPCD levels through
8 2020. DRA recommends that CWS focus on the most cost effective conservation
9 programs that target customer types that would have the greatest impact on reducing
10 overall demand.

⁵⁵ Annual demand per customer type data from Application A. 12-07-007, Dominguez Exp July 2012, Table 4-C and 4-D.

1

Figure 15: Dominguez Annual Demand per Customer Type



2

3 As shown in Figure 15 above, the DOM district is mostly composed of residential
 4 (includes multi-family) customer usage followed closely by the industrial and business
 5 customers. Of the programs proposed by CWS for this district, DRA recommends the
 6 UHET and HE Pop-up Nozzle Rebates, Web Based Home Surveys, and Conservation Kit
 7 distribution for its residential customers.

8 The total number of kits proposed by CWS under the Conservation Kit distribution
 9 is not an accurate representation of kits for the district. Instead, DRA adjusted the
 10 proposed number of conservation kits down from 817 kits to 383 kits which represent the
 11 average total number of kits distributed by CWS during the past two years.

12 DRA also recommends reducing the School Education Program budget by 50%
 13 from \$23,562 to \$11,781 and proposes that CWS only reach out to 6th graders to avoid
 14 duplication of devices distributed and/or yearly repetitive devices distributed to students
 15 who stay in the same school program.

16 Of the programs proposed by CWS for its industrial and business customers, DRA
 17 recommends that HE Pop-Up Nozzle voucher, HET, HECW, HE Urinal, and Smart
 18 Controller rebate, Cooling Tower Controller and Industrial Process.

1 DRA recommends disallowing all other programs proposed including the
2 Commercial Irrigation, all Direct Install programs, Large Landscape audit and Large
3 Landscape Report because these programs are not cost effective.

4 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
5 under the Admin and Research program were adjusted by 50% of the employees' salaries
6 which is the average benefit for all other CWS employees.

7 **H. East Los Angeles (ELA)**

8 **1) Introduction**

9 CWS proposes a conservation budget of \$619,395 for Test Year 2014 and
10 \$633,643 and \$632,661 for Escalating Years 2015 and 2016, respectively for a total of
11 \$1,885,698.⁵⁶

12 **2) Summary of Recommendations**

13 DRA recommends a conservation budget of \$221,832 for Test Year 2014, and
14 \$221,832 and \$221,832 for Escalating Years 2015 and 2016. Consistent with the
15 settlement adopted in CWS's last GRC D. 10-12-017, DRA recommends removal of
16 conservation expenses from Escalation for 2015 and 2016 Table 19 shows a comparison
17 between CWS's proposed conservation budget⁵⁷ and DRA's recommendation for 2014
18 and 2015 broken down by program.

⁵⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁵⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, ELA tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 19: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

ELA Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 13,277	\$ 13,348	\$ 71	\$ 15,336	\$ 13,348	\$ (1,988)
U-HE Toilet (R/V)	MF	\$ 1,744	\$ 1,710	\$ (34)	\$ 1,949	\$ 1,710	\$ (239)
HE CW (R/V)	SF	\$ 3,648	\$ -	\$ (3,648)	\$ 3,648	\$ -	\$ (3,648)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 33,145	\$ 8,874	\$ (24,270)	\$ 33,145	\$ 8,874	\$ (24,270)
HE Pop-Up Nozzle (V)	MF	\$ 6,000	\$ 1,606	\$ (4,394)	\$ 5,769	\$ 1,606	\$ (4,164)
HE Pop-Up Nozzle (V)	CII	\$ 34,010	\$ 9,103	\$ (24,907)	\$ 32,702	\$ 9,103	\$ (23,599)
HE Toilet (R/V) (b)	CII	\$ 11,700	\$ 11,700	\$ -	\$ 11,700	\$ 11,700	\$ -
HE CW Coin-Op (R/V)	CII	\$ 6,672	\$ 6,672	\$ -	\$ 6,672	\$ 6,672	\$ -
HE Urinals (R/V)	CII	\$ 17,490	\$ 17,490	\$ -	\$ 18,762	\$ 17,490	\$ (1,272)
CII Irrigation Sys (R)	CII	\$ 32,512	\$ 32,512	\$ -	\$ 32,512	\$ 32,512	\$ -
HE Toilet Direct Install	SF	\$ 173,544	\$ -	\$ (173,544)	\$ 172,032	\$ -	\$ (172,032)
HE Toilet Direct Install	MF	\$ 63,445	\$ -	\$ (63,445)	\$ 63,195	\$ -	\$ (63,195)
Urinal Direct Install	CII	\$ 31,325	\$ -	\$ (31,325)	\$ 33,775	\$ -	\$ (33,775)
Web-Based Home Survey	SF	\$ 6,075	\$ 6,075	\$ -	\$ 5,775	\$ 6,075	\$ 300
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 11,778	\$ -	\$ (11,778)	\$ 11,778	\$ -	\$ (11,778)
Res. Conservation Kit	SF	\$ 16,588	\$ 9,022	\$ (7,566)	\$ 16,588	\$ 9,022	\$ (7,566)
Res. Conservation Kit	MF	\$ 780	\$ -	\$ (780)	\$ 780	\$ -	\$ (780)
Admin & Ressearch	All	\$ 72,757	\$ 34,992	\$ (37,765)	\$ 84,596	\$ 34,992	\$ (49,604)
Public Information	All	\$ 60,760	\$ 60,760	\$ -	\$ 60,784	\$ 60,760	\$ (24)
School Education	All	\$ 15,936	\$ 7,968	\$ (7,968)	\$ 15,936	\$ 7,968	\$ (7,968)
Total		\$ 619,395	\$ 221,832	\$ (397,563)	\$ 633,643	\$ 221,832	\$ (411,811)

3
4 **3) District Profile**

5 The ELA district is located east of downtown Los Angeles with a western
 6 boundary approximately three miles from LA's Civic Center. The service area
 7 encompasses a large section of unincorporated Los Angeles County known as East Los
 8 Angeles and portions of the cities of Montebello, Commerce, and Vernon.

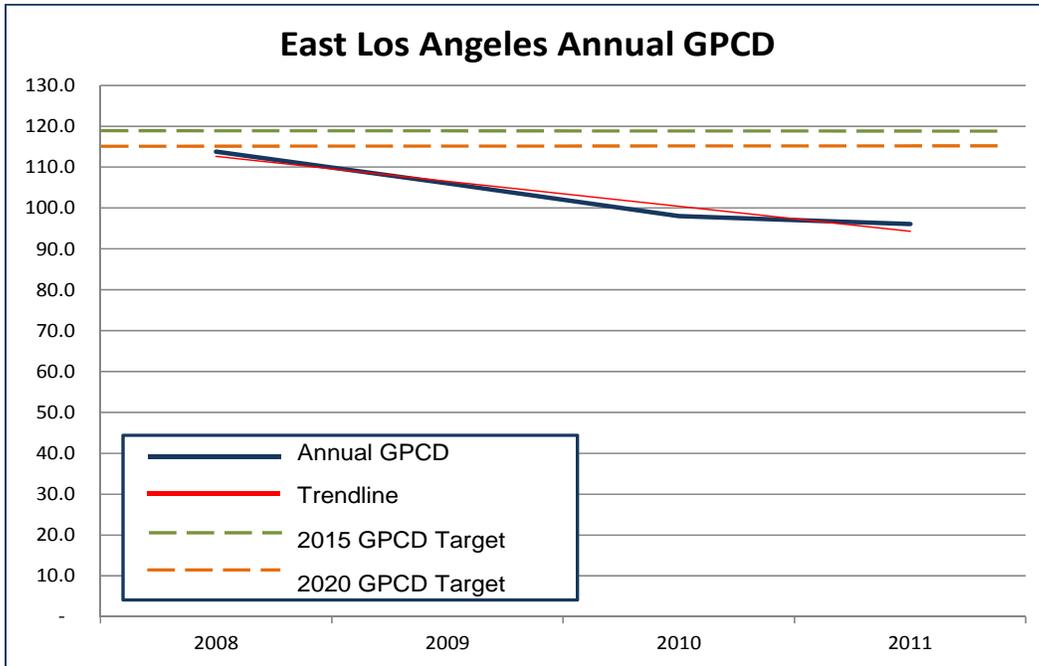
9 The district's population in 2011 was approximately 151,500. On average, the
 10 district receives about 15 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 50
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.⁵⁸

⁵⁸ District profile information from California Water Service Company, Water Conservation Report: East Los Angeles District, page 1.

1 **4) Policy Goals**

2 The ELA district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 18.6% or 21.9 GPCD. Over the period of 2008-2011, the E LA district reduced its overall
4 GPCD by 15.5%. In addition, its 2011 usage has already exceeded its 2020 target by
5 16.4%.⁵⁹

6 **Figure 16: East Los Angeles Annual Average GPCD 2008-2011**



7
8 **5) DRA's Analysis**

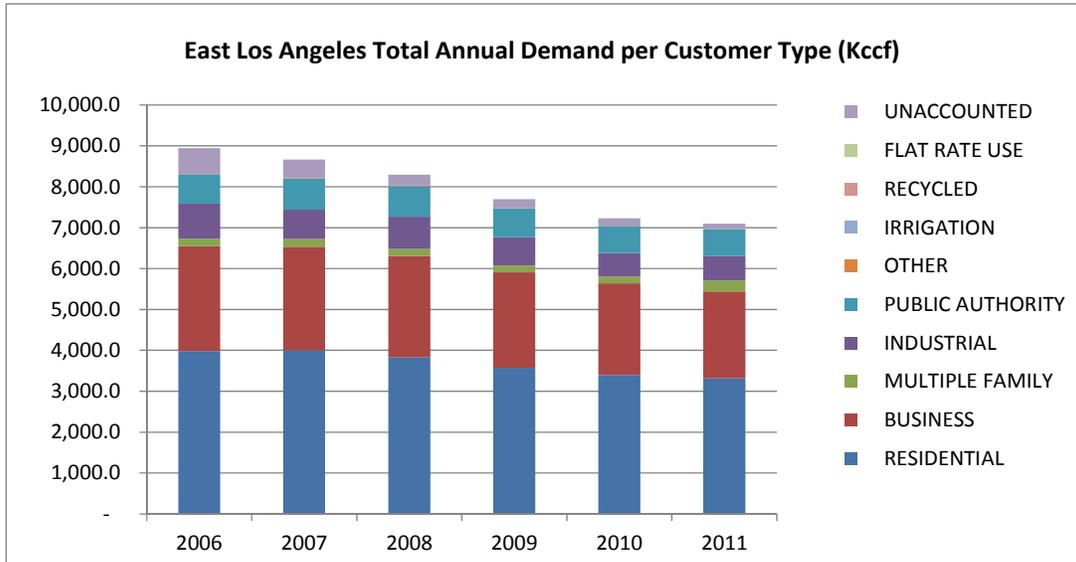
9 ELA has shown a continuous reduction in customer usage since 2006⁶⁰ (see Figure
10 17) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
11 2). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objective for its ELA
12 district should be to, at a minimum, maintain its current GPCD levels through 2020. DRA

⁵⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁶⁰ Annual demand per customer type data from Application A. 12-07-007, East Los Angeles Exp July 2012, Table 4-C and 4-D.

1 recommends that CWS focus on the most cost effective conservation programs that target
2 customer types that would have the greatest impact on reducing overall demand.

3 **Figure 17: East Los Angeles Annual Demand per Customer Type**



4
5 As shown in Figure 17 above, the ELA district is mostly composed of residential
6 customer usage followed by business customers. Of the programs proposed by CWS for
7 its residential customers, DRA recommends the UHET rebate, HE Pop-Up Nozzle
8 Vouchers, Web Based Home Surveys, and Conservation Kit distribution because these
9 programs are the most cost effective.

10 The total number of kits proposed by CWS under the Conservation Kit distribution
11 program is not an accurate representation of kits for the district. Instead, DRA adjusted
12 the proposed number of conservation kits down from 668 kits to 347 kits which represent
13 the total average number of kits CWS distributed during the past two years for this
14 district.

15 DRA also recommends reducing the School Education Program budget by 50%
16 from \$15,936 to \$7,968 and proposes that CWS only reach out to 6th graders to avoid
17 duplication of devices distributed and/or yearly repetitive devices distributed to students
18 who stay in the same school program.

1 Of the programs targeted for its business and industrial customers, DRA
2 recommends the HET, HECW, HE Urinal rebate, HE Pop-up Nozzle Voucher, and CII
3 Irrigation because these are the most cost effective programs.

4 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
5 under the Admin and Research program were adjusted by 50% of the employees' salaries
6 which is the average benefit for all other CWS employees.

7 DRA recommends the disallowance of all other programs proposed by CWS
8 which DRA finds to be the least cost effective programs.

9 **I. Hermosa – Redondo (HR)**

10 **1) Introduction**

11 CWS proposes a conservation budget of \$834,353 for Test Year 2014 and
12 \$850,900 and \$846,930 for Escalating Years 2015 and 2016, respectively, for a total of
13 \$2,532,183.⁶¹

14 **2) Summary of Recommendations**

15 DRA recommends a budget of \$240,394 for Test Year 2014, and \$240,394 and
16 \$240,394 for Escalating Year 2015 and 2016. Consistent with the settlement adopted in
17 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
18 from Escalation for 2015 and 2016 Table 20 shows a comparison between CWS's
19 proposed conservation budget⁶² and DRA's recommendation for 2014 and 2015 broken
20 down by program.

⁶¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁶² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, HR tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 20: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

HR Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 14,626	\$ 14,626	\$ -	\$ 16,898	\$ 14,626	\$ (2,272)
U-HE Toilet (R/V)	MF	\$ 13,452	\$ 13,452	\$ -	\$ 15,390	\$ 13,452	\$ (1,938)
HE CW (R/V)	SF	\$ 4,032	\$ -	\$ (4,032)	\$ 4,032	\$ -	\$ (4,032)
HE CW Common (R/V)	MF	\$ 834	\$ -	\$ (834)	\$ 834	\$ -	\$ (834)
HE CW In-Unit (R/V)	MF	\$ 1,344	\$ -	\$ (1,344)	\$ 1,344	\$ -	\$ (1,344)
HE Pop-Up Nozzle (V)	SF	\$ 36,090	\$ 9,506	\$ (26,584)	\$ 36,090	\$ 9,506	\$ (26,584)
HE Pop-Up Nozzle (V)	MF	\$ 6,536	\$ 1,723	\$ (4,813)	\$ 6,286	\$ 1,723	\$ (4,563)
HE Pop-Up Nozzle (V)	CH	\$ 37,034	\$ 9,753	\$ (27,281)	\$ 35,607	\$ 9,753	\$ (25,854)
HE Toilet (R/V) (b)	CH	\$ 11,700	\$ 11,700	\$ -	\$ 11,700	\$ 11,700	\$ -
HE CW Coin-Op (R/V)	CH	\$ 2,085	\$ 2,085	\$ -	\$ 2,085	\$ 2,085	\$ -
HE Urinals (R/V)	CH	\$ 6,996	\$ 6,996	\$ -	\$ 7,632	\$ 6,996	\$ (636)
CH Irrigation Sys (R)	CH	\$ 24,384	\$ 24,384	\$ -	\$ 24,384	\$ 24,384	\$ -
Cooling Tower Controller	Ind	\$ 4,000	\$ 4,000	\$ -	\$ 4,000	\$ 4,000	\$ -
Cooling Tower pH Contr.	Ind	\$ 3,810	\$ 3,810	\$ -	\$ 3,810	\$ 3,810	\$ -
HE Toilet Direct Install	SF	\$ 174,384	\$ -	\$ (174,384)	\$ 172,704	\$ -	\$ (172,704)
HE Toilet Direct Install	MF	\$ 241,323	\$ -	\$ (241,323)	\$ 239,445	\$ -	\$ (239,445)
Urinal Direct Install	CH	\$ 12,775	\$ -	\$ (12,775)	\$ 13,825	\$ -	\$ (13,825)
Web-Based Home Survey	SF	\$ 6,615	\$ 6,615	\$ -	\$ 6,285	\$ 6,615	\$ 330
Lrg Landscape Surveys	Irr	\$ 4,200	\$ -	\$ (4,200)	\$ 4,200	\$ -	\$ (4,200)
Lrg Landscape Water Use	Irr	\$ 8,279	\$ 8,279	\$ -	\$ 8,279	\$ 8,279	\$ -
Res. Conservation Kit	SF	\$ 24,674	\$ 6,838	\$ (17,836)	\$ 24,674	\$ 6,838	\$ (17,836)
Res. Conservation Kit	MF	\$ 7,176	\$ -	\$ (7,176)	\$ 7,176	\$ -	\$ (7,176)
Admin & Ressearch	All	\$ 99,631	\$ 36,667	\$ (62,964)	\$ 115,843	\$ 36,667	\$ (79,176)
Public Information	All	\$ 71,546	\$ 71,546	\$ -	\$ 71,549	\$ 71,546	\$ (3)
School Education	All	\$ 16,829	\$ 8,415	\$ (8,415)	\$ 16,829	\$ 8,415	\$ (8,415)
Total		\$ 834,354	\$ 240,394	\$ (593,960)	\$ 850,900	\$ 240,394	\$ (610,506)

3
4 **3) District Profile**

5 The HR district encompasses the cities of Hermosa Beach and Redondo Beach,
 6 and approximately 5% of the City of Torrance. The district is bounded on the north by
 7 the cities of Manhattan Beach and Lawndale, on the east by Gardena and Torrance, and
 8 on the south by Palos Verdes Estates.

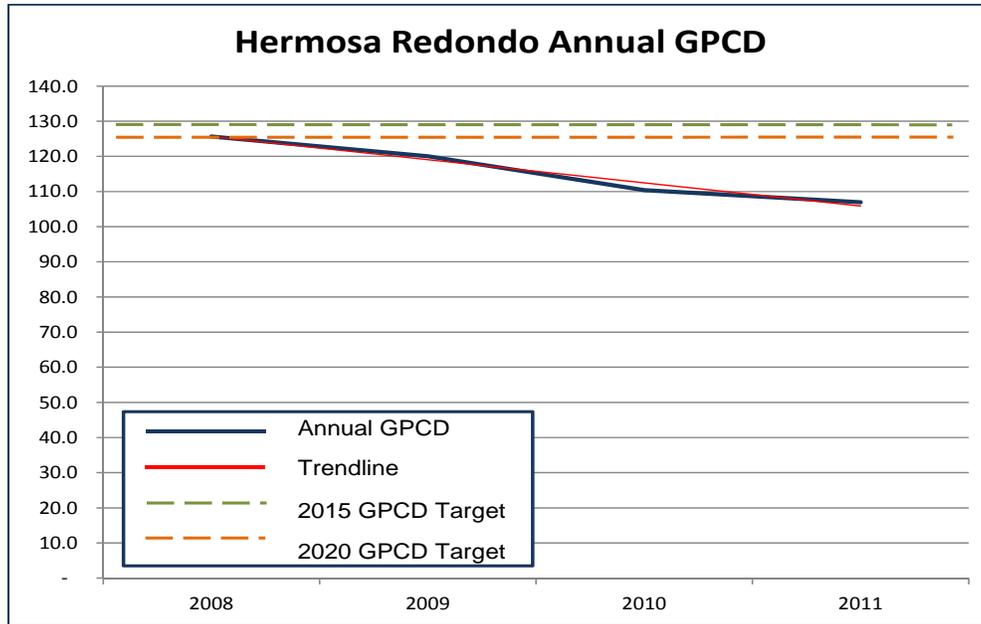
9 The district's population in 2011 was approximately 97,400. On average, the
 10 district receives about 14 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 47
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.⁶³

⁶³ District profile information from California Water Service Company, Water Conservation Report: Hermosa- Redondo District, page 1.

1 **4) Policy Goals**

2 The HR district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 17.1% or 22.1 GPCD. Over the period of 2008-2011, the HR district reduced its overall
4 GPCD by 14.9%. In addition, its 2011 usage has already exceeded its 2020 target by
5 15.2%.⁶⁴

6 **Figure 18: Hermosa Redondo Annual Average GPCD 2008-2011**



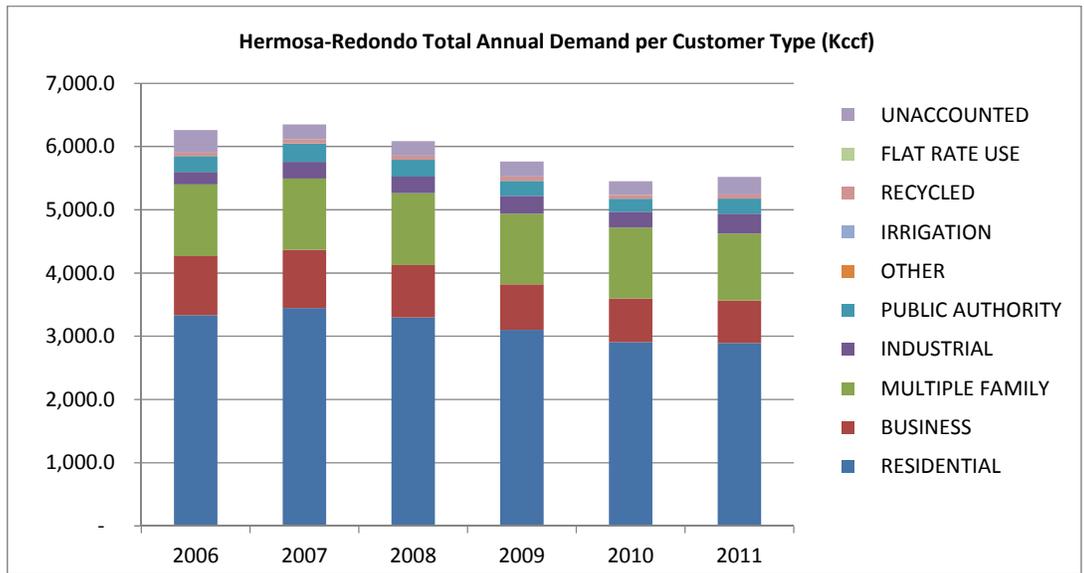
7
8 **5) DRA's Analysis**

9 HR has shown a continuous reduction in customer usage since 2007⁶⁵ (see Figure
10 19) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
11 18). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objective for its HR
12 district should be to, at a minimum, maintain its current GPCD levels through 2020. DRA
13 recommends that CWS focus on the most cost effective conservation programs that target
14 customer types that would have the greatest impact on reducing overall demand.

⁶⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁶⁵ Annual demand per customer type data from Application A. 12-07-007, Hermosa Redondo Exp July 2012, Table 4-C and 4-D.

1 **Figure 19: Hermosa Redondo Annual Demand per Customer Type**



2
3 As shown in Figure 19 above, the HR district is mostly composed of residential
4 customer usage (includes multi-family) followed by business customers. Of the
5 programs proposed by CWS for its residential customers, DRA recommends the UHET
6 rebate, HE Pop-Up Nozzle Vouchers, Web Based Home Surveys, and Conservation Kit
7 distribution because these are the most cost effective programs.

8 The total number of kits proposed by CWS under the Conservation kit distribution
9 program is not an accurate representation of kits for the district. Instead, DRA adjusted
10 the proposed number of conservation kits down from 1,225 kits to 263 kits which
11 represent the total average number of kits distributed by CWS during the past two years.

12 DRA also recommends reducing the School Education Program budget by 50%
13 from \$16,829 to \$8,415 and proposes that CWS only reach out to 6th graders to avoid
14 duplication of devices distributed and/or yearly repetitive devices distributed to students
15 who stay in the same school program.

16 Of the programs proposed for its Business and Industrial, DRA recommends the
17 HET, HECW, and HE Urinal rebate , HE Pop-Up Nozzle Vouchers, Commercial
18 Irrigation System, Cooling Tower Controller/Ph Controller and Large Landscape Water
19 Use Reports because these programs are the most cost effective.

1 DRA recommends disallowing all other programs proposed since these programs
2 are the least cost effective programs.

3 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
4 under the Admin and Research program were adjusted by 50% of the employees' salaries
5 which is the average benefit for all other CWS employees.

6 **J. King City (KC)**

7 **1) Introduction**

8 CWS proposes a conservation budget of \$33,111 for Test Year 2014 and \$36,224
9 and \$39,787 for Escalating Years 2015 and 2016, respectively for a total of \$109,122.⁶⁶

10 **2) Summary of Recommendations**

11 DRA recommends a budget of \$9,110 for Test Year 2014, and \$9,110 and \$9,110
12 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in CWS's
13 last GRC D. 10-12-017, DRA recommends removal of conservation expenses from
14 Escalation for 2015 and 2016 Table 21 shows a comparison between CWS's conservation
15 budget request⁶⁷ and DRA's recommendation for 2014 and 2015 broken down by
16 program.

⁶⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁶⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, KC tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 21: Comparison between CWS Conservation Budget Request and DRA's**
 2 **Recommended Budget**

KC Programs	Class	2014 CWS Proposed	2014 DRA Recommend	Difference	2015 CWS Proposed	2015 DRA Recommend	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 1,278	\$ -	\$ (1,278)
U-HE Toilet (R/V)	MF	\$ 342	\$ 342	\$ -	\$ 342	\$ 342	\$ -
HE CW (R/V)	SF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 3,369	\$ 835	\$ (2,533)	\$ 3,369	\$ 835	\$ (2,533)
HE Pop-Up Nozzle (V)	MF	\$ 2,434	\$ 605	\$ (1,830)	\$ 2,340	\$ 605	\$ (1,736)
HE Pop-Up Nozzle (V)	CII	\$ 6,913	\$ 1,713	\$ (5,200)	\$ 6,646	\$ 1,713	\$ (4,934)
HE Toilet (R/V) (b)	CII	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
CII Irrigation Sys (R)	CII	\$ 6,456	\$ -	\$ (6,456)	\$ 8,128	\$ -	\$ (8,128)
Lrg Landscape Surveys	Irr	\$ 1,400	\$ -	\$ (1,400)	\$ 1,400	\$ -	\$ (1,400)
Lrg Landscape Water Use	Irr	\$ 1,024	\$ -	\$ (1,024)	\$ 1,024	\$ -	\$ (1,024)
Res. Conservation Kit	SF	\$ 156	\$ -	\$ (156)	\$ 156	\$ -	\$ (156)
Res. Conservation Kit	MF	\$ 26	\$ -	\$ (26)	\$ 26	\$ -	\$ (26)
Admin & Reserach	All	\$ 4,093	\$ 1,035	\$ (3,058)	\$ 4,759	\$ 1,035	\$ (3,724)
Public Information	All	\$ 3,832	\$ 3,832	\$ -	\$ 3,832	\$ 3,832	\$ -
School Education	All	\$ 1,496	\$ 748	\$ (748)	\$ 1,496	\$ 748	\$ (748)
Total		\$ 33,111	\$ 9,110	\$ (24,001)	\$ 36,224	\$ 9,110	\$ (27,114)

3
4 **3) District Profile**

5 The KC district is located in southern Monterey County approximately 45 miles
6 southeast of the City of Salinas.

7 The district's population in 2011 was approximately 10,500. On average, the
8 district receives about 11 inches of rainfall annually, most of which falls in the late
9 autumn, winter, and early spring. The late spring, summer, and early autumn months are
10 generally dry. CWS states that the annual evapotranspiration in the district averages 53
11 inches, which means that most landscapes cannot survive on rainfall alone and must be
12 irrigated.⁶⁸

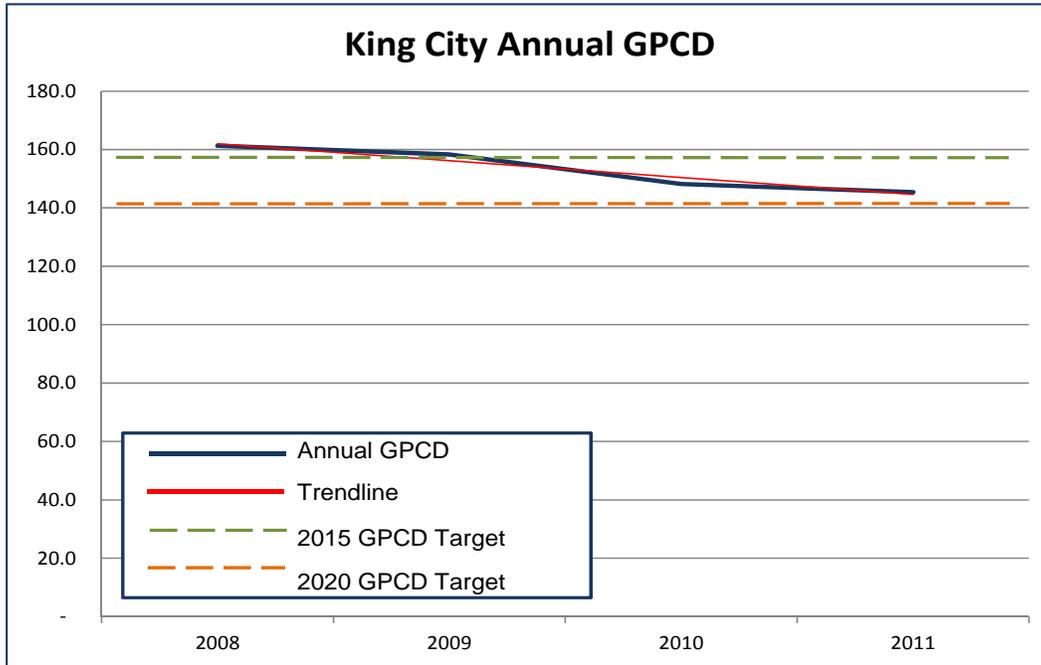
13 **4) Policy Goals**

14 The KC district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by 7.4%
15 or 11.6 GPCD. Over the period of 2008-2011, the KC district reduced its overall GPCD
16 by 9.9%. However, the KC district's 2011 GPCD total has not yet reached its 2020 target

⁶⁸ District profile information from California Water Service Company, Water Conservation Report: King City District, page 1.

1 level. In order to meet its 2020 target, KC will need to further reduce its GPCD by 2.4%
2 over the course of the next seven years.⁶⁹

3 **Figure 20: King City Annual Average GPCD 2008-2011**



4
5 **5) DRA's Analysis**
6 KC has shown a continuous reduction in customer usage since 2007⁷⁰ (see Figure
7 21) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 (see Figure 20).

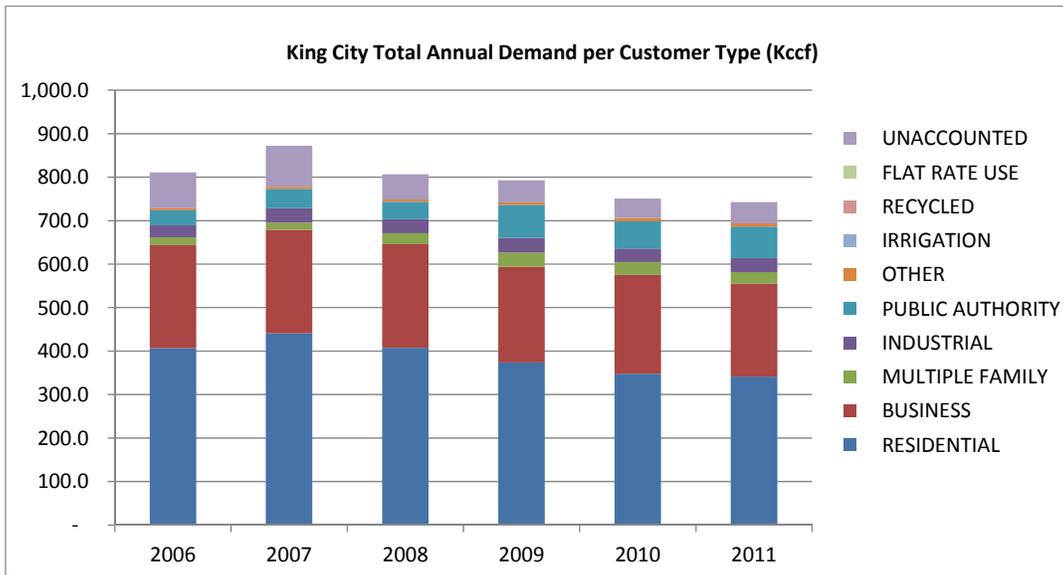
8 Having exceeded its SBx7-7 target objective for 2015, DRA believes that the KC
9 district's objective should be to, at a minimum, obtain and maintain its 2020 GPCD
10 level. This objective can be achieved without increasing conservation costs by focusing
11 on the most cost effective conservation programs that target customer types that would
12 have the greatest impact on reducing overall demand.

⁶⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁷⁰ Annual demand per customer type data from Application A. 12-07-007, King City Exp July 2012, Table 4-C and 4-D.

1

Figure 21: King City Annual Demand per Customer Type



2

3

As shown in Figure 21 above, the KC district is composed of residential customer usage followed by business/industrial customers. Of the programs proposed by CWS for both customer groups, DRA recommends the UHET and HET rebate, and HE Pop-Up Nozzle Vouchers because these programs are the most cost effective. DRA recommends disallowing all other programs because these programs are not cost effective.

8

DRA also recommends reducing the School Education Program budget by 50% from \$1,496 to \$748 and proposes that CWS only reach out to 6th graders to avoid duplication of devices distributed and/or yearly repetitive devices distributed to students who stay in the same school program.

12

As discussed in Chapter 1, Section C of this testimony, the employee benefits total under the Admin and Research program were adjusted by 50% of the employees' salaries which is the average benefit for all other CWS employees.

15

K. Kern River Valley (KRV)

16

1) Introduction

17

CWS proposes a conservation budget of \$27,719 for Test Year 2014 and \$27,510 and \$26,661 for Escalating Years 2015 and 2016, respectively for a total of \$81,890.²¹

18

²¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

1 **2) Summary of Recommendations**

2 DRA recommends a budget of \$14,485 for Test Year 2014, and \$14,485 and
 3 \$14,485 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
 4 CWS’s last GRC D. 10-12-017, DRA recommends removal of conservation expenses
 5 from Escalation for 2015 and 2016. Table 22 shows a comparison between CWS’s
 6 conservation budget request⁷² and DRA’s recommendation for 2014 and 2015 broken
 7 down by program.

8 **Table 22: Comparison between CWS Conservation Budget Request and DRA’s**
 9 **Recommended Budget**

KRV Programs	Class	2014 CWS Proposed	2014 DRA Recommend	Difference	2015 CWS Proposed	2015 DRA Recommend	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 142	\$ -	\$ (142)
HE CW (R/V)	SF	\$ 576	\$ -	\$ (576)	\$ 576	\$ -	\$ (576)
HE Pop-Up Nozzle (V)	SF	\$ 839	\$ 362	\$ (477)	\$ 839	\$ 362	\$ (477)
HE Pop-Up Nozzle (V)	MF	\$ 4,849	\$ 2,083	\$ (2,766)	\$ 4,664	\$ 2,083	\$ (2,581)
HE Pop-Up Nozzle (V)	CH	\$ 13,741	\$ 5,902	\$ (7,839)	\$ 13,211	\$ 5,902	\$ (7,309)
HE Toilet (R/V) (b)	CH	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE Urinals (R/V)	CH	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Res. Conservation Kit	SF	\$ 312	\$ -	\$ (312)	\$ 312	\$ -	\$ (312)
Admin & Reserach	All	\$ 3,109	\$ 2,473	\$ (636)	\$ 3,615	\$ 2,473	\$ (1,142)
Public Information	All	\$ 3,613	\$ 3,613	\$ -	\$ 3,613	\$ 3,613	\$ -
School Education	All	\$ 103	\$ -	\$ (103)	\$ 103	\$ -	\$ (103)
Total		\$ 27,719	\$ 14,433	\$ (13,286)	\$ 27,510	\$ 14,433	\$ (13,077)

10
11 **3) District Profile**

12 The KRV district is comprised of nine separate water systems in the mountains
 13 east of Bakersfield surrounding Isabella Lake. The district is approximately 50 miles
 14 northeast of the City of Bakersfield and serves the communities of Kernville, Wofford
 15 Heights, Bodfish, Canyon Heights, Lakeland, Mountain Shadows, Onyx, Southlake, Split
 16 Mountain, and Squirrel Mountain.

17 The district’s population in 2011 was approximately 6,300. On average, the
 18 district receives about 13 inches of rainfall annually, most of which falls in the late
 19 autumn, winter, and early spring. The late spring, summer, and early autumn months are

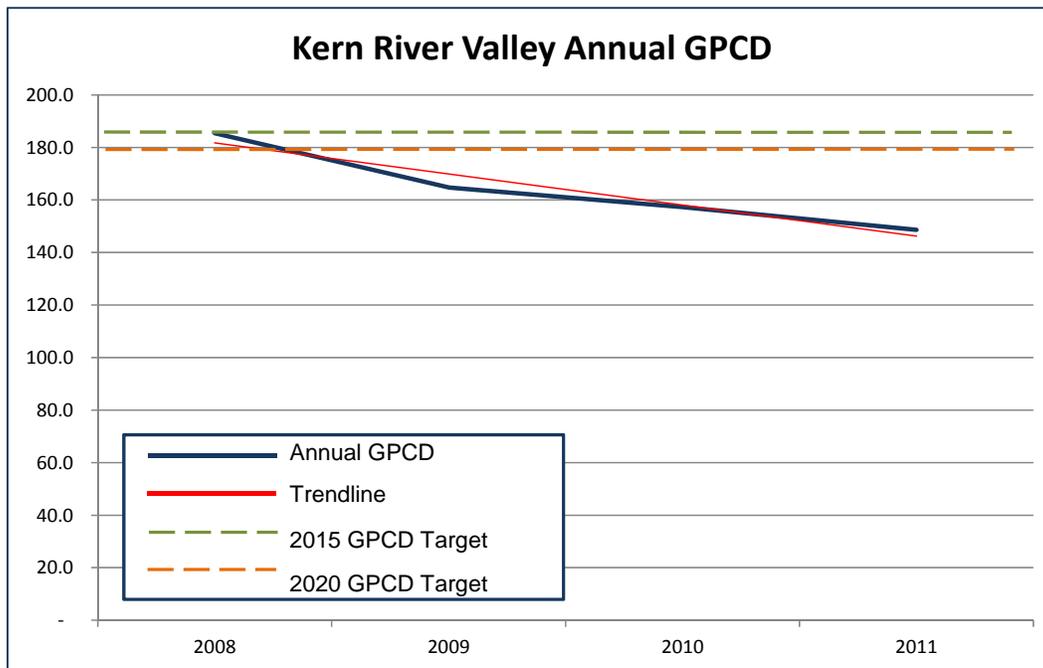
⁷² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, KRV tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 generally dry. CWS states that the annual evapotranspiration in the district averages 58
2 inches, which means that most landscapes cannot survive on rainfall alone and must be
3 irrigated.⁷³

4 **4) Policy Goals**

5 The KRV district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
6 20.1% or 37.4 GPCD. Over the period of 2008-2011, the KRV district reduced its overall
7 GPCD by 16.9%. In addition, its 2011 usage has already exceeded its 2020 target by
8 17.0%.⁷⁴

9 **Figure 22: Kern River Valley Annual Average GPCD 2008-2011**



10

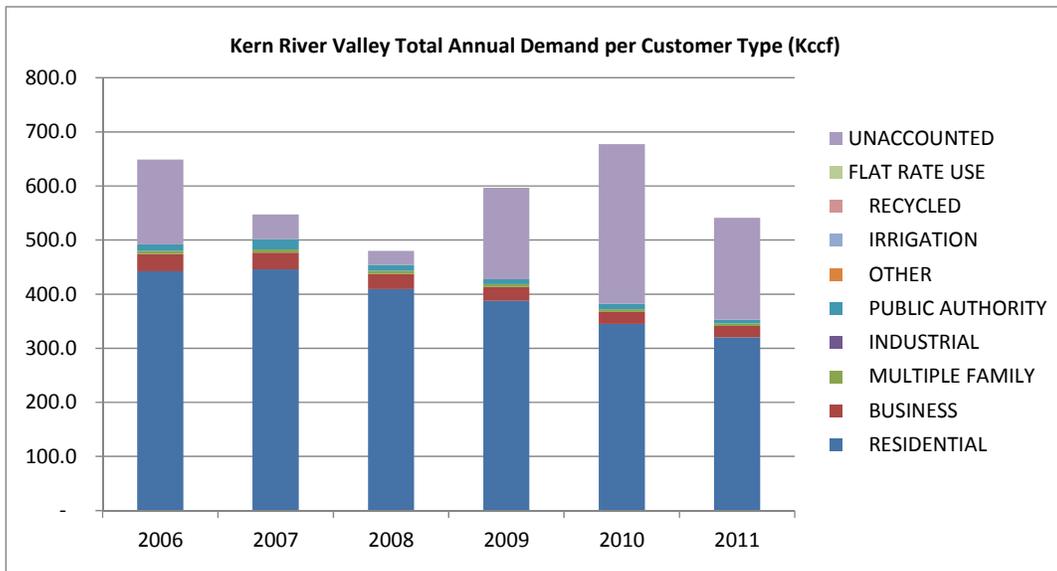
⁷³ District profile information from California Water Service Company, Water Conservation Report: Kern River Valley District, page 1.

⁷⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1 **5) DRA's Analysis**

2 KRV has shown a continuous reduction in customer usage since 2007⁷⁵ (see
3 Figure 23) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
4 Figure 22). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
5 its KRV district should be to, at a minimum, maintain its current GPCD levels through
6 2020. DRA recommends that CWS focus on the most cost effective conservation
7 programs that target customer types that would have the greatest impact on reducing
8 overall demand.

9 **Figure 23: Kern River Valley Annual Demand per Customer Type**



10
11 As shown in Figure 23 above, the KRV district is mostly composed of residential
12 customer usage and of the programs proposed by CWS, DRA only recommends the HE
13 Pop-Up Nozzle Vouchers.

14 In addition, CWS's proposed budget of \$103 for its School Education program is
15 unnecessary and it is not economically feasible to target any grade level with such a
16 minimal budget.

⁷⁵ Annual demand per customer type data from Application A. 12-07-007, Kern River Valley Exp July 2012, Table 4-C and 4-D.

1 DRA recommends disallowing all other programs proposed by CWS, because
2 these conservation programs are not cost effective programs and KRV has met and
3 exceeded its 20x2020 goal.

4 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
5 under the Admin and Research program were adjusted by 50% of the employees' salaries
6 which is the average benefit for all other CWS employees.

7 **L. Los Altos (LAS)**

8 **1) Introduction**

9 CWS proposes a conservation budget of \$363,688 for Test Year 2014, and
10 \$371,071 and \$378,146 for Escalating Years 2015 and 2016, respectively for a total of
11 \$1,112,905.⁷⁶

12 **2) Summary of Recommendations**

13 DRA recommends a budget of \$168,109 for Test Year 2014, and \$168,109 and
14 \$168,109 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
15 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
16 from Escalation for 2015 and 2016 Table 23 shows a comparison between CWS's
17 conservation budget request⁷⁷ and DRA's recommendation for 2014 and 2015 broken
18 down by program.

⁷⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁷⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, LAS tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 23: Comparison between CWS Conservation Budget Request and DRA's**
 2 **Recommended Budget**

LAS Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 16,756	\$ 16,756	\$ -	\$ 19,170	\$ 16,756	\$ (2,414)
HE CW (R/V)	SF	\$ 22,428	\$ 22,428	\$ -	\$ 22,428	\$ 22,428	\$ -
HE CW Common (R/V)	MF	\$ 4,368	\$ 4,368	\$ -	\$ 4,368	\$ 4,368	\$ -
HE CW In-Unit (R/V)	MF	\$ 6,970	\$ 6,970	\$ -	\$ 6,970	\$ 6,970	\$ -
Smart Controllers (R/V)	SF	\$ 33,250	\$ -	\$ (33,250)	\$ 33,250	\$ -	\$ (33,250)
Smart Controllers (R/V)	MF	\$ 1,410	\$ 1,410	\$ -	\$ 1,880	\$ 1,410	\$ (470)
HE Pop-Up Nozzle (V)	SF	\$ 27,466	\$ 10,930	\$ (16,536)	\$ 27,466	\$ 10,930	\$ (16,536)
HE Pop-Up Nozzle (V)	MF	\$ 4,976	\$ 1,979	\$ (2,997)	\$ 4,784	\$ 1,979	\$ (2,805)
HE Pop-Up Nozzle (V)	CII	\$ 28,184	\$ 11,216	\$ (16,968)	\$ 27,099	\$ 11,216	\$ (15,883)
HE Urinals (R/V)	CII	\$ 4,326	\$ 4,326	\$ -	\$ 4,635	\$ 4,326	\$ (309)
Smart Controllers (R/V)	CII	\$ 8,460	\$ 8,460	\$ -	\$ 8,930	\$ 8,460	\$ (470)
HE Toilet Direct Install	SF	\$ 49,056	\$ -	\$ (49,056)	\$ 47,040	\$ -	\$ (47,040)
HE Toilet Direct Install	MF	\$ 27,693	\$ -	\$ (27,693)	\$ 27,693	\$ -	\$ (27,693)
HE Toilet Direct Install	CII	\$ 11,010	\$ -	\$ (11,010)	\$ 11,010	\$ -	\$ (11,010)
Urinal Direct Install	CII	\$ 3,300	\$ -	\$ (3,300)	\$ 3,600	\$ -	\$ (3,600)
Web-Based Home Survey	SF	\$ 5,040	\$ 5,040	\$ -	\$ 4,785	\$ 5,040	\$ 255
Res. Conservation Kit	SF	\$ 18,590	\$ 4,784	\$ (13,806)	\$ 18,590	\$ 4,784	\$ (13,806)
Res. Conservation Kit	MF	\$ 1,326	\$ -	\$ (1,326)	\$ 1,326	\$ -	\$ (1,326)
Admin & Resesearch	All	\$ 42,799	\$ 29,231	\$ (13,568)	\$ 49,763	\$ 29,231	\$ (20,532)
Public Information	All	\$ 34,140	\$ 34,140	\$ -	\$ 34,144	\$ 34,140	\$ (4)
School Education	All	\$ 12,141	\$ 6,071	\$ (6,071)	\$ 12,141	\$ 6,071	\$ (6,071)
Total		\$ 363,688	\$ 168,109	\$ (195,579)	\$ 371,071	\$ 168,109	\$ (202,962)

3
 4 **3) District Profile**

5 The LAS district is located in Santa Clara County approximately 45 miles south of
 6 San Francisco and 11 miles north of San Jose. The district serves Los Altos and portions
 7 of Los Altos Hills, Mountain View, Sunnyvale, and Cupertino.

8 The district's population in 2011 was approximately 57,000. On average, the district
 9 receives about 15 inches of rainfall annually, most of which falls in the late autumn,
 10 winter, and early spring. The late spring, summer, and early autumn months are generally
 11 dry. CWS states that the annual evapotranspiration in the district averages 49 inches,
 12 which means that most landscapes cannot survive on rainfall alone and must be
 13 irrigated.⁷⁸

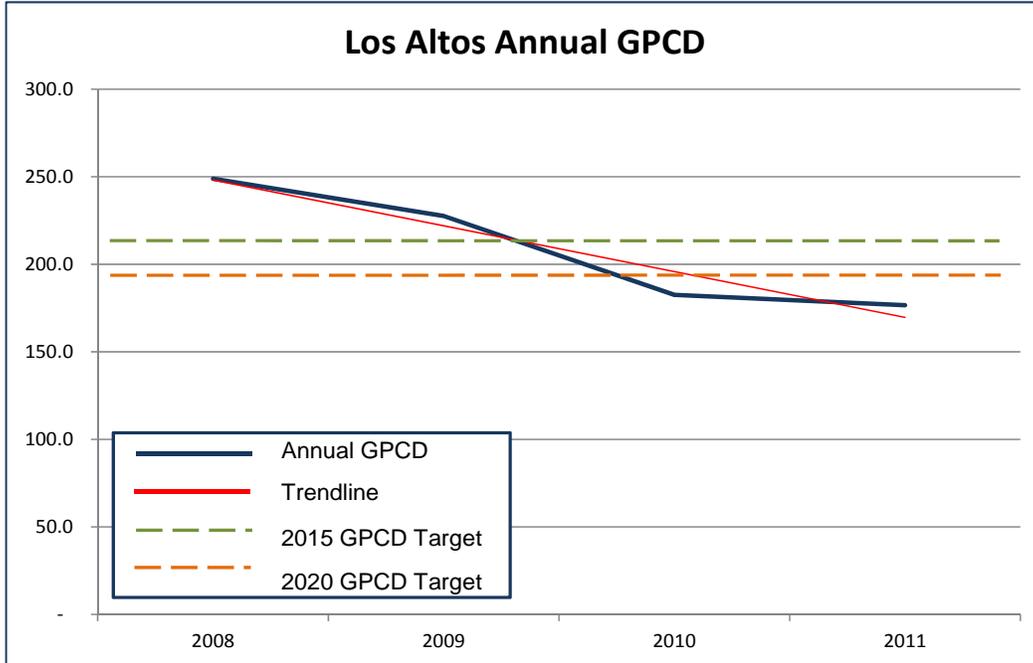
14 **4) Policy Goals**

15 The LAS district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
 16 18.6% or 40.4 GPCD. Over the period of 2008-2011, the LAS district reduced its overall

⁷⁸ District profile information from California Water Service Company, Water Conservation Report: Los Altos District, page 1.

1 GPCD by 29%. In addition, its 2011 usage has already exceeded its 2020 target by
2 8.5%.⁷⁹

3 **Figure 24: Los Altos Annual Average GPCD 2008-2011**



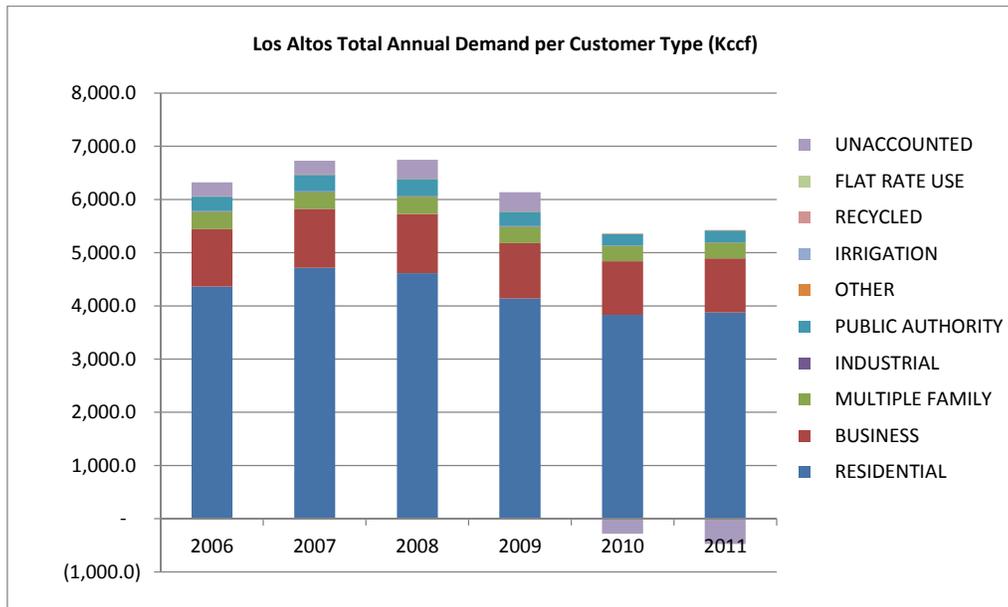
4
5 **5) DRA's Analysis**
6 LAS has shown a continuous reduction in customer usage since 2007⁸⁰ (see Figure
7 25) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
8 24). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for its
9 LAS district should be to, at a minimum, maintain its current GPCD levels through 2020.
10 DRA recommends that CWS focus on the most cost effective conservation programs that
11 target customer types that would have the greatest impact on reducing overall demand.

⁷⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁸⁰ Annual demand per customer type data from Application A. 12-07-007, Los Altos Exp July 2012, Table 4-C and 4-D.

1

Figure 25: Los Altos Annual Demand per Customer Type



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As shown in Figure 25 above, the LAS district is mostly composed of residential customer usage followed by business customers. Of the programs proposed by CWS for both customer groups, DRA recommends the UHET, HECW, HE Urinals, and Smart Controller rebate, HE Pop-Up Nozzle Vouchers, Web Based Home Surveys, and Conservation Kits because these programs are the most cost effective.

8

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11

The total number of kits proposed by CWS under the conservation Kit distribution program is not an accurate representation of kits for the district. Instead, DRA adjusted the proposed number of conservation kits down from 766 kits to 184 kits which represent the total average number of kits distributed by CWS in the past two years.

12

13

14

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DRA also recommends reducing the School Education Program budget by 50% from \$12,141 to \$6,071 and proposes that CWS only reach out to 6th graders to avoid duplication of devices distributed and/or yearly repetitive devices distributed to students who stay in the same school program.

16

17

DRA recommends disallowing all other programs such as the Direct Install these conservation programs are not cost effective programs.

1 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
2 under the Admin and Research program were adjusted by 50% of the employees' salaries
3 which is the average benefit for all other CWS employees.

4 **M. Livermore (LIV)**

5 **1) Introduction**

6 CWS proposes a conservation budget of \$514,445 for Test Year 2014, and
7 \$526,357 and \$539,137 for Escalating Years 2015 and 2016, respectively for a total of
8 \$1,579,938.⁸¹

9 **2) Summary of Recommendations**

10 DRA recommends a budget of \$219,732 for Test Year 2014, and \$219,732 and
11 \$219,732 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
12 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
13 from Escalation for 2015 and 2016 Table 24 shows a comparison between CWS's
14 conservation budget request⁸² and DRA's recommendation for 2014 and 2015 broken
15 down by program.

⁸¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁸² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, LIV tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 24: Comparison between CWS Conservation Budget Request and DRA’s**
 2 **Recommended Budget**

LIV Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 11,076	\$ 11,076	\$ -	\$ 12,780	\$ 11,076	\$ (1,704)
U-HE Toilet (R/V)	MF	\$ 3,192	\$ 3,192	\$ -	\$ 3,648	\$ 3,192	\$ (456)
HE CW (R/V)	SF	\$ 25,740	\$ 25,740	\$ -	\$ 25,740	\$ 25,740	\$ -
HE CW Common (R/V)	MF	\$ 412	\$ -	\$ (412)	\$ 412	\$ -	\$ (412)
HE CW In-Unit (R/V)	MF	\$ 4,290	\$ 4,290	\$ -	\$ 4,290	\$ 4,290	\$ -
Smart Controllers (R/V)	SF	\$ 51,968	\$ -	\$ (51,968)	\$ 51,968	\$ -	\$ (51,968)
Smart Controllers (R/V)	MF	\$ 1,272	\$ 1,272	\$ -	\$ 1,272	\$ 1,272	\$ -
HE Pop-Up Nozzle (V)	SF	\$ 27,031	\$ 10,695	\$ (16,336)	\$ 27,031	\$ 10,695	\$ (16,336)
HE Pop-Up Nozzle (V)	MF	\$ 4,895	\$ 1,937	\$ (2,958)	\$ 4,706	\$ 1,937	\$ (2,769)
HE Pop-Up Nozzle (V)	CII	\$ 27,739	\$ 10,975	\$ (16,764)	\$ 26,670	\$ 10,975	\$ (15,694)
HE Toilet (R/V) (b)	CII	\$ 5,750	\$ 5,750	\$ -	\$ 5,750	\$ 5,750	\$ -
HE Urinals (R/V)	CII	\$ 2,145	\$ 2,145	\$ -	\$ 2,310	\$ 2,145	\$ (165)
Smart Controllers (R/V)	CII	\$ 10,176	\$ 10,176	\$ -	\$ 11,448	\$ 10,176	\$ (1,272)
CII Irrigation Sys (R)	CII	\$ 32,512	\$ 32,512	\$ -	\$ 32,512	\$ 32,512	\$ -
HE Toilet Direct Install	SF	\$ 79,413	\$ -	\$ (79,413)	\$ 78,795	\$ -	\$ (78,795)
HE Toilet Direct Install	MF	\$ 39,525	\$ -	\$ (39,525)	\$ 39,370	\$ -	\$ (39,370)
HE Toilet Direct Install	CII	\$ 15,500	\$ -	\$ (15,500)	\$ 15,500	\$ -	\$ (15,500)
Urinal Direct Install	CII	\$ 7,175	\$ -	\$ (7,175)	\$ 7,700	\$ -	\$ (7,700)
Web-Based Home Survey	SF	\$ 4,950	\$ 4,950	\$ -	\$ 4,710	\$ 4,950	\$ 240
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 17,595	\$ -	\$ (17,595)	\$ 17,595	\$ -	\$ (17,595)
Res. Conservation Kit	SF	\$ 15,340	\$ 5,278	\$ (10,062)	\$ 15,340	\$ 5,278	\$ (10,062)
Res. Conservation Kit	MF	\$ 1,014	\$ -	\$ (1,014)	\$ 1,014	\$ -	\$ (1,014)
Admin & Resesearch	All	\$ 61,718	\$ 38,511	\$ (23,207)	\$ 71,761	\$ 38,511	\$ (33,250)
Public Information	All	\$ 44,048	\$ 44,048	\$ -	\$ 44,067	\$ 44,048	\$ (19)
Schoel Education	All	\$ 14,370	\$ 7,185	\$ (7,185)	\$ 14,370	\$ 7,185	\$ (7,185)
Total		\$ 514,445	\$ 219,732	\$ (294,713)	\$ 526,358	\$ 219,732	\$ (306,626)

3
4 **3) District Profile**

5 The LIV district is located in eastern Alameda County, approximately thirty miles
 6 east of Oakland. The district encompasses approximately 85% of the area incorporated by
 7 the City of Livermore.

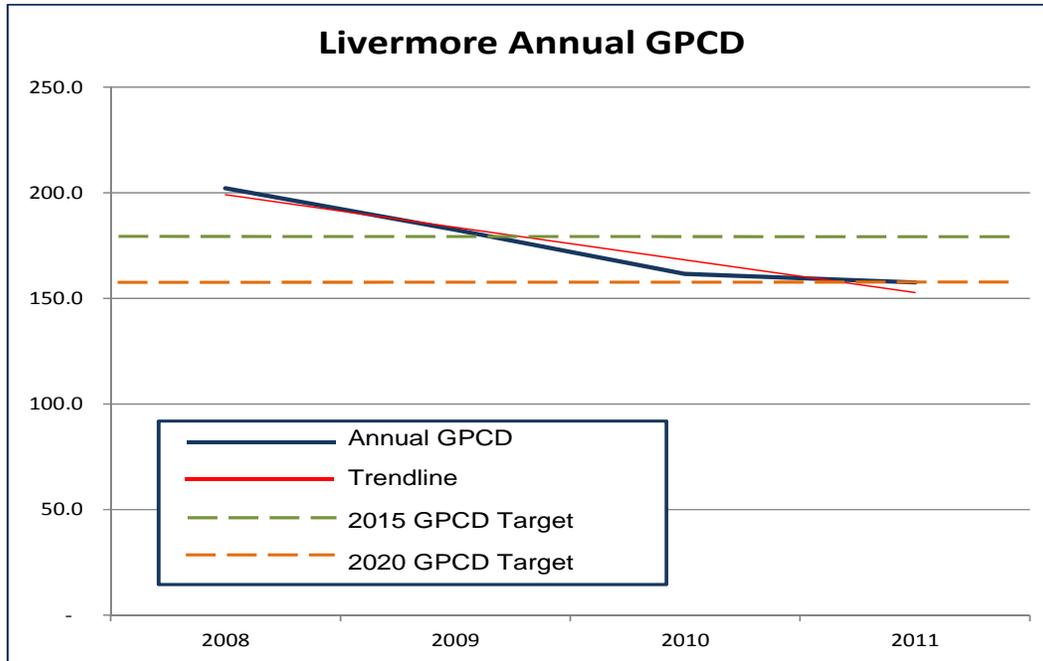
8 The district’s population in 2011 was approximately 57,000. On average, the
 9 district receives about 15 inches of rainfall annually, most of which falls in the late
 10 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 11 generally dry. CWS states that the annual evapotranspiration in the district averages 49
 12 inches, which means that most landscapes cannot survive on rainfall alone and must be
 13 irrigated.⁸³

⁸³ District profile information from California Water Service Company, Water Conservation Report: Livermore District, page 1.

1 **4) Policy Goals**

2 The LIV district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 12% or 21.4 GPCD. Over the period of 2008-2011, the LIV district reduced its overall
4 GPCD by 22%. In addition, its 2011 usage has already exceeded its 2020 target by
5 0.3%.⁸⁴

6 **Figure 26: Livermore Annual Average GPCD 2008-2011**



7
8 **5) DRA's Analysis**

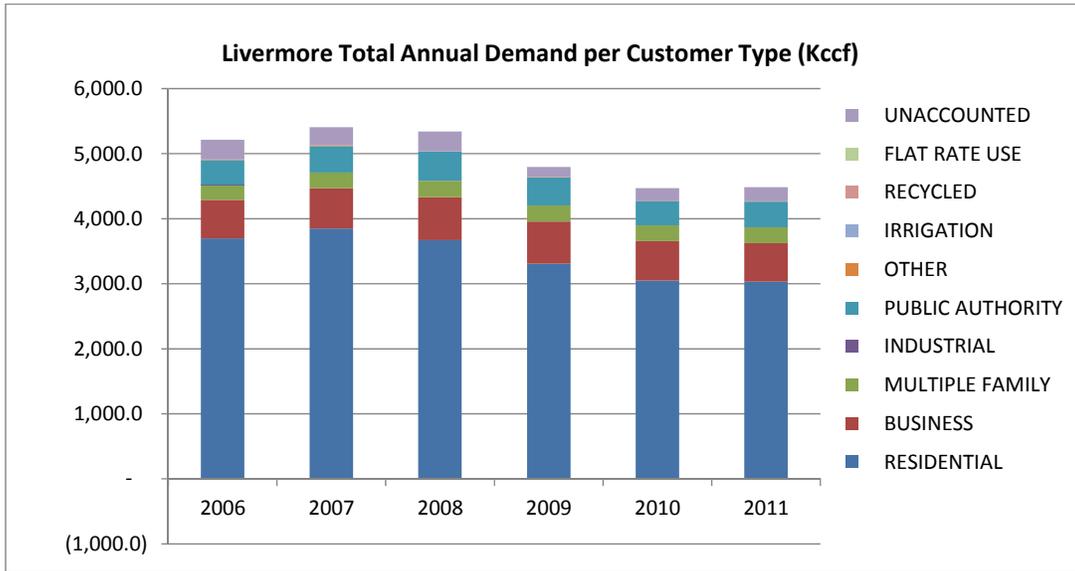
9 LIV has shown a continuous reduction in customer usage since 2007⁸⁵ (see Figure
10 27) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
11 26). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objective for its LIV
12 district should be to, at a minimum, maintain its current GPCD levels through 2020. DRA
13 recommends that CWS focus on the most cost effective conservation programs that target
14 customer types that would have the greatest impact on reducing overall demand.

⁸⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁸⁵ Annual demand per customer type data from Application A. 12-07-007, Livermore Exp July 2012, Table 4-C and 4-D.

1

Figure 27: Livermore Annual Demand per Customer Type



2

3 As shown in Figure 27 above, the LIV district is mostly composed of residential
 4 customer usage followed by business/industrial customers. Of the programs proposed by
 5 CWS for its residential customers, DRA recommends the UHET, HECW, and Smart
 6 Controller rebate, HE Pop-Up Nozzle Vouchers, Web-Based Home Survey and
 7 Conservation Kits because these are the most cost effective programs.

8 The total number of kits proposed by CWS under the Conservation Kit distribution
 9 program is not an accurate representation of kits for the district. Instead, DRA adjusted
 10 the number of conservation kits proposed down from 629 kits to 203 kits which represent
 11 the total average number of kits distributed by CWS during the past two years.

12 DRA also recommends reducing the School Education Program budget by 50%
 13 from \$14,370 to \$7,158 and proposes that CWS only reach out to 6th graders to avoid
 14 duplication of devices distributed and/or yearly repetitive devices distributed to students
 15 who stay in the same school program.

16 Of the programs CWS proposes for the LIV Business/Industrial customers, DRA
 17 recommends the Smart Controller, HET and HE urinal rebates, HE Pop-Up Nozzle
 18 voucher, and CII Irrigation which are the most cost effective programs.

1 DRA recommends disallowing all the other programs proposed including the
2 Direct Install, Large Landscape Audit and Large Landscape Report because these
3 conservation programs are the least cost effective programs.

4 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
5 under the Admin and Research program were adjusted by 50% of the employees' salaries
6 which is the average benefit for all other CWS employees.

7 **N. Marysville (MRL)**

8 **1) Introduction**

9 CWS proposes a conservation budget of \$18,721 for Test Year 2014, and \$18,955
10 and \$18,860 for Escalating Years 2015 and 2016, respectively for a total of \$56,537.⁸⁶

11 **2) Summary of Recommendations**

12 DRA recommends a \$7,688 budget for Test Year 2014, and \$7,688 and \$7,688 for
13 Escalating Years 2015 and 2016. Consistent with the settlement adopted in CWS's last
14 GRC D. 10-12-017, DRA recommends removal of conservation expenses from
15 Escalation for 2015 and 2016 Table 25 shows a comparison between CWS's conservation
16 budget request⁸⁷ and DRA's recommendation for 2014 and 2015 broken down by
17 program.

⁸⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

⁸⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, MRL tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 25: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

MRL Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 142	\$ -	\$ (142)
U-HE Toilet (R/V)	MF	\$ 114	\$ -	\$ (114)	\$ 114	\$ -	\$ (114)
HE CW (R/V)	SF	\$ 576	\$ -	\$ (576)	\$ 576	\$ -	\$ (576)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 608	\$ 608	\$ -	\$ 608	\$ 608	\$ -
HE Pop-Up Nozzle (V)	MF	\$ 101	\$ 101	\$ -	\$ 98	\$ 101	\$ 3
HE Pop-Up Nozzle (V)	CII	\$ 569	\$ 569	\$ -	\$ 546	\$ 569	\$ 23
HE Toilet (R/V) (b)	CII	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 4,200	\$ -	\$ (4,200)	\$ 4,200	\$ -	\$ (4,200)
Lrg Landscape Water Use	Irr	\$ 2,304	\$ -	\$ (2,304)	\$ 2,304	\$ -	\$ (2,304)
Res. Conservation Kit	SF	\$ 260	\$ -	\$ (260)	\$ 260	\$ -	\$ (260)
Res. Conservation Kit	MF	\$ 52	\$ -	\$ (52)	\$ 52	\$ -	\$ (52)
Admin & Ressearch	All	\$ 1,596	\$ 379	\$ (1,217)	\$ 1,856	\$ 379	\$ (1,477)
Public Information	All	\$ 5,325	\$ 5,325	\$ -	\$ 5,325	\$ 5,325	\$ -
School Education	All	\$ 1,413	\$ 707	\$ (707)	\$ 1,413	\$ 707	\$ (707)
Total		\$ 18,721	\$ 7,688	\$ (11,033)	\$ 18,955	\$ 7,688	\$ (11,267)

3
4 **3) District Profile**

5 The MRL district is located in Yuba County. It is situated in the Sacramento River
 6 hydrologic region. The district is approximately 40 miles north of the City of
 7 Sacramento.

8 The district's population in 2011 was approximately 13,000. On average, the
 9 district receives about 22 inches of rainfall annually, most of which falls in the late
 10 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 11 generally dry. CWS states that the annual evapotranspiration in the district averages 57
 12 inches, which means that most landscapes cannot survive on rainfall alone and must be
 13 irrigated.⁸⁸

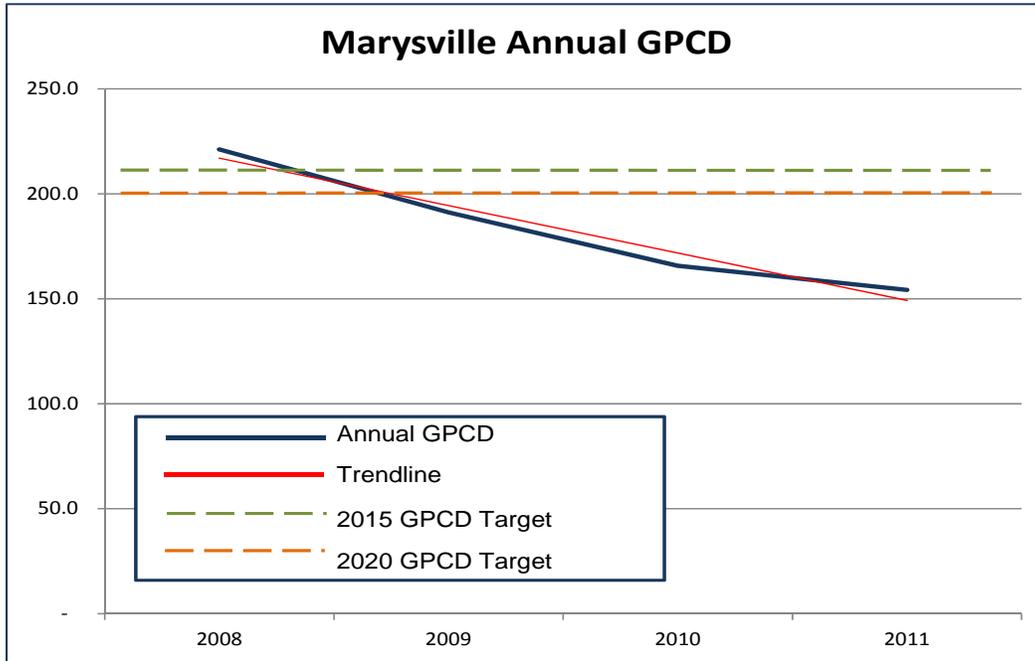
14 **4) Policy Goals**

15 The MRL district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
 16 27.3% or 57.8 GPCD. Over the period of 2008-2011, the MRL district reduced its overall

⁸⁸ District profile information from California Water Service Company, Water Conservation Report: Marysville District, page 1.

1 GPCD by 30.3%. In addition, its 2011 usage has already exceeded its 2020 target by
2 22.9%.⁸⁹

3 **Figure 28: Marysville Annual Average GPCD 2008-2011**



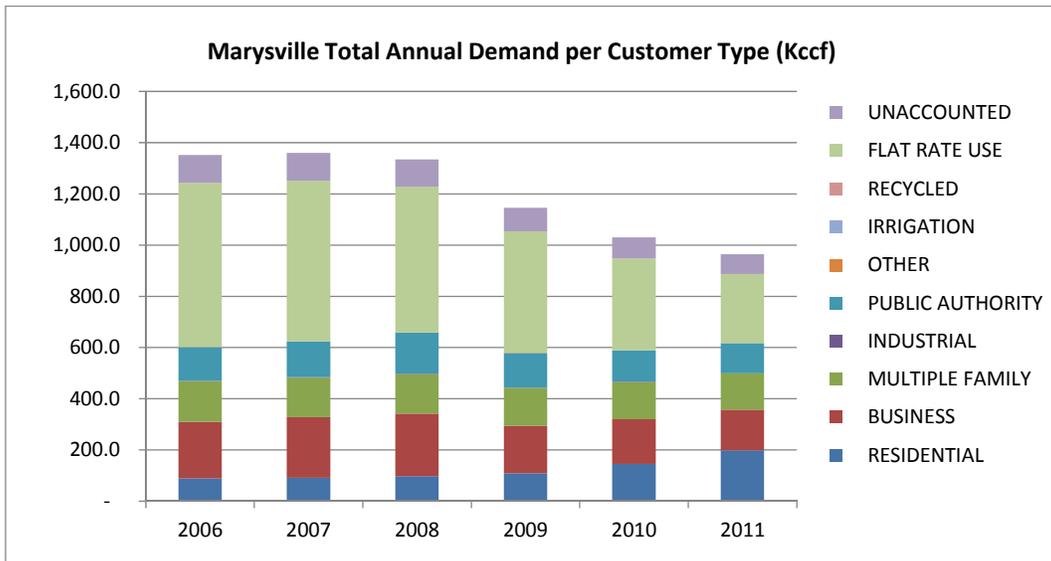
4
5 **5) DRA's Analysis**
6 MRL has shown a continuous reduction in customer usage since 2007⁹⁰ (see
7 Figure 29) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
8 Figure 28). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
9 its MRL district should be to, at a minimum, maintain its current GPCD levels through
10 2020. DRA recommends that CWS focus on the most cost effective conservation
11 programs that target customer types that would have the greatest impact on reducing
12 overall demand.

⁸⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

⁹⁰ Annual demand per customer type data from Application A. 12-07-007, Marysville Exp July 2012, Table 4-C and 4-D.

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Figure 29: Marysville Annual Demand per Customer Type



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As shown in Figure 29 above, the MR district is mostly composed of Residential customer usage (includes Multi-family) and of the programs proposed by CWS, DRA only recommends HE Pop-Up Nozzle Vouchers because all other programs proposed are not cost effective.

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DRA also recommends reducing the School Education Program budget by 50% from \$1,414 to \$707 and proposes that CWS only reach out to 6th graders to avoid duplication of devices distributed and/or yearly repetitive devices distributed to students who stay in the same school program.

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DRA also notes that the MRL district has a substantial number of flat rate customers, which will be converting to meters. Figure 29 above shows that as customers switch from flat rate to metered, the total number of residential customers rises slightly while the overall water consumption goes down. In other words, as customers continue to make the switch to meters, it is likely this pattern of reduced water demand should continue until full conversion.

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As discussed in Chapter 1, Section C of this testimony, the employee benefits total under the Admin and Research program were adjusted by 50% of the employees' salaries which is the average benefit for all other CWS employees.

1 **O. Oroville (ORO)**

2 **1) Introduction**

3 CWS proposes a conservation budget of \$37,686 for Test Year 2014, and \$37,888
4 and \$37,437 for Escalating Years 2015 and 2016, respectively for a total of \$113,011.²¹

5 **2) Summary of Recommendations**

6 DRA recommends a budget of \$12,465 for Test Year 2014, and \$12,465 and
7 \$12,465 for Escalating Year 2015 and 2016. Consistent with the settlement adopted in
8 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
9 from Escalation for 2015 and 2016 Table 26 shows a comparison between CWS's
10 conservation budget request²² and DRA's recommendation for 2014 and 2015 broken
11 down by program.

12 **Table 26: Comparison between CWS Proposed Conservation Budget and DRA's**
13 **Recommended Budget**

ORO Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 142	\$ -	\$ (142)
U-HE Toilet (R/V)	MF	\$ 684	\$ 684	\$ -	\$ 684	\$ 684	\$ -
HE CW (R/V)	SF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 4,262	\$ 951	\$ (3,311)	\$ 4,262	\$ 951	\$ (3,311)
HE Pop-Up Nozzle (V)	MF	\$ 3,094	\$ 689	\$ (2,405)	\$ 2,974	\$ 689	\$ (2,285)
HE Pop-Up Nozzle (V)	CH	\$ 8,746	\$ 1,953	\$ (6,793)	\$ 8,411	\$ 1,953	\$ (6,458)
HE Toilet (R/V) (b)	CH	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE CW Coin-Op (R/V)	CH	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CH	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 2,048	\$ -	\$ (2,048)	\$ 2,048	\$ -	\$ (2,048)
Res. Conservation Kit	SF	\$ 208	\$ -	\$ (208)	\$ 208	\$ -	\$ (208)
Res. Conservation Kit	MF	\$ 26	\$ -	\$ (26)	\$ 26	\$ -	\$ (26)
Admin & Ressearch	All	\$ 4,042	\$ 1,267	\$ (2,775)	\$ 4,700	\$ 1,267	\$ (3,433)
Public Information	All	\$ 6,854	\$ 6,854	\$ -	\$ 6,854	\$ 6,854	\$ -
School Education	All	\$ 134	\$ -	\$ (134)	\$ 134	\$ -	\$ (134)
Total		\$ 37,685	\$ 12,398	\$ (25,287)	\$ 37,888	\$ 12,398	\$ (25,490)

14

²¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

²² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, ORO tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **3) District Profile**

2 ORO district is located in Butte County. The district is approximately 60 miles
3 north of the City of Sacramento. The district serves about 75% of the City of Oroville as
4 well as adjacent parts of unincorporated Butte County.

5 The district’s population in 2011 was approximately 10,020. On average, the
6 district receives about 28 inches of rainfall annually, most of which falls in the late
7 autumn, winter, and early spring. The late spring, summer, and early autumn months are
8 generally dry. CWS states that the annual evapotranspiration in the district averages 53
9 inches, which means that most landscapes cannot survive on rainfall alone and must be
10 irrigated.²³

11 **4) Policy Goals**

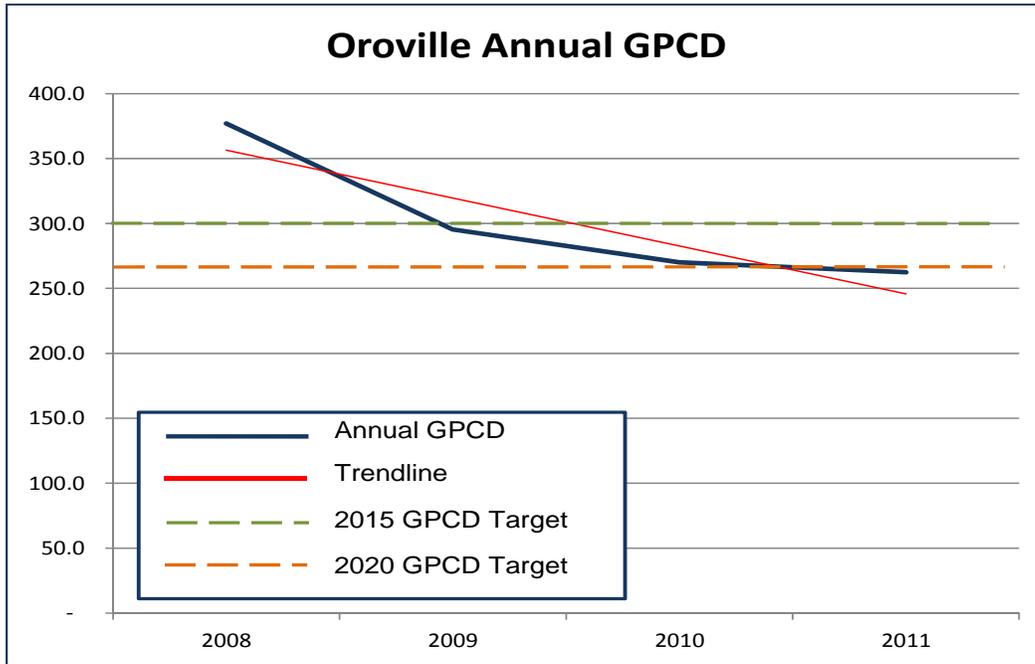
12 The ORO district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
13 13.4% or 40.6 GPCD. Over the period of 2008-2011, the ORO district reduced its overall
14 GPCD by 30.4%. In addition, its 2011 usage has already exceeded its 2020 target by
15 2.1%.²⁴

²³ District profile information from California Water Service Company, Water Conservation Report: Oroville District, page 1.

²⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

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Figure 30: Oroville Annual Average GPCD 2008-2011



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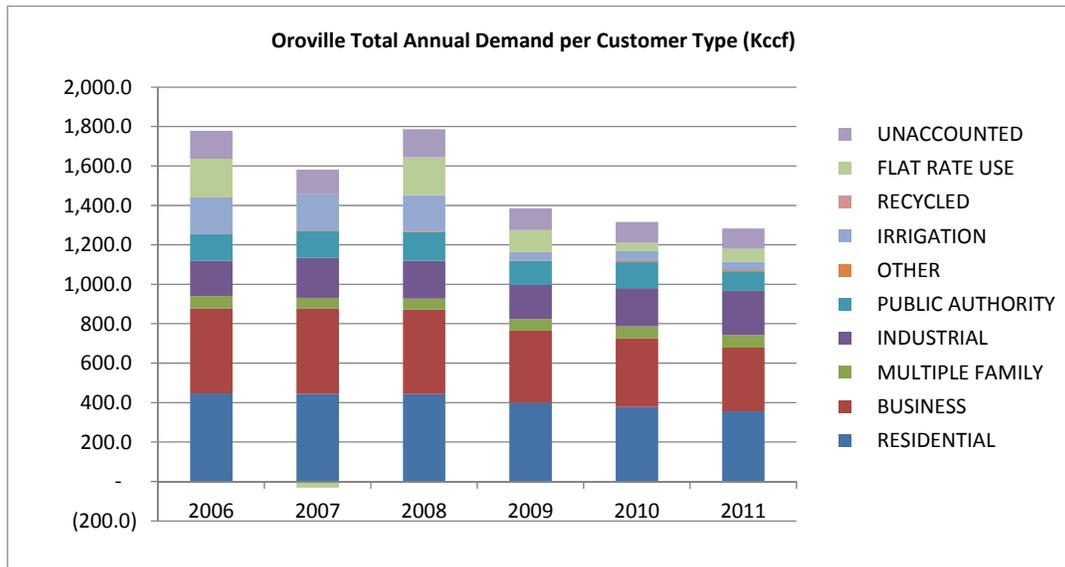
3 **5) DRA's Analysis**

4 ORO has shown a continuous reduction in custom objectives for 2015 and 2020⁹⁵
 5 (see Figure 30) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020
 6 (see Figure 28). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's
 7 objectives for its ORO district should be to, at a minimum, maintain its current GPCD
 8 levels through 2020. DRA recommends that CWS focus on the most cost effective
 9 conservation programs that target customer types that would have the greatest impact on
 10 reducing overall demand.

⁹⁵ Annual demand per customer type data from Application A. 12-07-007, Oroville Exp July 2012, Table 4-C and 4-D.

1

Figure 31: Oroville Annual Demand per Customer Type



2

3 As shown in Figure 31 above, the ORO district is mostly composed of Residential
 4 and Business customer usage and of the programs proposed by CWS for these customer
 5 groups, DRA only recommends the UHET rebates and HE Pop-Up Nozzle Vouchers
 6 because all other programs proposed are not cost effective.

7 In addition, CWS’s proposed budget of \$134 for its School Education program is
 8 unnecessary and it is not economically feasible to target any grade level with such a
 9 minimal budget.

10 DRA also notes that the ORO district has a number of flat rate customers, which
 11 will be converting to meters. Figure 31 above shows that as customers switch from flat
 12 rate to metered, the total number of residential customers rises slightly while the overall
 13 water consumption goes down. In other words, as customers continue to make the switch
 14 to meters, it is likely this pattern of reduced water demand should continue until full
 15 conversion.

16 As discussed in page Chapter 1, Section C of this testimony, the employee benefits
 17 total under the Admin and Research program were adjusted by 50% of the employees’
 18 salaries which is the average benefit for all other CWS employees.

1 **P. Palos Verdes (PV)**

2 **1) Introduction**

3 CWS proposes a conservation budget of \$678,057 for Test Year 2014, and
4 \$690,713 and \$721,375 for Escalating Years 2015 and 2016, respectively for a total of
5 \$2,090,145.²⁶

6 **2) Summary of Recommendations**

7 DRA recommends a budget of \$359,543 for 2014, and \$359,543 and \$359,543 for
8 Escalating Years 2015 and 2016. Consistent with the settlement adopted in CWS's last
9 GRC D. 10-12-017, DRA recommends removal of conservation expenses from
10 Escalation for 2015 and 2016 Table 27 shows a comparison between CWS's conservation
11 budget request²⁷ and DRA's recommendation for 2014 and 2015 broken down by
12 program.

²⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

²⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, PV tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 27: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

PV Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 15,052	\$ 15,052	\$ -	\$ 17,324	\$ 15,052	\$ (2,272)
U-HE Toilet (R/V)	MF	\$ 2,736	\$ 2,736	\$ -	\$ 3,078	\$ 2,736	\$ (342)
HE CW (R/V)	SF	\$ 87,168	\$ -	\$ (87,168)	\$ 87,168	\$ -	\$ (87,168)
HE CW Common (R/V)	MF	\$ 3,336	\$ 3,336	\$ -	\$ 3,336	\$ 3,336	\$ -
HE CW In-Unit (R/V)	MF	\$ 6,528	\$ -	\$ (6,528)	\$ 6,528	\$ -	\$ (6,528)
Smart Controllers (R/V)	SF	\$ 91,648	\$ 91,648	\$ -	\$ 91,648	\$ 91,648	\$ -
Smart Controllers (R/V)	MF	\$ 3,180	\$ 3,180	\$ -	\$ 3,180	\$ 3,180	\$ -
HE Pop-Up Nozzle (V)	SF	\$ 37,149	\$ 14,734	\$ (22,415)	\$ 37,149	\$ 14,734	\$ (22,415)
HE Pop-Up Nozzle (V)	MF	\$ 6,728	\$ 2,668	\$ (4,059)	\$ 6,468	\$ 2,668	\$ (3,799)
HE Pop-Up Nozzle (V)	CII	\$ 38,119	\$ 15,119	\$ (23,000)	\$ 36,654	\$ 15,119	\$ (21,535)
HE Toilet (R/V) (b)	CII	\$ 4,095	\$ 4,095	\$ -	\$ 4,095	\$ 4,095	\$ -
HE Urinals (R/V)	CII	\$ 3,180	\$ 3,180	\$ -	\$ 3,180	\$ 3,180	\$ -
Smart Controllers (R/V)	CII	\$ 8,268	\$ 8,268	\$ -	\$ 8,904	\$ 8,268	\$ (636)
CII Irigation Sys (R)	CII	\$ 32,512	\$ 32,512	\$ -	\$ 32,512	\$ 32,512	\$ -
HE Toilet Direct Install	SF	\$ 48,384	\$ -	\$ (48,384)	\$ 46,704	\$ -	\$ (46,704)
HE Toilet Direct Install	MF	\$ 53,523	\$ -	\$ (53,523)	\$ 52,897	\$ -	\$ (52,897)
HE Toilet Direct Install	CII	\$ 22,440	\$ -	\$ (22,440)	\$ 22,440	\$ -	\$ (22,440)
Urinal Direct Install	CII	\$ 5,425	\$ -	\$ (5,425)	\$ 5,775	\$ -	\$ (5,775)
Web-Based Home Survey	SF	\$ 6,810	\$ 6,810	\$ -	\$ 6,465	\$ 6,810	\$ 345
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 16,131	\$ 16,131	\$ -	\$ 16,131	\$ 16,131	\$ -
Res. Conservation Kit	SF	\$ 26,000	\$ 7,670	\$ (18,330)	\$ 26,000	\$ 7,670	\$ (18,330)
Res. Conservation Kit	MF	\$ 1,352	\$ -	\$ (1,352)	\$ 1,352	\$ -	\$ (1,352)
Admin & Resesearch	All	\$ 82,601	\$ 67,293	\$ (15,308)	\$ 96,042	\$ 67,293	\$ (28,749)
Public Information	All	\$ 60,130	\$ 60,130	\$ -	\$ 60,122	\$ 60,130	\$ 8
School Education	All	\$ 9,963	\$ 4,982	\$ (4,982)	\$ 9,963	\$ 4,982	\$ (4,982)
Total		\$ 678,057	\$ 359,543	\$ (318,514)	\$ 690,713	\$ 359,543	\$ (331,170)

3

4 **3) District Profile**

5 The PV district covers approximately 26 square miles, encompassing all the area
 6 incorporated by the cities of Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills
 7 Estates, and Rolling Hills. The district is bordered on the north by the cities of Torrance
 8 and Lomita, on the east by San Pedro, and on the west and south by the Pacific Ocean.

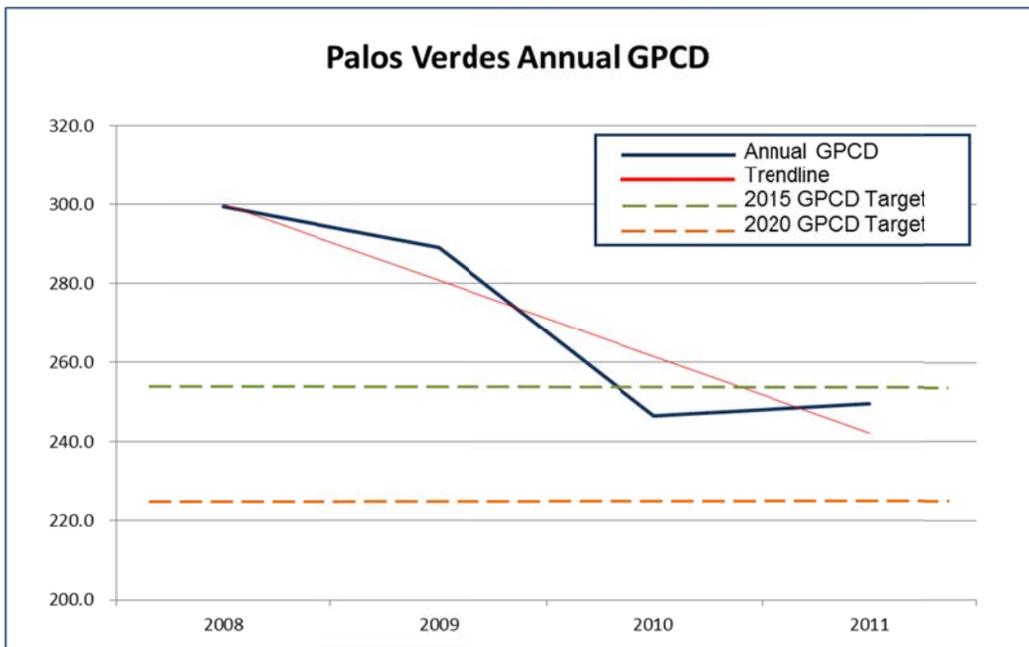
9 The district's population in 2011 was approximately 69,400. On average, the
 10 district receives about 12 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 39

1 inches, which means that most landscapes cannot survive on rainfall alone and must be
2 irrigated.⁹⁸

3 **4) Policy Goals**

4 The PV district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by 2.2%
5 or 5.6 GPCD. Over the period of 2008-2011, the PV district reduced its overall GPCD by
6 16.7%. However, the PV district's 2011 GPCD total has not yet reached its 2020 target
7 level. In order to meet its 2020 target, PV will need to further reduce its GPCD by 10.8%
8 (or 24 GPCD) over the course of the next seven years.⁹⁹

9 **Figure 32: Palos Verdes Annual Average GPCD 2008-2011**



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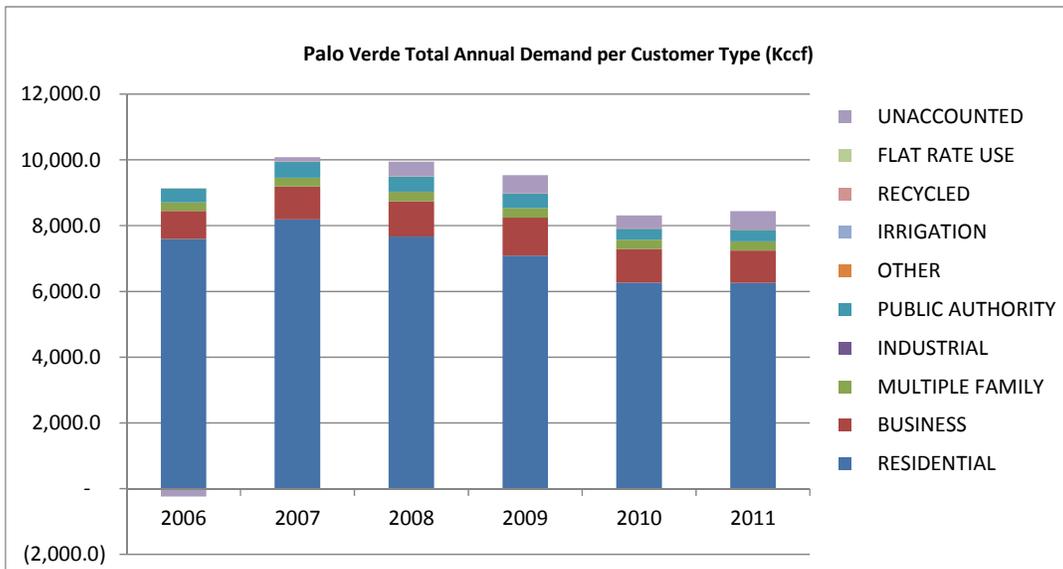
⁹⁸ District profile information from California Water Service Company, Water Conservation Report: Palos Verdes District, page 1.

⁹⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

1 **5) DRA's Analysis**

2 PV has shown a continuous reduction in customer usage since 2007¹⁰⁰ (see Figure
3 33) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
4 32). Having exceeded its SBx7-7 target for 2015, DRA believes that PV district's
5 objective should be to, at a minimum, retain and maintain its 2020 target GPCD level.
6 This objective can be achieved without increasing conservation costs by focusing on the
7 most cost effective conservation programs that target customer types that would have the
8 greatest impact on reducing overall demand.

9 **Figure 33: Palos Verdes Annual Demand per Customer Type**



10
11 As shown in Figure 22 above, the PV district is mostly composed of Residential
12 customer usage followed by Business customers. Of the programs proposed by CWS for
13 its Residential customers, DRA recommends the UHET, HECW, and Smart Controller
14 rebates, HE Pop-Up Nozzle Vouchers, Web-Based Home Survey and Conservation Kits
15 because these are the most cost effective programs.

16 The total number of kits proposed by CWS under the Conservation Kit distribution
17 program is not an accurate representation of kits for the district. Instead, DRA adjusted

¹⁰⁰ Annual demand per customer type data from Application A. 12-07-007, Palos Verdes Exp July 2012, Table 4-C and 4-D.

1 the proposed number of conservation kits down from 1,052 kits to 295 kits which
2 represent the average total number of kits distributed by CWS during the past two years.

3 DRA also recommends reducing the School Education Program budget by 50%
4 from \$9,963 to \$4,982 and DRA proposes that CWS only reach out to 6th graders to avoid
5 duplication of devices distributed and/or yearly repetitive devices distributed to students
6 who stay in the same school program.

7 Of the programs proposed by CWS for its Business/Industrial customers, DRA
8 recommends the HET and Urinals rebate, HE Pop-Up Nozzle voucher, Commercial
9 Irrigation, and Large Landscape Water Use Reports.

10 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
11 under the Admin and Research program were adjusted by 50% of the employees' salaries
12 which is the average benefit for all other CWS employees.

13 **Q. Redwood Valley (RDV)**

14 **1) Introduction**

15 CWS proposes a conservation budget of \$19,348 for Test Year 2014, and \$19,642
16 and \$19,338 for Escalating Years 2015 and 2016, respectively for a total of \$58,329.¹⁰¹

17 **2) Summary of Recommendations**

18 DRA recommends a budget of \$6,554 for Test Year 2014, and \$6,554 and \$6,554
19 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in CWS's
20 last GRC D. 10-12-017, DRA recommends removal of conservation expenses from
21 Escalation for 2015 and 2016 Table 28 shows a comparison between CWS's
22 conservation budget request¹⁰² and DRA's recommendation for 2014 and 2015 broken
23 down by program.

¹⁰¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹⁰² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, RDV tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

Table 28: Comparison between CWS Proposed Conservation Budget and DRA’s Recommended Budget

RDV Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 994	\$ 994	\$ -	\$ 1,278	\$ 994	\$ (284)
HE CW (R/V)	SF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
HE Pop-Up Nozzle (V)	SF	\$ 3,011	\$ 412	\$ (2,599)	\$ 3,011	\$ 412	\$ (2,599)
HE Pop-Up Nozzle (V)	MF	\$ 2,181	\$ 299	\$ (1,882)	\$ 2,096	\$ 299	\$ (1,797)
HE Pop-Up Nozzle (V)	CH	\$ 6,185	\$ 848	\$ (5,337)	\$ 5,948	\$ 848	\$ (5,099)
HE Toilet (R/V) (b)	CII	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE Urinals (R/V)	CII	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
WebBased Home Survey	SF	\$ 555	\$ 555	\$ -	\$ 525	\$ 555	\$ 30
Res. Conservation Kit	SF	\$ 208	\$ -	\$ (208)	\$ 208	\$ -	\$ (208)
Admin & Ressearch	All	\$ 2,226	\$ 921	\$ (1,305)	\$ 2,588	\$ 921	\$ (1,667)
Public Information	All	\$ 2,488	\$ 2,488	\$ -	\$ 2,488	\$ 2,488	\$ -
School Education	All	\$ 74	\$ -	\$ (74)	\$ 74	\$ -	\$ (74)
Total		\$ 19,349	\$ 6,517	\$ (12,832)	\$ 19,643	\$ 6,517	\$ (13,126)

3) District Profile

The RDV district is comprised of six separate service areas – Lucerne (LUC), Coast Springs (COS), and the Unified Area (UNI) of Hawkins, Armstrong, Noel Heights, and Rancho del Paradiso. The district lies within Sonoma and Lake Counties, north of the City of San Francisco.

The district’s population in 2011 was approximately 3,100. On average, the district receives about 35 inches of rainfall annually, most of which falls in the late autumn, winter, and early spring. The late spring, summer, and early autumn months are generally dry. CWS states that the annual evapotranspiration in the district averages 44 inches, which means that most landscapes cannot survive on rainfall alone and must be irrigated.¹⁰³

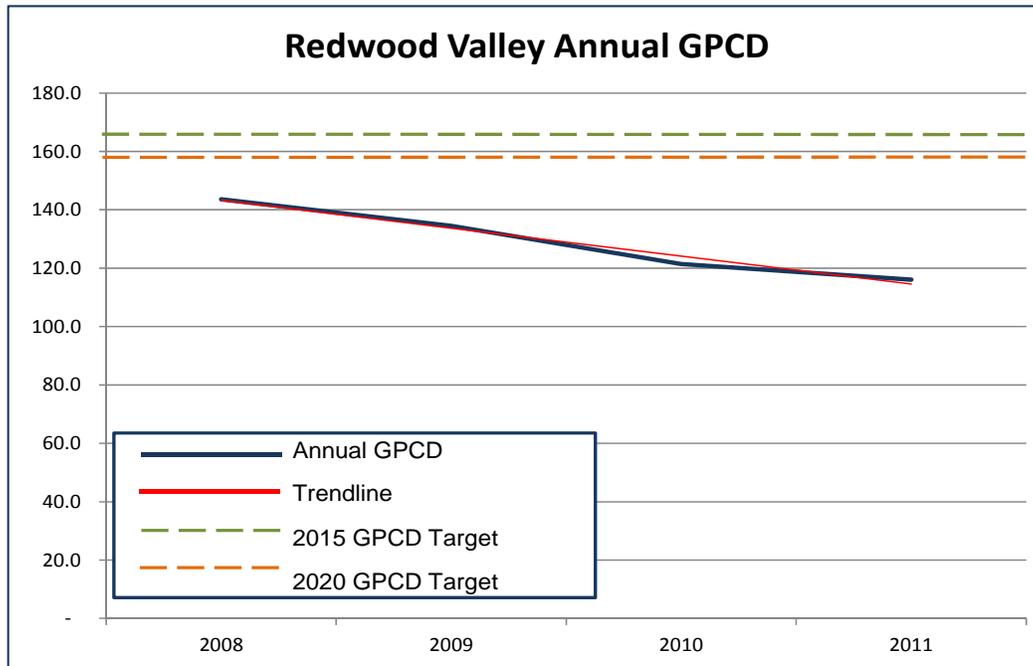
4) Policy Goals

The RDV district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by 30.1% or 49.9 GPCD. Over the period of 2008-2011, the RDV district reduced its overall

¹⁰³ District profile information from California Water Service Company, Water Conservation Report: Redwood Valley District, page 1.

1 GPCD by 19.1%. In addition, its 2011 usage has already exceeded its 2020 target by
2 26%.¹⁰⁴

3 **Figure 34: Redwood Valley Annual Average GPCD 2008-2011**



4
5 **5) DRA's Analysis**

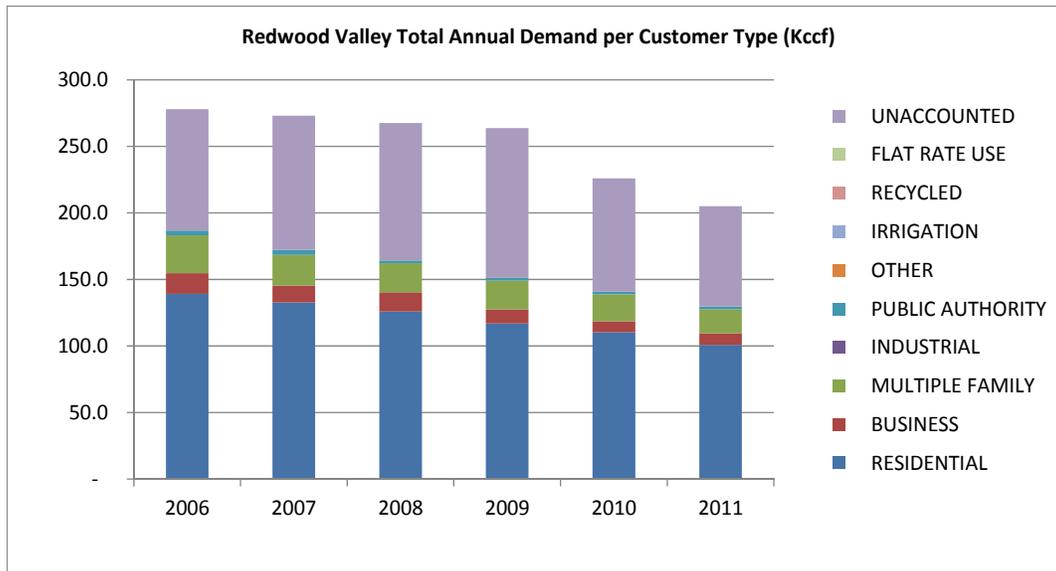
6 RDV has shown a continuous reduction in customer usage since 2007¹⁰⁵ (see
7 Figure 35) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
8 Figure 34). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
9 its RDV district should be to, at a minimum, maintain its current GPCD levels through
10 2020. DRA recommends that CWS focus on the most cost effective conservation
11 programs that target customer types that would have the greatest impact on reducing
12 overall demand.

¹⁰⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹⁰⁵ Annual demand per customer type data from Application A. 12-07-007, Redwood Coasts Springs Exp July 2012, Table 4-C and 4-D, Redwood Unified Exp July 2012, Table 4-C and 4-D, and Redwood Lucerne Exp July 2012, Table 4-C and 4-D.

1

Figure 35: Redwood Valley Annual Demand per Customer Type



2

3 As shown in Figure 35 above, the RDV district is mostly composed of residential
 4 customer usage and of the programs proposed by CWS, DRA recommends the UHET
 5 rebate, HE Pop-Up Nozzle Vouchers, and Web-Based Home Survey because these are
 6 the most cost effective programs.

7 In addition, CWS’s proposed budget of \$74 for its School Education program is
 8 unnecessary and it is not economically feasible to target any grade level with such a
 9 minimal budget.

10 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
 11 under the Admin and Research program were adjusted by 50% of the employees’ salaries
 12 which is the average benefit for all other CWS employees.

13 **R. Selma (SEL)**

14 **1) Introduction**

15 CWS proposes a conservation budget of \$45,522 for Test Year 2014, and \$46,052
 16 and \$52,652 for Escalating Years 2015 and 2016, respectively for a total of \$144,226.¹⁰⁶

¹⁰⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

2) **Summary of Recommendations**

DRA recommends a budget of \$15,271 for Test Year 2014, and \$15,271 and \$15,271 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in CWS’s last GRC D. 10-12-017, DRA recommends removal of conservation expenses from Escalation for 2015 and 2016 Table 29 shows a comparison between CWS’s proposed conservation budget¹⁰⁷ and DRA’s recommendation broken down by program.

Table 29: Comparison between CWS Proposed Conservation Budget and DRA’s Recommended Budget

SEL Programs	Class	2014 CWS Proposed	2014 DRA Recommend	Difference	2015 CWS Proposed	2015 DRA Recommend	Difference
U-HE Toilet (R/V)	SF	\$ 142	\$ -	\$ (142)	\$ 142	\$ -	\$ (142)
U-HE Toilet (R/V)	MF	\$ 1,140	\$ 1,140	\$ -	\$ 1,254	\$ 1,140	\$ (114)
HE CW (R/V)	SF	\$ 1,152	\$ -	\$ (1,152)	\$ 1,152	\$ -	\$ (1,152)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
Smart Controllers (R/V)	MF	\$ 1,272	\$ -	\$ (1,272)	\$ 1,272	\$ -	\$ (1,272)
HE Pop-Up Nozzle (V)	SF	\$ 8,813	\$ 1,744	\$ (7,069)	\$ 8,813	\$ 1,744	\$ (7,069)
HE Pop-Up Nozzle (V)	MF	\$ 1,596	\$ 315	\$ (1,281)	\$ 1,534	\$ 315	\$ (1,219)
HE Pop-Up Nozzle (V)	CH	\$ 9,045	\$ 1,788	\$ (7,257)	\$ 8,697	\$ 1,788	\$ (6,910)
HE Toilet (R/V) (b)	CH	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE Urinals (R/V)	CH	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 4,200	\$ -	\$ (4,200)	\$ 4,200	\$ -	\$ (4,200)
Lrg Landscape Water Use	Irr	\$ 2,134	\$ -	\$ (2,134)	\$ 2,134	\$ -	\$ (2,134)
Res. Conservation Kit	SF	\$ 312	\$ -	\$ (312)	\$ 312	\$ -	\$ (312)
Res. Conservation Kit	MF	\$ 26	\$ -	\$ (26)	\$ 26	\$ -	\$ (26)
Admin & Ressearch	All	\$ 5,077	\$ 1,477	\$ (3,600)	\$ 5,903	\$ 1,477	\$ (4,426)
Public Information	All	\$ 8,042	\$ 8,042	\$ -	\$ 8,042	\$ 8,042	\$ -
School Education	All	\$ 1,529	\$ 765	\$ (765)	\$ 1,529	\$ 765	\$ (765)
Total		\$ 45,523	\$ 15,271	\$ (30,252)	\$ 46,053	\$ 15,271	\$ (30,783)

3) **District Profile**

The SEL district is located in Fresno County. The district is approximately 20 miles southeast of the City of Fresno and 90 miles north of the City of Bakersfield. The district serves the City of Selma.

The district’s population in 2011 was approximately 26,000. On average, the district receives about 11 inches of rainfall annually, most of which falls in the late autumn, winter, and early spring. The late spring, summer, and early autumn months are

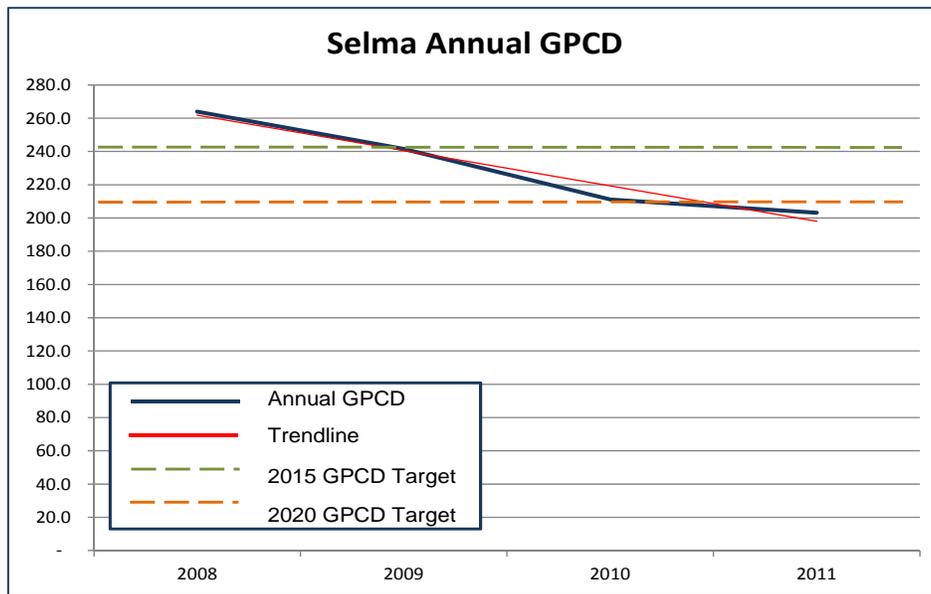
¹⁰⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins’s email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, SEL tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins’s 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 generally dry. CWS states that the annual evapotranspiration in the district averages 53
2 inches, which means that most landscapes cannot survive on rainfall alone and must be
3 irrigated.¹⁰⁸

4 **4) Policy Goals**

5 The SEL district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
6 15.7% or 37.9 GPCD. Over the period of 2008-2011, the SEL district reduced its overall
7 GPCD by 23.1%. In addition, its 2011 usage has already exceeded its 2020 target by
8 5.5%.¹⁰⁹

9 **Figure 36: Selma Annual Average GPCD 2008-2011**



10

11 **5) DRA's Analysis**

12 SEL has shown a continuous reduction in customer usage since 2007¹¹⁰ (see
13 Figure 37) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see

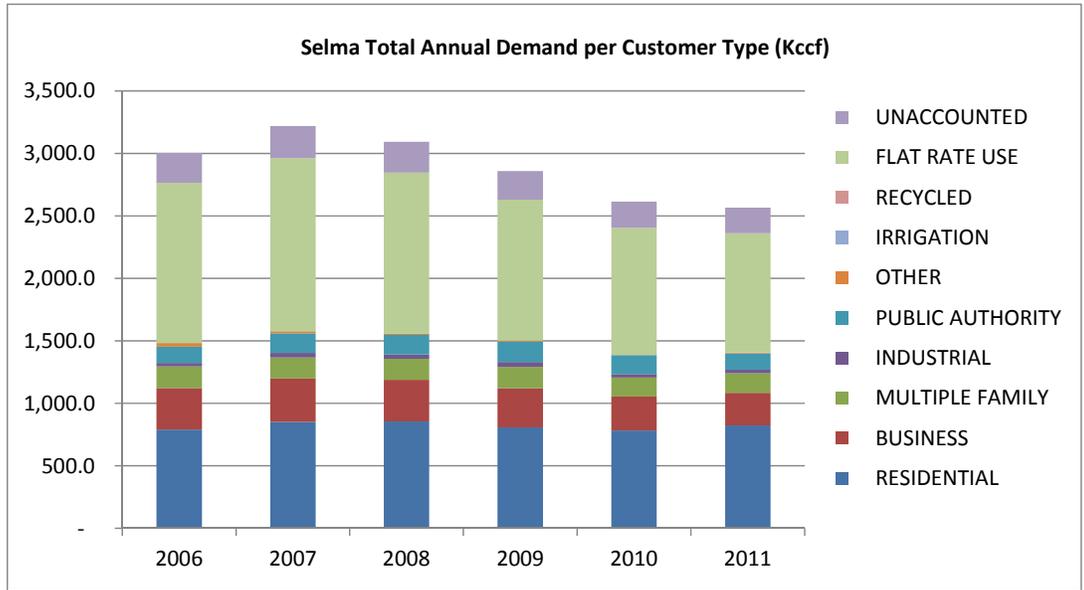
¹⁰⁸ District profile information from California Water Service Company, Water Conservation Report: Selma District, page 1.

¹⁰⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹¹⁰ Annual demand per customer type data from Application A. 12-07-007, Selma Exp July 2012, Table 4-C and 4-D.

1 Figure 36). Having exceeded its SBx7-7 target for 2015 and 2020, CWS’s objectives for
 2 its SEL district should be to, at a minimum, maintain its current GPCD levels through
 3 2020. DRA recommends that CWS focus on the most cost effective conservation
 4 programs that target customer types that would have the greatest impact on reducing
 5 overall demand.

6 **Figure 37: Selma Annual Demand per Customer Type**



7
 8 As shown in Figure 37 above, the SEL district is mostly composed of residential
 9 customer usage and of the programs proposed by CWS, DRA only recommends the
 10 UHET rebate and HE Pop-Up Nozzle vouchers because all the other programs are not
 11 cost effective.

12 DRA also recommends reducing the School Education Program budget by 50%
 13 from \$1,529 to \$765 and proposes that CWS only reach out to 6th graders to avoid
 14 duplication of devices distributed and/or yearly repetitive devices distributed to students
 15 who stay in the same school program.

16 DRA also notes that the SEL district has a substantial number of flat rate
 17 customers, which will be converting to meters. Figure 37 above shows that as customers
 18 switch from flat rate to metered, the total number of residential customers rises slightly
 19 while the overall water consumption goes down. In other words, as customers continue

1 to make the switch to meters, it is likely this pattern of reduced water demand should
2 continue until full conversion.

3 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
4 under the Admin and Research program were adjusted by 50% of the employees' salaries
5 which is the average benefit for all other CWS employees.

6 **S. Salinas (SLN)**

7 **1) Introduction**

8 CWS proposes a conservation budget of \$1,194,129 for Test Year 2014, and
9 \$1,220,401 and \$1,298,710 for Escalating Years 2015 and 2016, respectively for a total
10 of \$3,713,240.¹¹¹

11 **2) Summary of Recommendations**

12 DRA recommends a budget of \$203,535 for Test Year 2014, and \$203,535 and
13 \$203,535 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
14 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
15 from Escalation for 2015 and 2016 Table 30 shows a comparison between CWS's
16 proposed conservation budget¹¹² and DRA's recommendation for 2014 and 2015 broken
17 down by program.

¹¹¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹¹² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, SLN tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 30: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

SLN Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 23,998	\$ 7,810	\$ (16,188)	\$ 27,690	\$ 7,810	\$ (19,880)
U-HE Toilet (R/V)	MF	\$ 10,374	\$ 10,374	\$ -	\$ 11,970	\$ 10,374	\$ (1,596)
HE CW (R/V)	SF	\$ 139,200	\$ -	\$ (139,200)	\$ 139,200	\$ -	\$ (139,200)
HE CW Common (R/V)	MF	\$ 1,668	\$ -	\$ (1,668)	\$ 1,668	\$ -	\$ (1,668)
HE CW In-Unit (R/V)	MF	\$ 2,688	\$ -	\$ (2,688)	\$ 2,688	\$ -	\$ (2,688)
Smart Controllers (R/V)	SF	\$ 114,432	\$ -	\$ (114,432)	\$ 114,432	\$ -	\$ (114,432)
Smart Controllers (R/V)	MF	\$ 6,360	\$ 6,996	\$ 636	\$ 6,996	\$ 6,996	\$ -
HE Pop-Up Nozzle (V)	SF	\$ 39,513	\$ 15,446	\$ (24,066)	\$ 39,513	\$ 15,446	\$ (24,066)
HE Pop-Up Nozzle (V)	MF	\$ 7,153	\$ 2,795	\$ (4,358)	\$ 6,880	\$ 2,795	\$ (4,085)
HE Pop-Up Nozzle (V)	CII	\$ 40,547	\$ 15,850	\$ (24,697)	\$ 38,987	\$ 15,850	\$ (23,137)
HE Toilet (R/V) (b)	CII	\$ 16,965	\$ -	\$ (16,965)	\$ 16,965	\$ -	\$ (16,965)
HE CW Coin-Op (R/V)	CII	\$ 6,255	\$ -	\$ (6,255)	\$ 6,255	\$ -	\$ (6,255)
HE Urinals (R/V)	CII	\$ 9,222	\$ -	\$ (9,222)	\$ 9,858	\$ -	\$ (9,858)
Smart Controllers (R/V)	CII	\$ 23,532	\$ -	\$ (23,532)	\$ 24,804	\$ -	\$ (24,804)
CII Irrigation Sys (R)	CII	\$ 32,512	\$ -	\$ (32,512)	\$ 32,512	\$ -	\$ (32,512)
HE Toilet Direct Install	SF	\$ 178,080	\$ -	\$ (178,080)	\$ 175,392	\$ -	\$ (175,392)
HE Toilet Direct Install	MF	\$ 147,736	\$ -	\$ (147,736)	\$ 146,171	\$ -	\$ (146,171)
HE Toilet Direct Install	CII	\$ 74,800	\$ -	\$ (74,800)	\$ 74,800	\$ -	\$ (74,800)
Urinal Direct Install	CII	\$ 16,450	\$ -	\$ (16,450)	\$ 17,675	\$ -	\$ (17,675)
Web-Based Home Survey	SF	\$ 7,245	\$ 7,245	\$ -	\$ 6,885	\$ 7,245	\$ 360
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 6,828	\$ -	\$ (6,828)	\$ 6,828	\$ -	\$ (6,828)
Res. Conservation Kit	SF	\$ 1,742	\$ -	\$ (1,742)	\$ 1,742	\$ -	\$ (1,742)
Res. Conservation Kit	MF	\$ 182	\$ -	\$ (182)	\$ 182	\$ -	\$ (182)
Admin & Researh	All	\$ 145,243	\$ 19,706	\$ (125,537)	\$ 168,878	\$ 19,706	\$ (149,172)
Public Information	All	\$ 98,821	\$ 98,821	\$ -	\$ 98,847	\$ 98,821	\$ (26)
School Education	All	\$ 36,983	\$ 18,492	\$ (18,492)	\$ 36,983	\$ 18,492	\$ (18,492)
Total		\$ 1,194,129	\$ 203,535	\$ (990,593)	\$ 1,220,401	\$ 203,535	\$ (1,016,865)

3
4 **3) District Profile**

5 The SLN district is located in northern Monterey County approximately 15 miles
 6 northeast of the City of Monterey. The district serves about 70% of the City of Salinas, as
 7 well as the unincorporated communities of Bolsa Knolls, Las Lomas, Oak Hills, Country
 8 Meadows, and Salinas Hills.

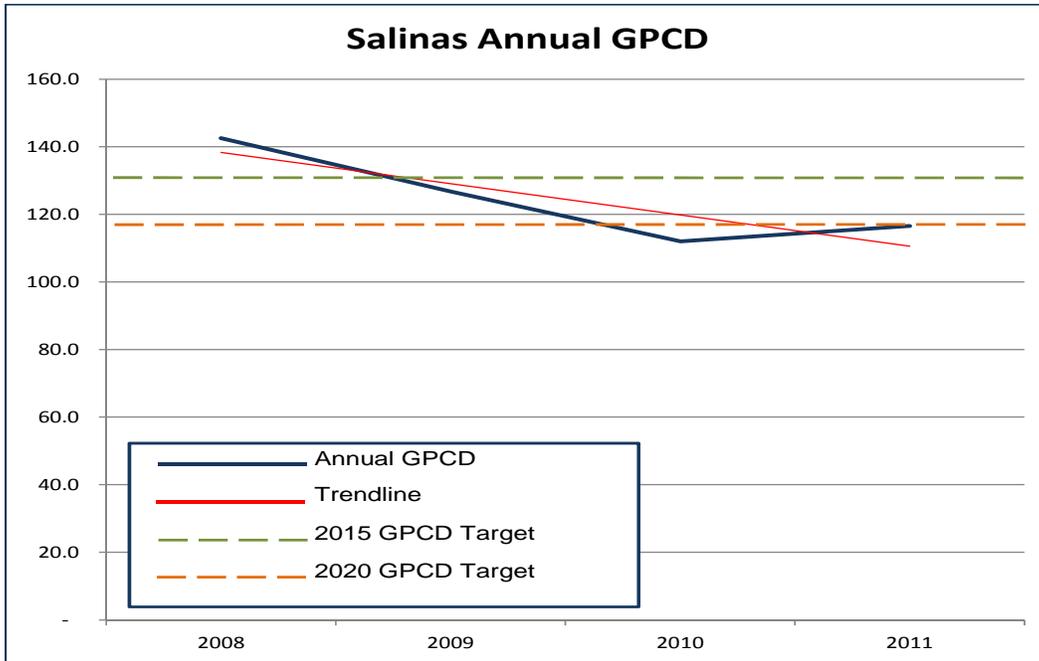
9 The district's population in 2011 was approximately 137,000. On average, the
 10 district receives about 15 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 39
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.¹¹³

¹¹³ District profile information from California Water Service Company, Water Conservation Report: Salinas District, page 1.

1 **4) Policy Goals**

2 The SLN district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 11% or 14.5 GPCD. Over the period of 2008-2011, the SLN district reduced its overall
4 GPCD by 18.2%. In addition, its 2011 usage has already exceeded its 2020 target by
5 0.4%.¹¹⁴

6 **Figure 38: Salinas Annual Average GPCD 2008-2011**



7
8 **5) DRA's Analysis**

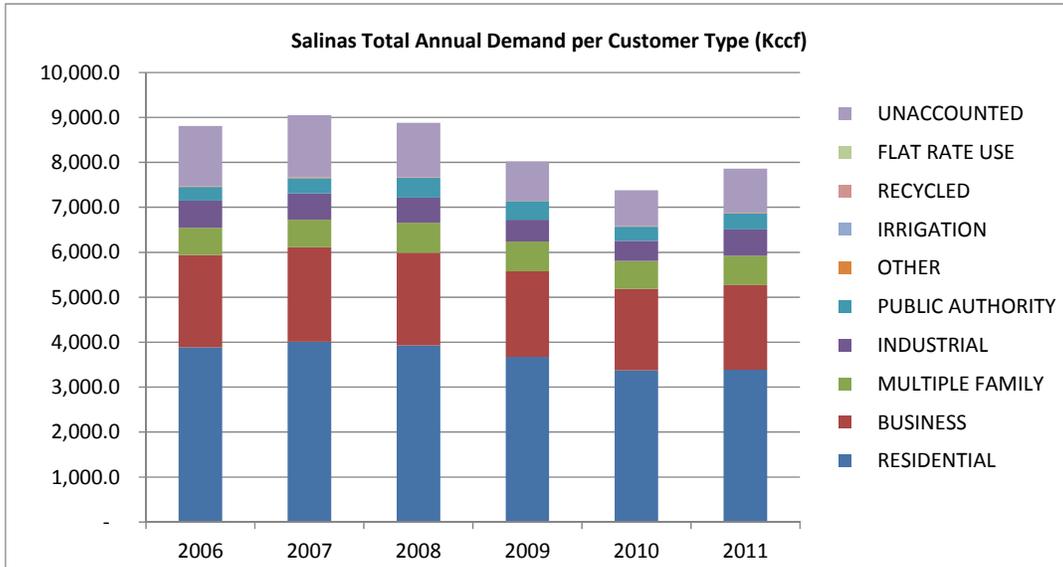
9 SLN has shown a continuous reduction in customer usage since 2007¹¹⁵ (see
10 Figure 39) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
11 Figure 38). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
12 its SLN district should be to, at a minimum, maintain its current GPCD levels through
13 2020. DRA recommends that CWS focus on the most cost effective conservation

¹¹⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹¹⁵ Annual demand per customer type data from Application A. 12-07-007, Salinas Exp July 2012, Table 4-C and 4-D.

1 programs that target customer types that would have the greatest impact on reducing
2 overall demand.

3 **Figure 39: Salinas Annual Demand per Customer Type**



4
5 As shown in Figure 39 above, the SLN district is mostly composed of residential
6 customer usage followed by business customers. Of the programs proposed by CWS for
7 both customer groups, DRA recommends the UHET and Smart Controller rebates, HE
8 Pop-Up Nozzle vouchers, and Web-Based Home Surveys because these are the most cost
9 effective programs.

10 DRA also recommends reducing the School Education Program budget by 50%
11 from \$36,983 to \$18,492 and proposes that CWS only reach out to 6th graders to avoid
12 duplication of devices distributed and/or yearly repetitive devices distributed to students
13 who stay in the same school program.

14 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
15 under the Admin and Research program were adjusted by 50% of the employees' salaries
16 which is the average benefit for all other CWS employees.

1 **T. Stockton (STK)**

2 **1) Introduction**

3 CWS proposes a conservation budget of \$292,857 for Test Year 2014, and
4 \$300,186 and \$301,742 for Escalating Years 2015 and 2016, respectively for a total of
5 \$894,785.¹¹⁶

6 **2) Summary of Recommendations**

7 DRA recommends a budget of \$199,257 for Test Year 2014, and \$199,257 and
8 \$199,257 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
9 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
10 from Escalation for 2015 and 2016 Table 31 shows a comparison between CWS's
11 proposed conservation budget¹¹⁷ and DRA's recommendation for 2014 and 2015 broken
12 down by program.

¹¹⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹¹⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, STK tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 31: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

STK Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 24,708	\$ 24,708	\$ -	\$ 28,400	\$ 24,708	\$ (3,692)
U-HE Toilet (R/V)	MF	\$ 5,358	\$ 5,358	\$ -	\$ 6,156	\$ 5,358	\$ (798)
HE CW (R/V)	SF	\$ 6,720	\$ -	\$ (6,720)	\$ 6,720	\$ -	\$ (6,720)
HE CW Common (R/V)	MF	\$ 834	\$ -	\$ (834)	\$ 834	\$ -	\$ (834)
HE CW In-Unit (R/V)	MF	\$ 960	\$ -	\$ (960)	\$ 960	\$ -	\$ (960)
Smart Controllers (R/V)	MF	\$ 6,360	\$ 6,360	\$ -	\$ 6,996	\$ 6,360	\$ (636)
HE Pop-Up Nozzle (V)	SF	\$ 60,707	\$ 35,174	\$ (25,533)	\$ 60,707	\$ 35,174	\$ (25,533)
HE Pop-Up Nozzle (V)	MF	\$ 10,992	\$ 6,367	\$ (4,625)	\$ 10,569	\$ 6,367	\$ (4,202)
HE Pop-Up Nozzle (V)	CII	\$ 62,293	\$ 36,091	\$ (26,202)	\$ 59,898	\$ 36,091	\$ (23,806)
HE Toilet (R/V) (b)	CII	\$ 468	\$ -	\$ (468)	\$ 468	\$ -	\$ (468)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 636	\$ -	\$ (636)	\$ 636	\$ -	\$ (636)
Lrg Landscape Surveys	Irr	\$ 8,400	\$ -	\$ (8,400)	\$ 8,400	\$ -	\$ (8,400)
Lrg Landscape Water Use	Irr	\$ 5,206	\$ -	\$ (5,206)	\$ 5,206	\$ -	\$ (5,206)
Res. Conservation Kit	SF	\$ 2,600	\$ -	\$ (2,600)	\$ 2,600	\$ -	\$ (2,600)
Res. Conservation Kit	MF	\$ 208	\$ -	\$ (208)	\$ 208	\$ -	\$ (208)
Admin & Ressearch	All	\$ 30,714	\$ 33,791	\$ 3,077	\$ 35,712	\$ 33,791	\$ (1,921)
Public Information	All	\$ 37,538	\$ 37,538	\$ -	\$ 37,561	\$ 37,538	\$ (23)
School Education	All	\$ 27,740	\$ 13,870	\$ (13,870)	\$ 27,740	\$ 13,870	\$ (13,870)
Total		\$ 292,858	\$ 199,257	\$ (93,602)	\$ 300,187	\$ 199,257	\$ (100,931)

3
 4 **3) District Profile**

5 Cal Water's STK district is located in San Joaquin County approximately 45 miles
 6 south of Sacramento and 62 miles east of San Francisco. The system serves portions of
 7 the City of Stockton and adjacent unincorporated San Joaquin County. The City of
 8 Stockton Water Department owns and operates water systems to the north, southwest,
 9 and southeast of Cal Water's Stockton district.

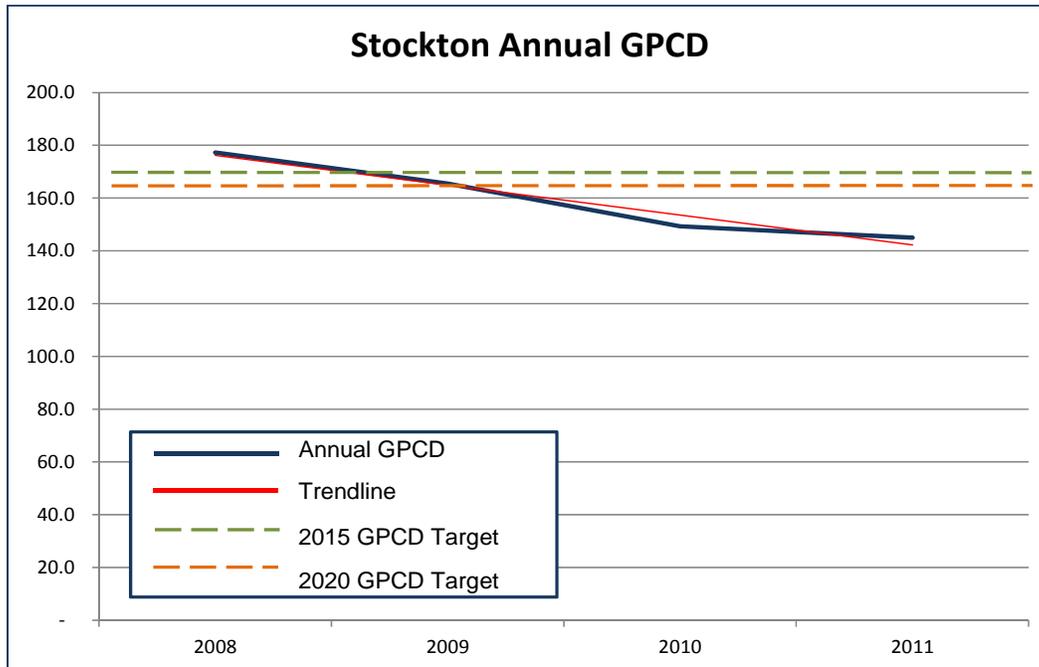
10 The district's population in 2011 was approximately 165,000. On average, the
 11 district receives about 14 inches of rainfall annually, most of which falls in the late
 12 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 13 generally dry. CWS states that the annual evapotranspiration in the district averages 53
 14 inches, which means that most landscapes cannot survive on rainfall alone and must be
 15 irrigated.¹¹⁸

¹¹⁸ District profile information from California Water Service Company, Water Conservation Report: Stockton District, page 1.

1 **4) Policy Goals**

2 The STK district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 15.2% or 26 GPCD. Over the period of 2008-2011, the STK district reduced its overall
4 GPCD by 18.2%. In addition, its 2011 usage has already exceeded its 2020 target by
5 12.1%.¹¹⁹

6 **Figure 40: Stockton Annual Average GPCD 2008-2011**



7
8 **5) DRA's Analysis**

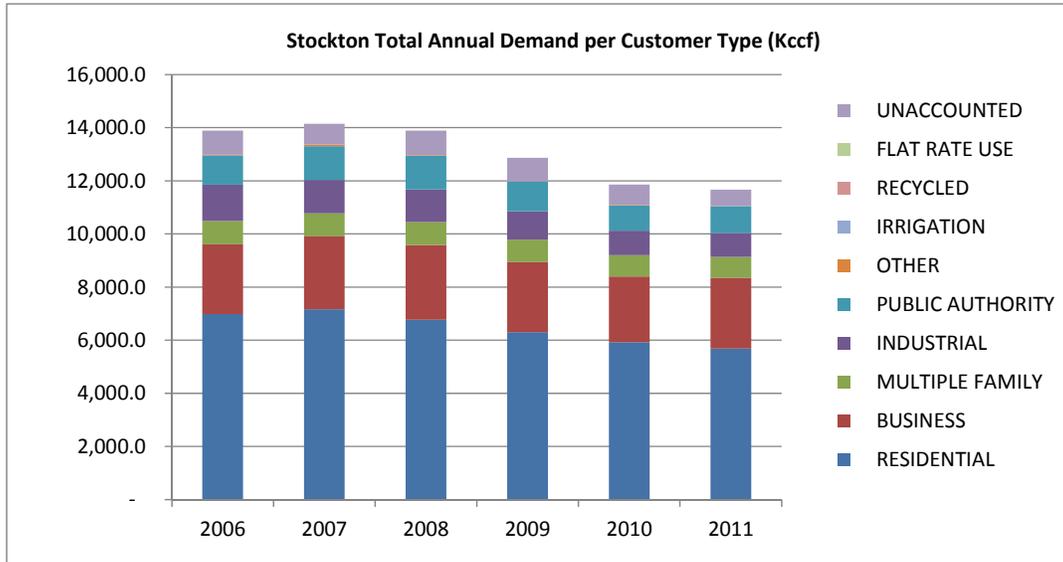
9 STK has shown a continuous reduction in customer usage since 2007¹²⁰ (see
10 Figure 3) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
11 Figure 2). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
12 its STK district should be to, at a minimum, maintain its current GPCD levels through
13 2020. DRA recommends that CWS focus on the most cost effective conservation

¹¹⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹²⁰ Annual demand per customer type data from Application A. 12-07-007, Stockton Exp July 2012, Table 4-C and 4-D.

1 programs that target customer types that would have the greatest impact on reducing
2 overall demand.

3 **Figure 41: Stockton Annual Demand per Customer Type**



4
5 As shown in Figure 41 above, the STK district is mostly composed of Residential
6 customer usage and of the programs proposed by CWS, DRA recommends the UHET
7 and Smart Controller rebates, and HE Pop-Up Nozzle Vouchers because these are the
8 most cost effective programs.

9 DRA also recommends reducing the School Education Program budget by 50%
10 from \$27,740 to \$13,870 and proposes that CWS only reach out to 6th graders to avoid
11 duplication of devices distributed and/or yearly repetitive devices distributed to students
12 who stay in the same school program.

13 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
14 under the Admin and Research program were adjusted by 50% of the employees' salaries
15 which is the average benefit for all other CWS employees.

1 **U. Visalia (VIS)**

2 **1) Introduction**

3 CWS is proposes a conservation budget of \$401,348 for Test Year 2014, and
4 \$423,410 and \$487,986 for Escalating Years 2015 and 2016, respectively for a total of
5 \$1,312,743.¹²¹

6 **2) Summary of Recommendations**

7 DRA recommends a budget of \$158,003 for Test Year 2014, and \$158,003 and
8 \$158,003 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
9 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
10 from Escalation for 2015 and 2016 Table 32 shows a comparison between CWS's
11 proposed conservation budget¹²² and DRA's recommendation for 2014 and 2015 broken
12 down by program.

¹²¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹²² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, VIS tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 32: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

VIS Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 568	\$ -	\$ (568)	\$ 568	\$ -	\$ (568)
U-HE Toilet (R/V)	MF	\$ 7,752	\$ 7,752	\$ -	\$ 8,892	\$ 7,752	\$ (1,140)
HE CW (R/V)	SF	\$ 9,408	\$ -	\$ (9,408)	\$ 9,408	\$ -	\$ (9,408)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
Smart Controllers (R/V)	SF	\$ 121,066	\$ -	\$ (121,066)	\$ 135,936	\$ -	\$ (135,936)
Smart Controllers (R/V)	MF	\$ 7,632	\$ -	\$ (7,632)	\$ 8,268	\$ -	\$ (8,268)
HE Pop-Up Nozzle (V)	SF	\$ 56,668	\$ 33,048	\$ (23,620)	\$ 56,668	\$ 33,048	\$ (23,620)
HE Pop-Up Nozzle (V)	MF	\$ 10,264	\$ 5,987	\$ (4,277)	\$ 9,867	\$ 5,987	\$ (3,881)
HE Pop-Up Nozzle (V)	CII	\$ 58,146	\$ 33,911	\$ (24,235)	\$ 55,910	\$ 33,911	\$ (21,999)
HE Toilet (R/V) (b)	CII	\$ 351	\$ -	\$ (351)	\$ 351	\$ -	\$ (351)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 636	\$ -	\$ (636)	\$ 636	\$ -	\$ (636)
Lrg Landscape Surveys	Irr	\$ 8,400	\$ -	\$ (8,400)	\$ 8,400	\$ -	\$ (8,400)
Lrg Landscape Water Use	Irr	\$ 5,121	\$ -	\$ (5,121)	\$ 5,121	\$ -	\$ (5,121)
Res. Conservation Kit	SF	\$ 2,132	\$ -	\$ (2,132)	\$ 2,132	\$ -	\$ (2,132)
Res. Conservation Kit	MF	\$ 130	\$ -	\$ (130)	\$ 130	\$ -	\$ (130)
Admin & Ressearch	All	\$ 49,456	\$ 23,908	\$ (25,548)	\$ 57,503	\$ 23,908	\$ (33,595)
Public Information	All	\$ 44,395	\$ 44,395	\$ -	\$ 44,395	\$ 44,395	\$ -
School Education	All	\$ 18,006	\$ 9,003	\$ (9,003)	\$ 18,006	\$ 9,003	\$ (9,003)
Total		\$ 401,348	\$ 158,003	\$ (243,345)	\$ 423,409	\$ 158,003	\$ (265,406)

3
 4 **3) District Profile**

5 The VIS district is located in Tulare County, serving the City of Visalia and
 6 segments of unincorporated Tulare County including the community of Goshen. The
 7 district lies approximately 42 miles southeast of the City of Fresno and 75 miles north of
 8 the City of Bakersfield.

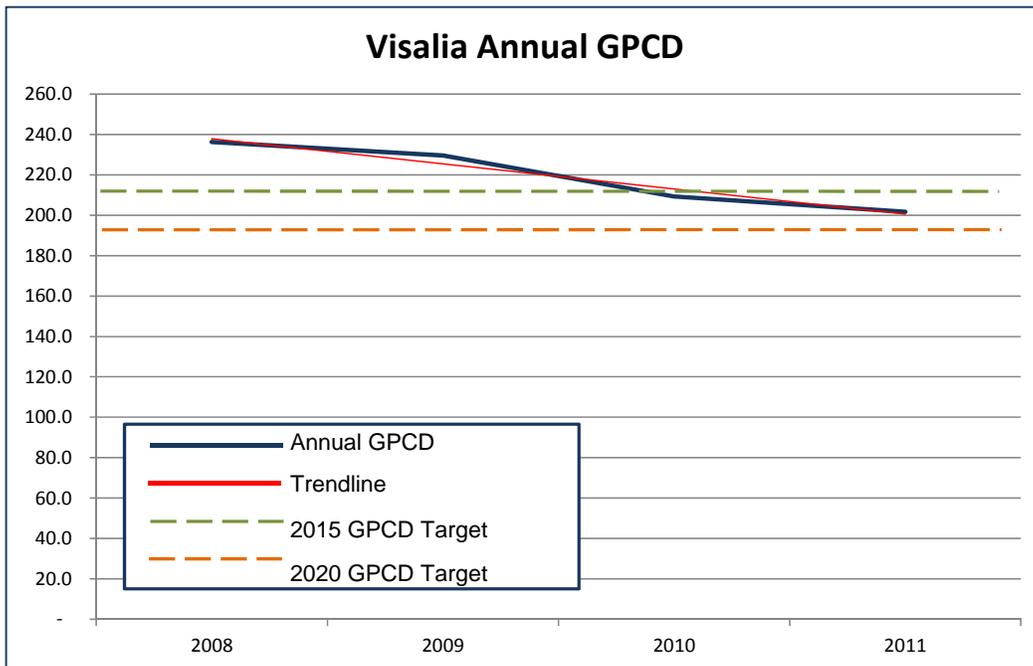
9 The district's population in 2011 was approximately 134,000. On average, the
 10 district receives about 10 inches of rainfall annually, most of which falls in the late
 11 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 12 generally dry. CWS states that the annual evapotranspiration in the district averages 51
 13 inches, which means that most landscapes cannot survive on rainfall alone and must be
 14 irrigated.¹²³

¹²³ District profile information from California Water Service Company, Water Conservation Report: Visalia District, page 1.

1 **4) Policy Goals**

2 The VIS district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 6.7% or 14.4 GPCD. Over the period of 2008-2011, the VIS district reduced its overall
4 GPCD by 14.7%. However, the VIS district’s 2011 GPCD total has not yet reached its
5 2020 target level. In order to meet its 2020 target, VIS will need to further reduce its
6 GPCD by 3.9% over the course of the next seven years.¹²⁴

7 **Figure 42: Visalia Annual Average GPCD 2008-2011**



8
9 **5) DRA’s Analysis**

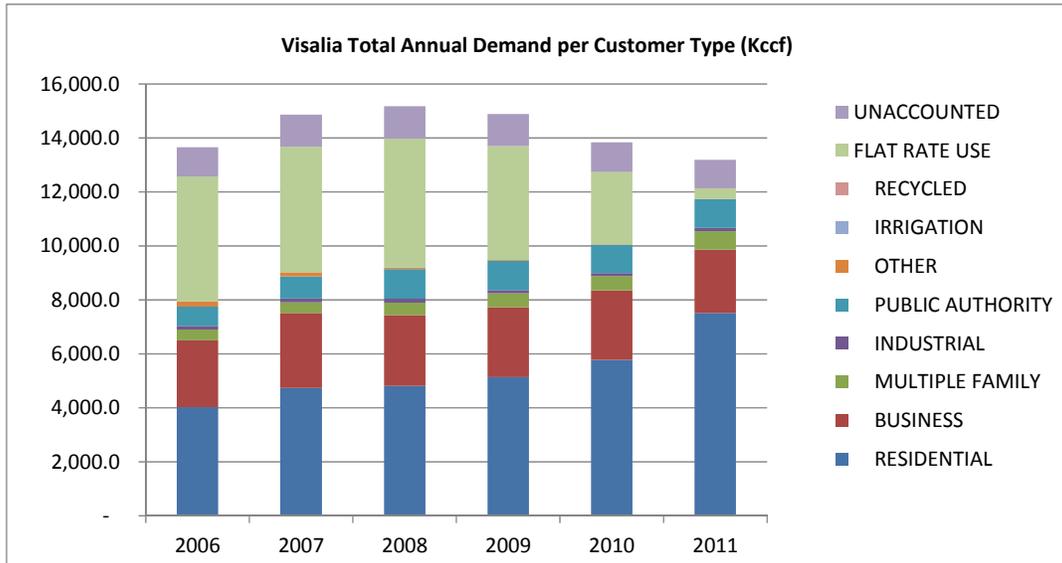
10 VIS has shown a continuous reduction in customer usage since 2008¹²⁵ (see Figure
11 43) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see Figure
12 42). Having exceeded its SBx7-7 target for 2015, DRA believes that VIS district’s
13 objective should be to, at a minimum, retain and maintain its 2020 target GPCD level.

¹²⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹²⁵ Annual demand per customer type data from Application A. 12-07-007, Visalia Exp July 2012, Table 4-C and 4-D.

1 This objective can be achieved without increasing conservation costs by focusing on the
2 most cost effective conservation programs that target customer types that would have the
3 greatest impact on reducing overall demand.

4 **Figure 43: Visalia Annual Demand per Customer Type**



5
6 As shown in Figure 43 above, the VIS district is mostly composed of Residential
7 customer usage followed by Business customers and of the programs proposed by CWS
8 for these customer groups, DRA only recommends the UHET rebate and HE Pop-Up
9 Nozzle vouchers because these are the most cost effective programs.

10 DRA also recommends reducing the School Education Program budget by 50%
11 from \$18,006 to \$9,003 and proposes that CWS only reach out to 6th graders to avoid
12 duplication of devices distributed and/or yearly repetitive devices distributed to students
13 who stay in the same school program.

14 DRA also notes that the VIS district has a number of flat rate customers, which
15 will be converting to meters. Figure 43 above shows that as customers switch from flat
16 rate to metered, the total number of residential customers rises slightly while the overall
17 water consumption goes down. In other words, as customers continue to make the switch
18 to meters, it is likely this pattern of reduced water demand should continue until full
19 conversion.

1 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
2 under the Admin and Research program were adjusted by 50% of the employees' salaries
3 which is the average benefit for all other CWS employees.

4 **V. Willows (WIL)**

5 **1) Introduction**

6 CWS is proposes a conservation budget of \$40,562 for Test Year 2014, and
7 \$40,628 and \$41,757 for Escalating Years 2015 and 2016, respectively for a total of
8 \$122,947.¹²⁶

9 **2) Summary of Recommendations**

10 DRA recommends a budget of \$25,821 for Test Year 2014 and \$25,821 and
11 \$25,821 for Escalating Years 2015 and 2016. Consistent with the settlement adopted in
12 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
13 from Escalation for 2015 and 2016 Table 33 shows a comparison between CWS's
14 proposed conservation budget¹²⁷ and DRA's recommendation for 2014 and 2015 broken
15 down by program.

¹²⁶ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹²⁷ CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, WIL tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 33: Comparison between CWS Proposed Conservation Budget and DRA's**
 2 **Recommended Budget**

WIL Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 994	\$ 994	\$ -	\$ 1,278	\$ 994	\$ (284)
U-HE Toilet (R/V)	MF	\$ 342	\$ 342	\$ -	\$ 342	\$ 342	\$ -
HE CW (R/V)	SF	\$ 384	\$ -	\$ (384)	\$ 384	\$ -	\$ (384)
HE CW Common (R/V)	MF	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE CW In-Unit (R/V)	MF	\$ 192	\$ -	\$ (192)	\$ 192	\$ -	\$ (192)
Smart Controllers (R/V)	SF	\$ 10,496	\$ 10,496	\$ -	\$ 10,496	\$ 10,496	\$ -
Smart Controllers (R/V)	MF	\$ 1,908	\$ 1,908	\$ -	\$ 1,272	\$ 1,908	\$ 636
HE Pop-Up Nozzle (V)	SF	\$ 3,234	\$ 674	\$ (2,560)	\$ 3,234	\$ 674	\$ (2,560)
HE Pop-Up Nozzle (V)	MF	\$ 2,350	\$ 488	\$ (1,862)	\$ 2,259	\$ 488	\$ (1,771)
HE Pop-Up Nozzle (V)	CII	\$ 6,633	\$ 1,381	\$ (5,252)	\$ 6,380	\$ 1,381	\$ (4,999)
HE Toilet (R/V) (b)	CII	\$ 117	\$ -	\$ (117)	\$ 117	\$ -	\$ (117)
HE CW Coin-Op (R/V)	CII	\$ 417	\$ -	\$ (417)	\$ 417	\$ -	\$ (417)
HE Urinals (R/V)	CII	\$ 318	\$ -	\$ (318)	\$ 318	\$ -	\$ (318)
Lrg Landscape Surveys	Irr	\$ 1,400	\$ -	\$ (1,400)	\$ 1,400	\$ -	\$ (1,400)
Lrg Landscape Water Use	Irr	\$ 1,024	\$ -	\$ (1,024)	\$ 1,024	\$ -	\$ (1,024)
Res. Conservation Kit	SF	\$ 156	\$ -	\$ (156)	\$ 156	\$ -	\$ (156)
Res. Conservation Kit	MF	\$ 26	\$ -	\$ (26)	\$ 26	\$ -	\$ (26)
Admin & Reserach	All	\$ 4,682	\$ 4,824	\$ 142	\$ 5,444	\$ 4,824	\$ (620)
Public Information	All	\$ 3,957	\$ 3,957	\$ -	\$ 3,957	\$ 3,957	\$ -
School Education	All	\$ 1,515	\$ 758	\$ (758)	\$ 1,515	\$ 758	\$ (758)
Total		\$ 40,562	\$ 25,821	\$ (14,741)	\$ 40,628	\$ 25,821	\$ (14,807)

3
 4 **3) District Profile**

5 The WIL district is located in the Sacramento Valley about 10 miles west of the
 6 Sacramento River. Cal Water's service area comprises the City of Willows and adjacent
 7 unincorporated territory in Glenn County.

8 The district's population in 2011 was approximately 6,100. On average, the
 9 district receives about 18 inches of rainfall annually, most of which falls in the late
 10 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 11 generally dry. CWS states that the annual evapotranspiration in the district averages 53
 12 inches, which means that most landscapes cannot survive on rainfall alone and must be
 13 irrigated.¹²⁸

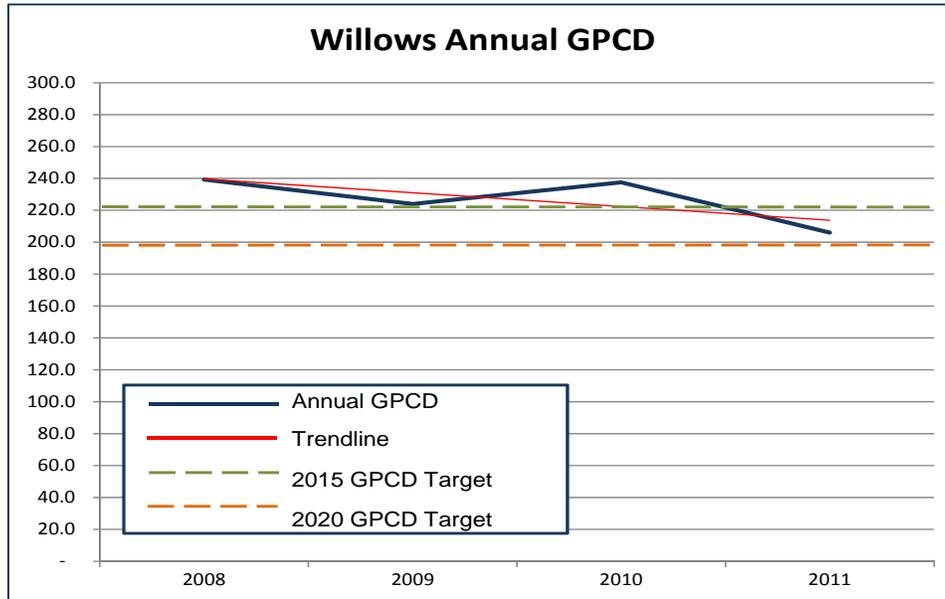
14 **4) Policy Goals**

15 The WIL district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
 16 7.2% or 16 GPCD. Over the period of 2008-2011, the WIL district reduced its overall

¹²⁸ District profile information from California Water Service Company, Water Conservation Report: Willows District, page 1.

1 GPCD by 13.9%. However, the WIL district's 2011 GPCD total has not yet reached its
2 2020 target level. In order to meet its 2020 target, WIL will need to further reduce its
3 GPCD by 4% over the course of the next seven years.¹²⁹

4 **Figure 44: Willows Annual Average GPCD 2008-2011**



5

6 **5) DRA's Analysis**

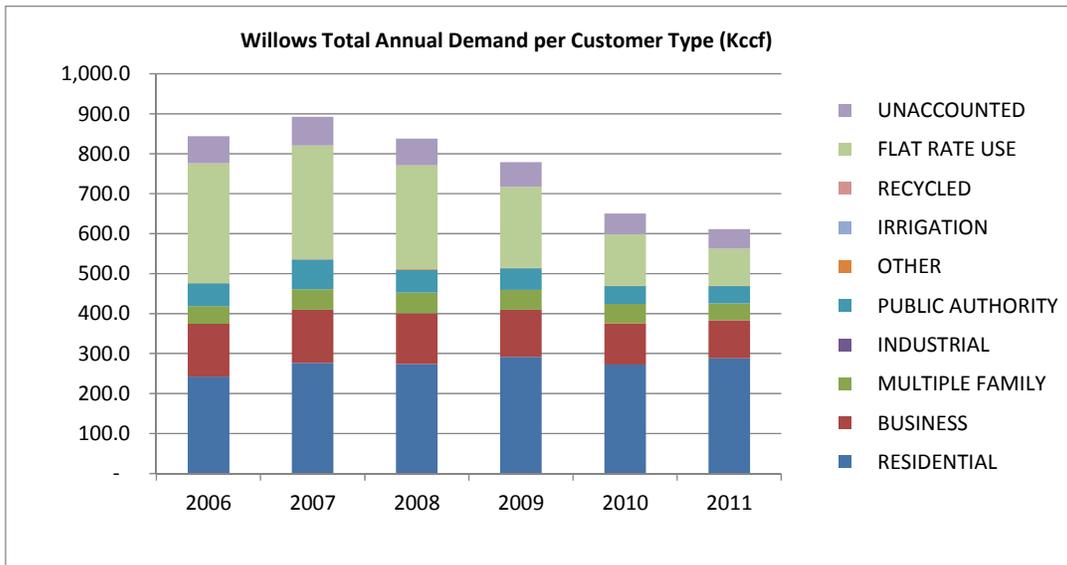
7 WIL has shown a continuous reduction in customer usage since 2007¹³⁰ (see
8 Figure 45) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 (see Figure 44).
9 Having exceeded its SBx7-7 target for 2015, DRA believes that WIL district's objective
10 should be to, at a minimum, obtain and maintain its 2020 target GPCD level. This
11 objective can be achieved without increasing conservation costs by focusing on the most
12 cost effective conservation programs that target customer types that would have the
13 greatest impact on reducing overall demand.

¹²⁹ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹³⁰ Annual demand per customer type data from Application A. 12-07-007, Willows Exp July 2012, Table 4-C and 4-D.

1

Figure 45: Willows Annual Demand per Customer Type



2

3 As shown in Figure 45 above, the WIL district is mostly composed of Residential
 4 customer usage and of the programs proposed by CWS, DRA recommends the UHET
 5 and Smart Controller rebates, and HE Pop-Up Nozzle vouchers because these are the
 6 most cost effective programs.

7 DRA also recommends reducing the School Education Program budget by 50%
 8 from \$1,515 to \$758 and proposes that CWS only reach out to 6th graders to avoid
 9 duplication of devices distributed and/or yearly repetitive devices distributed to students
 10 who stay in the same school program.

11 DRA also notes that the WIL district has a substantial number of flat rate
 12 customers, which will be converting to meters. Figure 45 above shows that as customers
 13 switch from flat rate to metered, the total number of residential customers rises slightly
 14 while the overall water consumption goes down. In other words, as customers continue
 15 to make the switch to meters, it is likely this pattern of reduced water demand should
 16 continue until full conversion.

17 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
 18 under the Admin and Research program were adjusted by 50% of the employees' salaries
 19 which is the average benefit for all other CWS employees. .

1 **W. Westlake (WLK)**

2 **1) Introduction**

3 CWS is proposes a conservation budget of \$436,299 for Test Year 2014, and
4 \$446,122 and \$465,250 for Escalating Years 2015 and 2016, respectively for a total of
5 \$1,347,671.¹³¹

6 **2) Summary of Recommendations**

7 DRA recommends a budget of \$120,196 for Test Year 2014, and \$120,196 and
8 \$120,196 for Escalating Year 2015 and 2016. Consistent with the settlement adopted in
9 CWS's last GRC D. 10-12-017, DRA recommends removal of conservation expenses
10 from Escalation for 2015 and 2016 Table 34 shows a comparison between CWS's
11 proposed conservation budget¹³² and DRA's recommendation for 2014 and 2015 broken
12 down by program.

¹³¹ Data Request Response MA-002, dated 9-21-12, question 5, Table MA-002 #5.B.

¹³² CWS programmatic budget for 2014 and 2015 from 2-8-2013 Ken Jenkins's email attachment Calwater_2012_GRC_LP_Models_Final_03-31-12. 2014 and 2015, WLK tab. Admin & Research, Public Information and School Education budget proposal from Ken Jenkins's 2-8-2013 email attachment AR_PI_SE Proposal Breakdown.

1 **Table 34: Comparison between CWS Proposed Conservation Budget and DRA’s**
 2 **Recommended Budget**

WLK Programs	Class	2014 CWS Proposed	2014 DRA Recommend.	Difference	2015 CWS Proposed	2015 DRA Recommend.	Difference
U-HE Toilet (R/V)	SF	\$ 4,118	\$ 4,118	\$ -	\$ 4,686	\$ 4,118	\$ (568)
U-HE Toilet (R/V)	MF	\$ 1,140	\$ 1,140	\$ -	\$ 1,254	\$ 1,140	\$ (114)
HE CW (R/V)	SF	\$ 23,616	\$ -	\$ (23,616)	\$ 23,616	\$ -	\$ (23,616)
HE CW Common (R/V)	MF	\$ 1,251	\$ -	\$ (1,251)	\$ 1,251	\$ -	\$ (1,251)
HE CW In-Unit (R/V)	MF	\$ 2,496	\$ -	\$ (2,496)	\$ 2,496	\$ -	\$ (2,496)
Smart Controllers (R/V)	SF	\$ 33,024	\$ -	\$ (33,024)	\$ 33,024	\$ -	\$ (33,024)
Smart Controllers (R/V)	MF	\$ 1,908	\$ 1,908	\$ -	\$ 2,544	\$ 1,908	\$ (636)
HE Pop-Up Nozzle (V)	SF	\$ 10,045	\$ 4,039	\$ (6,006)	\$ 10,045	\$ 4,039	\$ (6,006)
HE Pop-Up Nozzle (V)	MF	\$ 1,820	\$ 731	\$ (1,089)	\$ 1,749	\$ 731	\$ (1,017)
HE Pop-Up Nozzle (V)	CII	\$ 10,309	\$ 4,147	\$ (6,162)	\$ 9,913	\$ 4,147	\$ (5,766)
HE Toilet (R/V) (b)	CII	\$ 2,340	\$ 2,340	\$ -	\$ 2,340	\$ 2,340	\$ -
HE Urinals (R/V)	CII	\$ 1,908	\$ 1,908	\$ -	\$ 2,226	\$ 1,908	\$ (318)
Smart Controllers (R/V)	CII	\$ 5,088	\$ 5,088	\$ -	\$ 5,088	\$ 5,088	\$ -
CII Irrigation Sys (R)	CII	\$ 32,512	\$ 32,512	\$ -	\$ 32,512	\$ 32,512	\$ -
HE Toilet Direct Install	SF	\$ 104,832	\$ -	\$ (104,832)	\$ 104,496	\$ -	\$ (104,496)
HE Toilet Direct Install	MF	\$ 18,154	\$ -	\$ (18,154)	\$ 18,154	\$ -	\$ (18,154)
HE Toilet Direct Install	CII	\$ 56,100	\$ -	\$ (56,100)	\$ 56,100	\$ -	\$ (56,100)
Urinal Direct Install	CII	\$ 3,500	\$ -	\$ (3,500)	\$ 3,850	\$ -	\$ (3,850)
Web-Based Home Survey	SF	\$ 1,845	\$ 1,845	\$ -	\$ 1,755	\$ 1,845	\$ 90
Lrg Landscape Surveys	Irr	\$ 5,600	\$ -	\$ (5,600)	\$ 5,600	\$ -	\$ (5,600)
Lrg Landscape Water Use	Irr	\$ 11,010	\$ -	\$ (11,010)	\$ 11,010	\$ -	\$ (11,010)
Res. Conservation Kit	SF	\$ 6,916	\$ 2,730	\$ (4,186)	\$ 6,916	\$ 2,730	\$ (4,186)
Res. Conservation Kit	MF	\$ 494	\$ -	\$ (494)	\$ 494	\$ -	\$ (494)
Admin & Reserach	All	\$ 53,588	\$ 18,518	\$ (35,070)	\$ 62,309	\$ 18,518	\$ (43,791)
Public Information	All	\$ 35,658	\$ 35,658	\$ -	\$ 35,669	\$ 35,658	\$ (11)
School Education	All	\$ 7,028	\$ 3,514	\$ (3,514)	\$ 7,028	\$ 3,514	\$ (3,514)
Total		\$ 436,299	\$ 120,196	\$ (316,103)	\$ 446,123	\$ 120,196	\$ (325,927)

3
 4 **3) District Profile**

5 The WLK district is located in the eastern section of Ventura County within the
 6 City of Thousand Oaks. The service area lies approximately 40 miles northwest of Los
 7 Angeles.

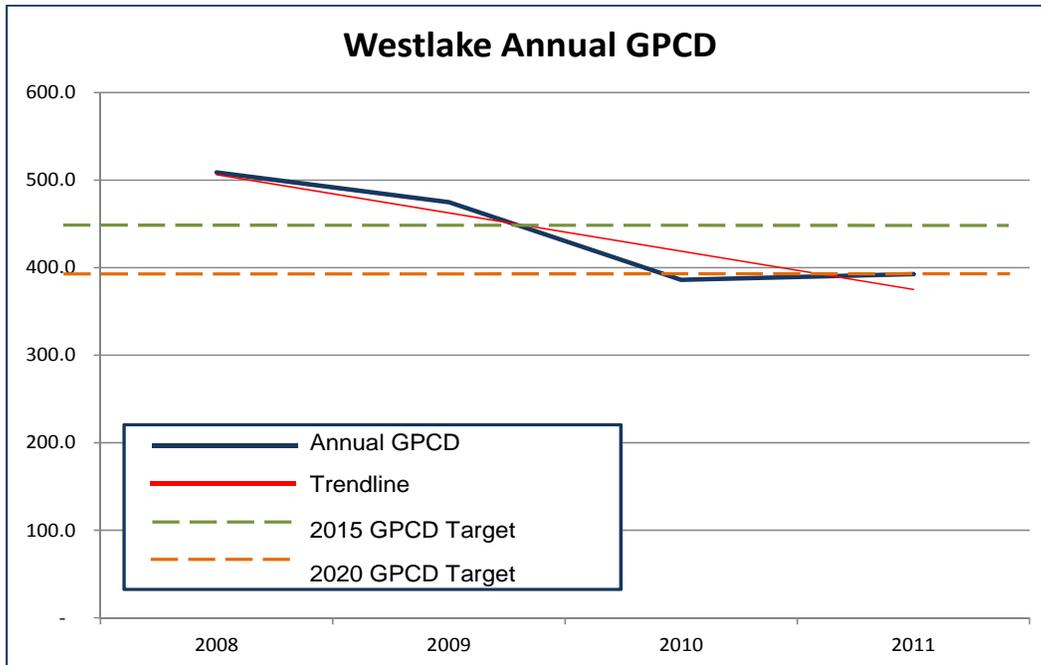
8 The district’s population in 2011 was approximately 17,000. On average, the
 9 district receives about 17 inches of rainfall annually, most of which falls in the late
 10 autumn, winter, and early spring. The late spring, summer, and early autumn months are
 11 generally dry. CWS states that the annual evapotranspiration in the district averages 46
 12 inches, which means that most landscapes cannot survive on rainfall alone and must be
 13 irrigated.¹³³

¹³³ District profile information from California Water Service Company, Water Conservation Report: Westlake District, page 1.

1 **4) Policy Goals**

2 The WLK district in its 2011 usage exceeded its SBx7-7, 2015 GPCD target by
3 12.4% or 55.3 GPCD. Over the period of 2008-2011, the WLK district reduced its overall
4 GPCD by 22.8%. In addition, its 2011 usage has already exceeded its 2020 target by
5 0.1%.¹³⁴

6 **Figure 46: Westlake Annual Average GPCD 2008-2011**



7
8 **5) DRA's Analysis**

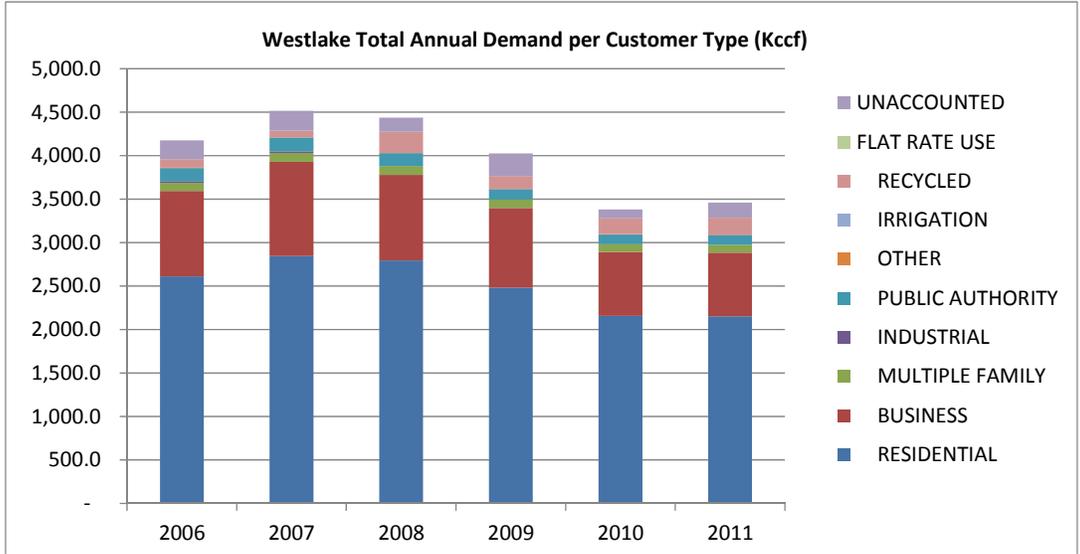
9 WLK has shown a continuous reduction in customer usage since 2008¹³⁵ (see
10 Figure 47) and its 2011 GPCD usage exceeded its SBx7-7 target for 2015 and 2020 (see
11 Figure 46). Having exceeded its SBx7-7 target for 2015 and 2020, CWS's objectives for
12 its WLK district should be to, at a minimum, maintain its current GPCD levels through
13 2020. DRA recommends that CWS focus on the most cost effective conservation

¹³⁴ GPCD 2015 and 2020 target information from Data Request Response MA-002, dated 9-21-12, Question 4, Table MA-002 #4.A. 2008 to 2011 GPCD annual totals from Data request response MA1-001, dated 8-31-12, Question 8, attachment DR MA1-001_Question 8_GPCD by Customer Class CWS Response.

¹³⁵ Annual demand per customer type data from Application A. 12-07-007, Westlake Exp July 2012, Table 4-C and 4-D.

1 programs that target customer types that would have the greatest impact on reducing
2 overall demand.

3 **Figure 47: Westlake Annual Demand per Customer Type**



4
5 As shown in Figure 47 above, the WLK district is mostly composed of Residential
6 customer usage followed by Business customers.

7 Of the programs proposed by CWS for its Residential customers, DRA
8 recommends the UHET and Smart Controllers rebate, HE Pop-Up Nozzle voucher, Web-
9 Based Home Survey, and Conservation Kits because these are the most cost effective
10 programs.

11 The total number of kits proposed by CWS under the Conservation Kit program is
12 not an accurate representation of kits for the district. Instead, DRA adjusted the proposed
13 number of 285 kits down to 105 kits which represent the average total number of kits
14 distributed by CWS during the past two years.

15 DRA also recommends reducing the School Education Program budget by 50%
16 from \$7,028 to \$3,514 and proposes that CWS only reach out to 6th graders to avoid
17 duplication of devices distributed and/or yearly repetitive devices distributed to students
18 who stay in the same school program.

1 Of the programs proposed for WLK's Business customer, DRA recommends the
2 HE Pop-Up Nozzle voucher, HET and Urinal rebates, and CII Irrigation, because these
3 are the most cost effective programs.

4 As discussed in Chapter 1, Section C of this testimony, the employee benefits total
5 under the Admin and Research program were adjusted by 50% of the employees' salaries
6 which is the average benefit for all other CWS employees.

1

Attachment 1: CWS Proposed Administrative/Research and Public Information/School Education Budget

District	CWS 2014				CWS 2015				CWS 2016			
	Admin & Research	Public Info	School Education	Total	Admin & Research	Public Info	School Education	Total	Admin & Research	Public Info	School Education	Total
AV	\$ 2,770	\$ 2,879	\$ 92	\$ 5,741	\$ 3,221	\$ 2,879	\$ 92	\$ 6,192	\$ 3,102	\$ 2,879	\$ 92	\$ 6,073
BG	\$ 70,962	\$ 49,401	\$ 12,053	\$ 132,416	\$ 82,510	\$ 49,406	\$ 12,053	\$ 143,969	\$ 79,464	\$ 49,691	\$ 12,053	\$ 141,208
BK	\$ 75,503	\$ 69,922	\$ 30,475	\$ 175,900	\$ 87,789	\$ 69,982	\$ 30,475	\$ 188,246	\$ 84,549	\$ 71,221	\$ 30,475	\$ 186,245
BS	\$ 251,348	\$ 32,059	\$ 166,143	\$ 449,550	\$ 292,248	\$ 32,059	\$ 166,198	\$ 490,505	\$ 281,459	\$ 32,059	\$ 166,475	\$ 479,993
CH	\$ 24,736	\$ 23,643	\$ 16,053	\$ 64,432	\$ 28,761	\$ 23,664	\$ 16,053	\$ 68,478	\$ 27,699	\$ 24,605	\$ 16,053	\$ 68,357
DIX	\$ 3,156	\$ 3,746	\$ 105	\$ 7,007	\$ 3,669	\$ 3,746	\$ 105	\$ 7,520	\$ 3,534	\$ 3,746	\$ 105	\$ 7,385
DOM	\$ 112,694	\$ 82,822	\$ 23,562	\$ 219,078	\$ 131,032	\$ 82,859	\$ 23,562	\$ 237,453	\$ 126,195	\$ 83,407	\$ 23,562	\$ 233,164
ELA	\$ 72,757	\$ 60,760	\$ 15,936	\$ 149,453	\$ 84,596	\$ 60,784	\$ 15,936	\$ 161,316	\$ 81,473	\$ 60,805	\$ 15,936	\$ 158,214
HR	\$ 99,631	\$ 71,546	\$ 16,829	\$ 188,006	\$ 115,843	\$ 71,549	\$ 16,829	\$ 204,221	\$ 111,567	\$ 71,552	\$ 16,829	\$ 199,948
KC	\$ 4,093	\$ 3,832	\$ 1,496	\$ 9,421	\$ 4,759	\$ 3,832	\$ 1,496	\$ 10,087	\$ 4,584	\$ 3,832	\$ 1,496	\$ 9,912
KRV	\$ 3,109	\$ 3,613	\$ 103	\$ 6,825	\$ 3,615	\$ 3,613	\$ 103	\$ 7,331	\$ 3,481	\$ 3,613	\$ 103	\$ 7,197
LAS	\$ 42,799	\$ 34,140	\$ 12,141	\$ 89,080	\$ 49,763	\$ 34,144	\$ 12,141	\$ 96,048	\$ 47,926	\$ 34,331	\$ 12,141	\$ 94,398
LIV	\$ 61,718	\$ 44,048	\$ 14,370	\$ 120,136	\$ 71,761	\$ 44,067	\$ 14,370	\$ 130,198	\$ 69,111	\$ 44,359	\$ 14,370	\$ 127,840
MRL	\$ 1,596	\$ 5,325	\$ 1,413	\$ 8,334	\$ 1,856	\$ 5,325	\$ 1,413	\$ 8,594	\$ 1,788	\$ 5,325	\$ 1,413	\$ 8,526
ORO	\$ 4,042	\$ 6,854	\$ 134	\$ 11,030	\$ 4,700	\$ 6,854	\$ 134	\$ 11,688	\$ 4,527	\$ 6,920	\$ 134	\$ 11,581
PV	\$ 82,601	\$ 60,130	\$ 9,963	\$ 152,694	\$ 96,042	\$ 60,122	\$ 9,963	\$ 166,127	\$ 92,496	\$ 60,461	\$ 9,963	\$ 162,920
RDV	\$ 2,226	\$ 2,488	\$ 74	\$ 4,788	\$ 2,588	\$ 2,488	\$ 74	\$ 5,150	\$ 2,492	\$ 2,488	\$ 74	\$ 5,054
SEL	\$ 5,077	\$ 8,042	\$ 1,529	\$ 14,648	\$ 5,903	\$ 8,042	\$ 1,529	\$ 15,474	\$ 5,685	\$ 8,042	\$ 1,529	\$ 15,256
SLN	\$ 145,243	\$ 98,821	\$ 36,983	\$ 281,047	\$ 168,878	\$ 98,847	\$ 36,983	\$ 304,708	\$ 162,643	\$ 99,684	\$ 36,983	\$ 299,310
STK	\$ 30,714	\$ 37,538	\$ 27,740	\$ 95,992	\$ 35,712	\$ 37,561	\$ 27,740	\$ 101,013	\$ 34,393	\$ 37,589	\$ 27,740	\$ 99,722
VIS	\$ 49,456	\$ 44,395	\$ 18,006	\$ 111,857	\$ 57,503	\$ 44,395	\$ 18,006	\$ 119,904	\$ 55,380	\$ 44,395	\$ 18,006	\$ 117,781
WIL	\$ 4,682	\$ 3,957	\$ 1,515	\$ 10,154	\$ 5,444	\$ 3,957	\$ 1,515	\$ 10,916	\$ 5,243	\$ 3,957	\$ 1,515	\$ 10,715
WLK	\$ 53,588	\$ 35,658	\$ 7,028	\$ 96,274	\$ 62,309	\$ 35,669	\$ 7,028	\$ 105,006	\$ 60,008	\$ 35,881	\$ 7,028	\$ 102,917
Total	\$ 1,204,501	\$ 785,619	\$ 413,743	\$ 2,403,863	\$ 1,400,502	\$ 785,844	\$ 413,798	\$ 2,600,144	\$ 1,348,799	\$ 790,842	\$ 414,075	\$ 2,553,716

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Note: Numbers may be different by up to \$2 due to rounding.