SLIP/SUB SHEET

SUPPLEMENT

WATER SHORTAGE CONTINGENCY PLAN

Schedule No. 14.1

A. APPLICABILITY

This schedule applies to all water customers served under all tariff schedules authorized by the California Public Utilities Commission ("CPUC") for Suburban Water Systems ("Suburban") service areas. It is only effective in times of implementation of the Water Shortage Contingency Plan ("Plan") enforcement stages, as required by Rule No. 14.1, and only for the period noted in the Special Conditions section below.

B. GENERAL INFORMATION

1. All expenses incurred by Suburban to implement Rule No. 14.1, and Schedule No. 14.1, and requirements of the California State Water Resources Control Board ("Water Board") that have not been considered in a General Rate Case or other proceeding shall be accumulated by Suburban in a separate memorandum account, authorized in Resolution No. W-4976, for disposition as directed or authorized from time to time by the CPUC.

2. All monies collected by Suburban through drought surcharges shall be recorded in the appropriate Water Revenue Adjustment Mechanism ("WRAM") Balancing Accounts.

3. To the extent that any provision in this Schedule No. 14.1 is inconsistent with Rule No. 14.1, the provisions in this Schedule No. 14.1 shall apply.

4. This Schedule No. 14.1 shall remain dormant until activated by the CPUC authorization via a Tier 2 advice letter.

5. Once the Schedule No. 14.1 is activated, Suburban is authorized to implement additional Stages of the Schedule No. 14.1 by filing a Tier 2 advice letter.

6. When this Schedule No. 14.1 is activated, it shall remain in effect until Suburban files a Tier 2 advice letter to deactivate a specific stage of the Plan and such is authorized by the CPUC.

(Continued)

(To be inserted by utility)

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Resolution No.
Schedule No. 14.1  
(Continued)  

WATER SHORTAGE CONTINGENCY PLAN  
(N)

C. SPECIAL CONDITIONS  
(N)
  1. Water use violation penalties must be separately identified on each bill.  
  2. Drought surcharges must be separately identified on each bill.  
  3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

D. STAGES  
(N)
  1. Stage 1 of the Plan enacts water conservation requirements established in Rule No. 14.1 Section D. The non-essential or unauthorized water uses in Section D are in effect at all times.  
  2. Stage 2 First Enforcement Stage of the Plan - A Stage 2 Plan condition exists when it is determined that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists and a further consumer demand reduction from Stage 1 is necessary to make more efficient use of water and appropriately respond to existing water conditions. Stage 2 of the Plan will be enacted upon a determination that water usage should be further reduced from then current levels, that a temporary water emergency exists necessitating implementation or that the requirements of Stage 1 are insufficient in complying with the necessary reduction.  
  3. Stage 3 Second Enforcement Stage of the Plan - A Stage 3 Plan Condition exists when it is determined that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists and a further consumer demand reduction from Stage 2 is necessary to make more efficient use of water and appropriately respond to existing water conditions. Stage 3 will be enacted upon a determination that water usage should be reduced further from then current levels, that a temporary water emergency exists necessitating implementation or that the requirements in Stages 1 and 2 are insufficient in complying with the necessary reduction.  
  4. Stage 4 Third Enforcement Stage of the Plan - A Stage 4 Plan condition is also referred to as an “Emergency” condition. A Stage 4 condition exists when it is determined that a critical water shortage emergency exists, or that the measures in Stages 1 through 3 are insufficient in complying with a necessary reduction.
E. WATER USE VIOLATION PENALTIES

1. When an Enforcement Stage of the Plan has been activated by Commission authorization, the water use restrictions of Rule No. 14.1 become subject to penalties imposed by Suburban. Suburban will first work closely with local law enforcement and public agencies charged with enforcing the mandatory water use restrictions. However, should the utility find that the local agency is not effectively enforcing the mandatory use restrictions, the utility, after written warnings, such as door hangers and letters, may begin to issue penalties. If a customer is seen violating the water use restrictions, as outlined in Rule No. 14.1 and the Special Conditions below, the customer will be subject to the following penalty structure:

a. First violation: Written notice, including explanation of penalty for subsequent violation.

b. Second violation – if Suburban verifies that the customer has used potable water for non-essential, wasteful uses after having been notified of the first violation, Suburban shall provide the customer with a second written notice of violation. In addition, Suburban is authorized to take the following actions:
   i. Apply the following waste of water penalties, which are in addition to any other charges authorized by this Schedule No. 14.1 or other Suburban tariffs:
      - If Stage 1 is in effect, $25
      - If Stage 2 is in effect, $50
      - If Stage 3 is in effect, $100
      - If Stage 4 is in effect, $200

  
  c. Third violation – if Suburban verifies that the customer has used potable water for non-essential, wasteful uses after having been notified of the second violation, Suburban shall provide the customer with a third written notice of violation. Suburban is authorized to take the following actions:
   i. Apply the following waste of water penalties, which are in addition to any other charges authorized by this Schedule No. 14.1 or other Suburban tariffs:

(Continued)
E. WATER USE VIOLATION PENALTIES, Third Violation (Continued)

- If Stage 1 is in effect, $25
- If Stage 2 is in effect, $50
- If Stage 3 is in effect, $100
- If Stage 4 is in effect, $200

d. Fourth violation – if Suburban verifies that the customer has used potable water for non-essential, wasteful uses after having been notified of the third violation, Suburban shall provide the customer with a fourth written notice of violation. In addition to actions set forth in previous violations prescribed above, Suburban is authorized to install a flow restrictor on the customer’s service line. Suburban shall not be held liable for any injuries, damages, and/or consequences arising from the installation of a flow restrictor.

e. Egregious violation – after providing the customer with one notice of egregious violation, either by direct mail or door hanger, which documents the egregious use of potable water for non-essential, wasteful uses and explains that failure to correct the violation may result in the installation of a flow restrictor on the customer’s service line, Suburban shall not be held liable for any injuries, damages, and/or consequences arising from the installation of a flow restrictor.

2. Flow restrictor conditions – The installation of a flow restrictor on a customer’s service line is subject to the following conditions:

i. The device shall be capable of providing the premises with a minimum of 3 Ccf per person, per month, based upon the U.S. Census calculation of the average number of people in a household in the area.

ii. The device may only be removed by Suburban.

iii. Any tampering with the device may result in the discontinuation of the customer’s water service and the customer being charged for any damage to Suburban’s equipment or facilities and any required service visits.
SUPPLEMENT

Schedule No. 14.1
(Continued)

WATER SHORTAGE CONTINGENCY PLAN

Flow restrictor conditions (Continued)

iv. After the removal of the device, if Suburban verifies that the customer is using potable water for non-essential, wasteful uses, Suburban may install another flow restrictor without prior notice. This device shall remain in place until water supply conditions warrant its removal. If, despite the installation of the device, Suburban verifies that the customer is using potable water for non-essential and, unauthorized wasteful uses, then Suburban may discontinue the customer’s water service, as provided in its Rule No. 11.

3. Separate offenses for separate water use restrictions will each start at the first violation stage.
   The water use violation penalties are in addition to the regular rate schedule charges.

APPLICABLE DROUGHT SURCHARGE RATES

1. A drought surcharge rate will be added to all residential metered service bills based on the following table. For all other customer classes, no drought surcharge will be imposed.

Drought surcharge rates are but one component of a mix of Suburban conservation tools to meet its conservation standards as defined in State Water Resources Control Board’s Emergency Regulation to Achieve 25% Conservation. The switchpoints for Stages 2 and 3 are based on 85% of Suburban’s current 20 Ccf switchpoint, and Stage 4 is based on 70% of the current 20 Ccf switchpoint. Suburban’s quantity rate drought surcharge is based on the numeric average of all tier 2 rates for all service areas. The reduction in water from these surcharges are in addition to other planned conservation programs and water use reductions already achieved. Drought surcharge switch-points are the same for 5/8 x 3/4-inch and 3/4-inch meters in order to be consistent with standard tariffed rates.

(Continued)

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Name

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Vice President
Title

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Schedule No. 14.1 (Continued)

WATER SHORTAGE CONTINGENCY PLAN

APPLICABLE DROUGHT SURCHARGE RATES (Continued)

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<th>STAGE 2</th>
<th>Residential Metered Service Customers</th>
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F. ENFORCEMENT

1. Letter/Penalties: From second violation of the same restriction within a one year period and onwards, a violation letter will be posted on property and mailed to the billing address, if different from the service address.

2. Aging of violation: Violations will accrue for the period of one year and be considered corrected and expunged one year after the violation occurs. The purpose of this rule is to prevent discrete violations from accruing in the event of a multi-year enforcement of the Water Contingency Plan.

G. FLOW RESTRICTOR REMOVAL CHARGE

The charge for removal of a flow-restrictor device and/or reconnecting water service shall be:

$100 during normal business hours, and $150 during outside normal business hours.