

Decision No. 80151**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of SAN JOSE WATER WORKS, a corpor-  
ation, for an order authorizing it  
to adopt monthly billing with  
bi-monthly reading.

Application No. 53111  
(Filed January 26, 1972)

O P I N I O N

This application by San Jose Water Works proposes a change in the presently authorized method for billing and meter reading. The utility proposes to read the water meters for all of the average commercial customers on a bimonthly instead of monthly basis and to present an estimated bill for the non-read months. All industrial meters, public authority, other water utility, business meters 3 inches and larger, customers with high usage or wide fluctuations in usage and portable meters are to be read monthly. Applicant will read all meters in cases of turnoffs and turnons so that in no case will a customer make final payment except upon the basis of his actual consumption.

A staff engineer made a field investigation of the customer accounting procedures now being employed by the utility and the changes proposed by the utility. The report of said investigation is hereby received as Exhibit No. 1.

Exhibit No. 1 states after reviewing the method proposed to estimate the bill for the non-read months:

"There is no possibility that any average domestic customer will be overcharged on an annual basis, since an overbilling for an estimated month will be automatically compensated by underbilling for the following month."

The utility estimates that the proposed change in the frequency of reading meters will result in a saving of approximately \$100,000 per year. This estimate appears reasonable to the staff, the saving having the effect of raising the rate of return by 0.1 percent.

The staff approves of applicant's proposed Rule No. 9, Rendering and Payment of Bills, except that references to bimonthly billing should be deleted, Paragraph A.2.c. thereof should be deleted and the manner of billing be specifically set forth in the rule. Applicant does not plan to bill customers on a bi-monthly basis. Paragraph A.2.c. refers to billing periods other than monthly for flat rate service. The staff would delete this paragraph since the utility proposes to bill all customers on a monthly basis. As paragraph A.1.d., the staff recommends the following paragraph:

"Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered or the letter E, which indicates 'Estimated', and the meter constant, if any, the number and kinds of units, and the date of the current meter reading."

#### Findings and Conclusion

We find that:

1. Applicant's proposed monthly billing with bi-monthly reading will result in an annual reduction in operating expenses.
2. Under applicant's proposed customer accounting the average domestic customer will not be overcharged or undercharged on an annual basis since any overbilling or underbilling for an estimated month will be automatically compensated by related underbilling or overbilling for the following month.
3. The recommendations of the staff as set forth in Exhibit No. 1 are reasonable.
4. A public hearing is not necessary.

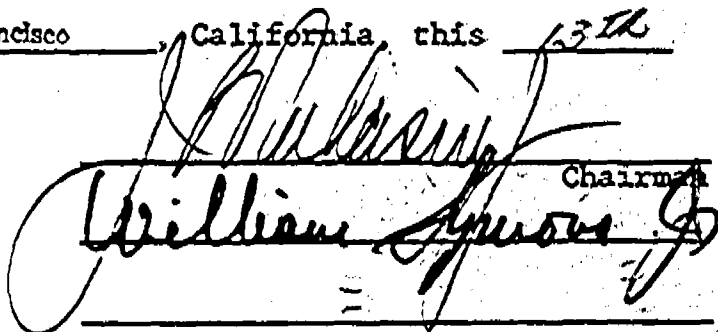
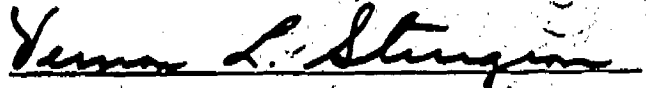

We conclude that applicant should be authorized to file its proposed Rule No. 9, Rendering of Payment of Bills, as modified by the staff recommendation.

O R D E R

IT IS ORDERED that after the effective date of this order San Jose Water Works is authorized to file the revised rule attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedule shall be four days after the date of filing. The revised schedule shall apply only to service rendered on and after the effective date thereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 63<sup>th</sup>  
day of JUNE, 1972.

  
Chairman  
  
  
Commissioners

Commissioner Thomas Moran, being  
necessarily absent, did not participate  
in the disposition of this proceeding.

APPENDIX A  
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Rule No. 9

RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

Bills for service will be rendered each customer on a monthly basis, unless otherwise provided in the rate schedules.

1. Metered Service

- a. Meters will be read bimonthly with the interim month estimated to provide for a regular monthly bill. Metered services 3" and larger will be read at regular monthly intervals. Metered services (5/8" - 2") exhibiting highly irregular usage will be read monthly at the discretion of the utility. All metered services will be read as required for the preparation of opening bills, closing bills and special bills.
- b. Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the applicable rate schedule, or where the utility's operating convenience or necessity may require the use of more than one meter, or a battery of meters. In this case, the monthly readiness to serve charge will be computed upon the resultant diameter of the total combined discharge areas of such meters.
- c. It may not always be possible to read meters regularly on the same day of each period. Should a monthly billing period contain less than 27 days or more than 33 days a pro rata correction in the bill will be made. Proportionate adjustments will be made when other billing periods are used.
- d. Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered or the letter E, which indicates "Estimated", and the meter constant, if any, the number and kinds of units, and the date of the current meter reading.

2. Flat Rate Service

- a. Bills for flat rate service are payable in advance.
- b. The opening bill for flat rate service will be the established monthly charge for the service. Any amount

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Rule No. 9

RENDERING AND PAYMENT OF BILLS  
(Continued)

paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.

3. Proration of Bills

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

(1) Metered Service

The amount of the readiness to serve charge and the quantity in each of the quantity rate blocks will be prorated on the basis of the ratio of the number of days in a period to the number of days in an average billing period. The measured quantity of usage will be applied to such prorated amounts and quantities.

(2) Flat Rate Service

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

(3) Average Billing Period

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

B. Payment of Bills

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