

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Advisory Branch**

**RESOLUTION NO. W-4153  
June 24, 1999**

**RESOLUTION**

**(RES. W-4153), SAN JOSE WATER COMPANY (SJWC).  
ORDER AUTHORIZING AN OFFSET INCREASE IN RATES  
OF \$3,304,561 OR 3.24% ADDITIONAL ANNUAL REVENUE.**

**SUMMARY**

By Advice Letter No. 314, filed May 11, 1999, SJWC seeks revision of tariff schedule Nos. 1, 1B and 6 to provide an increase in rates to recover additional expenses of purchased water, taxes on pumped water and associated increases in franchise taxes and uncollectible expenses. This resolution grants SJWC an increase in gross annual revenue of \$3,304,561 or a system-wide increase of 3.24%. The increase will result in a rate of return no greater than last authorized for SJWC.

**BACKGROUND**

SJWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to recover additional expenses relating to annual increases in the cost of purchased water of \$1,519,232 and tax on pumped water of \$1,768,435. The increases will be imposed by the Santa Clara Valley Water District (SCVWD) effective July 1, 1999. SJWC serves approximately 205,560 metered customers in Santa Clara County. The present rates became effective January 1, 1999, by Advice Letter No. 309 which authorized a step rate increase, in compliance with Decision No. 96-07-036.

**DISCUSSION**

The offset increase requested is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in items that have occurred since the present rates became effective. The purchased water and pump tax costs adopted in D.96-07-036, the decision in SJWC's

previous general rate case, adopted a rate of \$330 per acre-foot for purchased water and a tax of \$260 per acre-foot on pumped water. SCVWD will raise each of these rates by \$25 per acre-foot effective July 1, 1999. Similar increases were imposed in the cost of water used for agricultural purposes. Using the adopted quantities of purchased and pumped water, SJWC's expense would increase by \$3,287,666 per year. Correspondingly, Local Franchise Tax would increase by \$9,508 and Uncollectibles by \$7,387 for an overall increase in SJWC's revenue requirement of \$3,304,561 per year.

The rate changes will result in an increase of 3.24% in metered revenue, while the bill for an average customer using 21 hundred cubic feet of water per month with a 3/4-inch meter will increase by \$1.24 to \$37.24 or approximately 3.44%.

### **NOTICE AND PROTESTS**

Notice for a similar offset increase in rates for changes in purchased water and pump tax was published in the *San Jose Mercury News* on May 15, 1999. A copy of Advice Letter No. 314 has been mailed to all parties as required by General Order 96-A. No protests have been received.

### **FINDINGS AND CONCLUSIONS**

THE COMMISSION FINDS, after investigation by the Water Advisory Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

### **IT IS ORDERED that:**

1. San Jose Water Company is authorized to make effective revised Schedule No. 1, General Metered Service, Schedule No. 1B, General Metered Service with Automatic Fire Sprinkler System, and Schedule No. 6, Resale Service, as filed in Advice Letter No. 314. The effective date of the revised schedules shall be July 1, 1999.
2. San Jose Water Company is ordered to maintain its balancing account for the increases authorized herein as required by Section 792.5 of the Public Utilities Code.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on June 24, 1999. The following Commissioners approved it:

A handwritten signature in cursive script that reads "Wesley Franklin". The signature is written in black ink and is positioned above a horizontal line. To the right of the signature, there is a faint, circular embossed seal or stamp, partially overlapping the signature's end.

WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President

HENRY M. DUQUE

JOSIAH L. NEEPER

JOEL Z. HYATT

CARL W. WOOD

Commissioners