

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

Advice Letter Cover Sheet

Utility Name: West San Martin Water Works, Inc. **Date Mailed to Service List:** 05/12/21

District: _____

CPUC Utility #: WTD - 170 **Protest Deadline (20th Day):** 06/01/21

Advice Letter #: 75 **Review Deadline (30th Day):** 06/11/21

Tier: 1 2 3 Compliance **Requested Effective Date:** 05/12/21

Authorization: D. 92-03-093 et al **Rate Impact:** \$6,401
1.4%

Description: Request a CPI rate increase of 1.4%

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

Utility Contact: Brian Ukestad
Phone: (408) 683-2098
Email: b.ukestad@wsmwater.com

Utility Contact: Marino Rodriguez
Phone: (831) 809-2074
Email: marinorod@aol.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

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

APPROVED WITHDRAWN REJECTED

Signature: _____ **Comments:** _____
Date: _____

WEST SAN MARTIN WATER WORKS, INC.
1005 Highland Ave
San Martin, CA 95046

May 12, 2021

ADVICE LETTER No. 75

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WEST SAN MARTIN WATER WORKS (WSMWW) hereby transmits for filing one original and one copy of this advice letter and the following tariffs schedules which are enclosed:

<u>CPUC SHEET No.</u>	<u>TITLE OF SHEET</u>	<u>CANCELING CPUC SHEET No.</u>
402-W	Schedule No. 1, General Metered Service	390-W
403-W	Schedule No. 4, Private Fire Protection Service	391-W
404-W	Schedule No. F, Facilities Fees	392-W
405-W	Table of Contents	401-W

The present rates of WSMWW became effective on July 6, 2020 through Advice Letter No. 72, under which the Commission approved a CPI increase of \$10,279 or 2.3%. The last general rate increase was effective on February 16, 2012 pursuant to Resolution No. W-4905, which authorized a general rate increase of \$97,219 or 29.59% for test year 2011.

These tariffs are submitted pursuant to Ordering Paragraph No. 1 of Decision No. 92-03-093, dated March 31, 1992, Ordering Paragraph No. 2 of Resolution (Res) W-4493, dated September 2, 2004, or Ordering Paragraph No. 1 of Res. W-4540, dated June 16, 2005. The decision and Resolutions authorize Class B, C and D water utilities and sewer utilities to file a request for a Consumer Price Index increase once a year by Advice Letter. The increased cost is to be passed on to the utility's customers in their quantity rate as well as service charge rates. The above referenced decisions and resolutions authorize WSMWW to file the attached rate schedules and to concurrently withdraw and cancel its present schedules for such service.

WSMWW respectfully requests permission to increase the present monthly quantity and service charge rates by \$6,401 or 1.4% for year 2020. Work papers justifying this rate increase have been provided to the CPUC Division of Water and Audits staff.

Requested Effective Date

Advice Letter No. 75 is a Tier 1 advice letter and may be effective the date of filing. Therefore WSMWW respectfully requests this advice letter be effective on May 12, 2021.

Notice

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been mailed to all parties listed on the enclosed service list. In conformance with Ordering Paragraph No. 3 of Resolution No. W-4664, WSMWW will provide notice to its customers of the increase in dollar and percentage terms with the first bill that includes the increase.

This filing is made under the provisions of General Order No. 96-B.

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission).

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd Floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
E-Mail: water_division@cpuc.ca.gov

On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

West San Martin Water Works, Inc.
1005 Highland Avenue
San Martin, CA 95046
Fax No. (408) 686-9633
E-Mail: brian.ukestad@wsmwater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within five business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

West San Martin Water Works, Inc.

By 

Brian Ukestad
President

Attachments

Schedule No. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service

TERRITORY

The community of San Martin, and vicinity, Santa Clara County

RATES

Quantity rates

First 800 cu. ft., per 100 cu. ft.....	\$ 2.523	(I)
Over 800 cu. ft., per 100 cu. ft.....	2.981	(I)

Service charge :

	Per Meter Per Month	
For 5/8 x 3/4-inch meter.....	\$ 24.83	(I)
For 3/4-inch meter.....	24.83	
For 1-inch meter.....	34.77	
For 1-1/2-inch meter.....	44.72	
For 2-inch meter.....	59.61	
For 3-inch meter.....	74.52	
For 4-inch meter.....	86.94	
For 6-inch meter.....	149.02	
For 8-inch meter.....	198.71	
For 10-inch meter.....	248.38	

The Service Charge is readiness-to-serve charge which is applicable to all metered service, and to which is to be added the monthly charge computed at the Quantity Rates.

SPECIAL CONDITIONS

- All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. PUC.)

Advice Letter No. 75

Brian R. Ukestad

Date Filed _____

Decision No. 92-03-093

Name
President
 Title

Effective _____

Resolution No. _____

Schedule No. 4
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

TERRITORY

The community of San Martin, and vicinity, Santa Clara County, between city limits of Morgan Hill and Gilroy

RATES

	Per service Connection	
	<u>Per Month</u>	
For each 2-inch service	\$ 5.49	(I)
For each 3-inch service	7.84	
For each 4-inch service	10.23	
For each 6-inch service	17.32	
For each 8-inch service	27.39	
For each 10-inch service	45.62	
For each 12-inch service	65.69	(I)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. PUC.)

Advice Letter No. 75

Brian R. Ukestad

Date Filed _____

Decision No. 92-03-093

Name
President
Title

Effective _____

Resolution No. _____

Schedule F

FACILITIES FEES

APPLICABILITY

Applicable to all customers applying for service from the Utility in the territory served for premises not previously connected to its distribution mains, for additional service connections to existing premises, and for increases in size of service connections to existing premises.

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

Initial fee for each service connection:

For 5/8 x 3/4-inch meter	\$ 1,555
For 3/4-inch meter	2,334
For 1-inch meter	3,890
For 1-1/2-inch meter	6,224
For 2-inch meter	9,336

SPECIAL CONDITIONS

1. Facilities fees are payable in addition to and do not limit any charges for extensions of mains that may be applicable under Rule 15, Main extensions.
2. Payments made under this schedule are not subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Issued by

(To be inserted by Cal. PUC.)

Advice Letter No. 75

Brian R. Ukestad

Date Filed _____

Decision No. 92-03-093

Name
President
Title

Effective _____

Resolution No. _____

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information :

<u>Subject Matter of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>	
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Schedule No.2TR, Especial Temporary Flat Rate Service	227-W	
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Schedule No. 5, Public Fire Hydrant Service	70-W	
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No. 4 Contracts	9-W	
No 5 Special Information Required on Forms	371-W-373-W	
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No. 21 Fire Protection	278-W	

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal PUC)

Advice Letter No. 75

Brian R. Ukestad

Date Filed _____

Decision No. 92-03-093

Name
President
 Title

Effective _____

Resolution No. _____

West San Martin Water Works, Inc
1005 Highland Avenue
San Martin, CA 95046

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy via E-mail of the following document, West San Martin Water Works, Inc. Advice Letter No. 75, upon the California Public Utilities Commission as shown on the Service List attached hereto, a copy thereof properly addressed to each party. Additionally, I hereby certify that I have this day served a true copy via first class United States mail of the following document, West San Martin Water Works, Inc. Advice Letter No. 75 upon all additional parties of record as shown on the Service List attached hereto, a copy thereof properly addressed to each party.

Executed in San Martin, California on the 12th day of May, 2021.



Brian Ukestad
President

West San Martin Water Works, Inc
1005 Highland Avenue
San Martin, CA 95046

WEST SAN MARTIN WATER WORKS, INC.
ADVICE LETTER No. 75
SERVICE LIST
(AS PER SECTION 4.3 OF GENERAL ORDER No. 96-B)

Via E-mail

Division of Water and Audits
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Via First Class United States Mail
Without Attachments

San Martin County Water District
P.O. Box 120
San Martin, CA 95046

Twin Valley Water Company
P.O. Box 433
Morgan Hill, CA 95038

WEST SAN MARTIN WATER WORKS, INC.

Advice Letter No. 75

Summary of Earnings

Year 2020

	Adopted Res. No. W-4905	CPI Increase 2016	CPI Increase 2017	CPI Increase 2018	CPI Increase 2019	Total Adopted Rates	Actual 2020	CPI Increase at 1.4%	After CPI Increased Revenue
Operating Revenue									
Water Revenue	421,748	2,952	8,919	9,106	10,183	452,908	553,306	6,341	559,647
Fire Protection Revenue	4,002	28	85	86	97	4,298	3,805	60	3,865
Other Water Revenue	0	0	0	0	0	0	7,159	0	7,159
Total	425,750	2,980	9,004	9,192	10,280	457,206	564,270	6,401	570,671
Operating Expenses									
Purchased Power	49,296					49,296	82,040		82,040
Other Volume Related Expenses	88,905					88,905	173,840		173,840
Employee Labor	18,085					18,085	49,000		49,000
Materials	2,653					2,653	4,107		4,107
Contract Work	18,093					18,093	43,643		43,643
Transportation Expense	3,058					3,058	1,336		1,336
Other Plant Maintenance Expenses	6,027					6,027	3,378		3,378
Office Salaries	18,500					18,500	0		0
Management Salaries	29,500					29,500	60,000		60,000
Employee Pensions and Benefits	18,176					18,176	10,900		10,900
Uncollectibles Expense	2,129					2,129	0		0
Office Services and Rentals	6,000					6,000	16,563		16,563
Office Supplies and Expenses	9,843					9,843	9,459		9,459
Professional Services	5,603					5,603	51,792		51,792
Insurance	8,303					8,303	6,671		6,671
Regulatory Commission Expense	5,598					5,598	14,671		14,671
General Expense	2,595					2,595	3,199		3,199
Depreciation	12,399					12,399	16,325		16,325
Taxes Other Than Income Taxes	14,428					14,428	18,624		18,624
Income Taxes	30,698					30,698	800		800
Total Operating Expenses	349,889					349,889	566,348		566,348
Net Revenue	75,861					107,317	(2,078)		4,323
Average Rate Base:									
Water Plant In Service	1,877,559					1,877,559	2,286,848		2,286,848
Less:									0
Accumulated Depreciation	(1,052,207)					(1,052,207)	(1,577,813)		(1,577,813)
Advances for Construction	(154,223)					(154,223)	(129,782)		(129,782)
CIAC	(660,129)					(660,129)	(327,053)		(327,053)
Accum. Deferred Income Taxes	0					0	(67,881)		(67,881)
Plus:									
Materials	27,200					27,200	8,395		8,395
Working Cash	4,000					4,000	40,165		40,165
Construction Work in Progress	0					0	0		0
Adopted Rate Base Res. W-4905	42,200					42,200	232,879		232,879
Authorized Rate of Margin	24.89%					24.89%	-0.38%		0.79%

WEST SAN MARTIN WATER WORKS, INC.
Advice Letter No. 75
Financial Information

Estimated 2021 Annual Revenue

Recorded 2020 Water Revenue	\$ 564,270
Revenue Increase: (\$457,206 x 1.4%)	6,401
Estimated 2021 Revenue	<u>570,671</u>

Actual Expenses for Calendar Year 2020

(Excluding Other Income and Other Expenses)	<u>\$ 566,348</u>
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Average Rate Base - Year 2020

	<u>\$ 232,879</u>
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Basis for Rate of Margin

Recorded 2020 Operating Expenses	530,599
Recorded 2020 Depreciation	<u>16,325</u>
Total Basis for Rate of Margin	<u>546,924</u>
Authorized Rate of Margin	24.89%
Net Revenue to be Earned Based on Rate of Margin	<u>\$ 136,129</u>
Net Revenue Achieved after CPI Increase	<u>\$ 4,323</u>

WEST SAN MARTIN WATER WORKS, INC.

Advice Letter No. 75

Rate Increase Calculations

	Adopted Rates AL-72	1.4% Increase	AL - 75 New Rate
<u>Schedule No. 1 General Metered Service:</u>			
Quantity Rate			
First 800 cubic feet, per 100 cubic feet	\$ 2.488	\$ 0.035	\$ 2.523
Over 800 cubic feet, per 100 cubic feet	\$ 2.940	\$ 0.041	\$ 2.981
Service Charge Rates			
5/8 x 3/4 inch	\$ 24.49	\$ 0.34	\$ 24.83
3/4 inch	\$ 24.49	\$ 0.34	\$ 24.83
1 inch	\$ 34.29	\$ 0.48	\$ 34.77
1.5 inch	\$ 44.10	\$ 0.62	\$ 44.72
2 inch	\$ 58.79	\$ 0.82	\$ 59.61
3 inch	\$ 73.49	\$ 1.03	\$ 74.52
4 inch	\$ 85.74	\$ 1.20	\$ 86.94
6 inch	\$ 146.96	\$ 2.06	\$ 149.02
8 inch	\$ 195.97	\$ 2.74	\$ 198.71
10 inch	\$ 244.95	\$ 3.43	\$ 248.38
<u>Schedule No. 4 Private Fire Protection</u>			
2 inch	\$ 5.41	\$ 0.08	\$ 5.49
3 inch	\$ 7.73	\$ 0.11	\$ 7.84
4 inch	\$ 10.09	\$ 0.14	\$ 10.23
6 inch	\$ 17.08	\$ 0.24	\$ 17.32
8 inch	\$ 27.01	\$ 0.38	\$ 27.39
10 inch	\$ 44.99	\$ 0.63	\$ 45.62
12 inch	\$ 64.78	\$ 0.91	\$ 65.69
<u>Facilities Fees:</u>			
5/8 x 3/4 inch	\$ 1,534	\$ 21	\$ 1,555
3/4 inch	\$ 2,302	\$ 32	\$ 2,334
1 inch	\$ 3,836	\$ 54	\$ 3,890
1.5 inch	\$ 6,138	\$ 86	\$ 6,224
2 inch	\$ 9,207	\$ 129	\$ 9,336