



# Mecchi Water Company

1367 Tofts Drive San Jose, CA 95131

930742

July 12, 2022

Advice Letter No. 29-W

Mecchi Water Company (MECCHI) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
277-W	Schedule No. 1, General Metered Service	274-W
278-W	Schedule No. 2, Flat Rate Service	275-W
279-W	Table of Contents	276-W

## REQUEST

By AL 29-W, MECCHI requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 7%, the Consumer Price Index (CPI) for 2021. The projected revenue increase of \$ 2.546 will not result in a rate of margin which exceeds the authorized rate of margin of 24.89%. Workpapers justifying this increase are enclosed.

## BACKGROUND

MECCHI'S present rates became effective June 22, 2012, through Advice Letter No. 21-W CPI offset. The last general rate increase became effective on December 1, 2011, pursuant to Resolution W-4887, which authorized a general rate increase of \$6,250, or 8.9% and a rate of margin of 24.89%.

AL #29-W is filed pursuant to Ordering Paragraphs No. 1 of Decision 92-03-093 and Resolution W-4493, which authorize Class C and D water and sewer utilities to file a

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request for a CPI increase once a year by AL. The increase is to be passed on to the utility's customers in their quantity rate and service charge.

## **TIER DESIGNATION AND REQUESTED EFFECTIVE DATE**

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 29-W is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.<sup>1</sup>

## **NOTICE**

This AL does not require notice;<sup>2</sup> however, the utility shall inform its customers, by bill insert in the first bill that includes the increase, of the amount of the increase expressed in dollar and percentage terms.<sup>3</sup> A copy of this AL has been served to all parties listed on the service list<sup>4</sup> on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

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<sup>1</sup>GO. 96-B, Water Industry Rule 7.3.1

<sup>2</sup> GO. 96-B, General Rule 4.2

<sup>3</sup> GO. 96-B, Water Industry Rule 3.2

<sup>4</sup> GO. 96-B, Water Industry Rule 4.1

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## **RESPONSE OR PROTEST**<sup>5</sup>

Anyone may respond to or protest this AL. A response supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A protest objects to the AL 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 AL;
2. The relief requested in the AL 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 AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding; or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL 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 may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

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<sup>5</sup> GO. 96-B, General Rule 7.4.1

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A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The Water Division (DW) must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

**Email Address:**

[Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**Mailing Address:**

California Public Utilities  
Commission  
Water Division, 3rd  
Floor 505 Van Ness

On the same day the response or protest is submitted to DW, the respondent or protestant shall send a copy of the protest to MECCHI at:

**Mailing Address:**

MECCHI Water Company  
Attn: Gary Ledesma  
1367 Tofts Drive,  
San Jose, Ca. 95131

**Email Address:**

[garyled7@aol.com](mailto:garyled7@aol.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DW, 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.

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## **REPLIES**

The utility shall reply to each protest and may reply to any response. Any reply must be received by DW within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.<sup>6</sup>

## **CERTIFICATE OF SERVICE**

I hereby certify that the service list from Advice Letter #29-W has been served a copy of this Advice Letter on July 12, 2022.

Executed in San Jose, California on July 12, 2022.

By: /s/GARY LEDESMA

Gary Ledesma

Owner

Enclosure

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<sup>6</sup> GO. 96-B, General Rule 7.4.3

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Crowner Subdivision, Tract No. 224. and vicinity, located 3/4 mile of San Martin, Santa Clara County.

RATES

Quantity Rate:

For all water, per 100 cu. ft. .... \$1.12 (I)

Service Charge:

		<u>Per Meter</u> <u>Per Month</u>	
For	5/8 x 3/4-inch meter .....	\$60.21	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS:

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. A \$15.16 bill surcharge shall be applied to each customer's monthly water bill to amortize the Water Quality Balancing Account of \$16,375.75. The surcharge shall be separately identified on each bill and in place for a period of 36 months, or until the full amount has been collected, from the effective date of this filing.

(To be inserted by utility)

Advice Letter No. 29-W

Decision No. 92-03-093

Issued By

**Gary M. Ledesma**

**Owner**

(To be inserted by P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. W- 4493

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat water service furnished on a flat rate basis.

TERRITORY

Crowner Subdivision, Tract No. 224. and vicinity, located 3/4 mile of San Martin, Santa Clara County.

RATE

	Per Month
For each residence located on a single lot but irrigation of lawns and gardens restricted to 300 square feet.	\$90.31
For each additional residence on same lot	\$60.21

**SPECIAL CONDITIONS**

1. The above residential rates apply to a service connection not larger than one inch in diameter.
2. For service covered by the above classifications, if the utility elects a meter shall be installed and service provided under Schedule No. 1, General Metered Service, effective as of the first day of the following calendar month.
3. All bills are subject to the reimbursement fee for set forth in Schedule UF.
4. A \$15.16 bill surcharge shall be applied to each customer's monthly water bill to amortize the Water Quality Balancing Account of \$16,375.75. The surcharge shall be separately identified on each bill and in place for a period of 36 months, or until the full amount has been collected, from the effective date of this filing

(To be inserted by utility)

Advice Letter No. 29-W

Decision No. 92-03-093

*Issued By*

**Gary M. Ledesma**

**Owner**

(To be inserted by P.U.C.)

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. W- 4493



**TABLE OF CONTENTS**

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

<u>SUBJECT MATTER OF SHEET</u>	<u>P.U.C. SHEET NO.</u>	
Title Page	259-W	
Table of Contents	<b>279-W</b> , 257-W	(T)
Preliminary Statements	23-W, 24-W, 227-W, 228-W,	
Service Area Map	None	
<b>Rate Schedules:</b>		
Schedule No. 1 –General Metered Service	<b>277-W</b>	(I)
Schedule No. 2 – Residential Flat Rate Service	<b>278-W</b>	(I)
Schedule No. UF – Surcharge to Fund PUC Reimbursement Fee	269-W	
Schedule LC, Late Payment Charge	265-W	
<b>Rules:</b>		
No. 1 – Definitions	112-W, 113-W	
No. 2 – Description of Service	27-W	
No. 3 – Application for Service	245-W	
No. 4 – Contracts	29-W	
No. 5 – Special Information Required on Forms	246-W to 248-W	
No. 6 – Establishment and Re-establishment of Credit	32-W	
No. 7 – Deposits	249-W, 250-W	
No. 8 – Notices	251-W, 252-W	
No. 9 – Rendering and Payment of Bills	216-W, 217-W	
No. 10 – Disputed Bills	253-W 254-W	
No. 11 – Discontinuance and Restoration of Service	218-W - 225-W	
No. 12 – Information Available to Public	43-W, 44-W	
No. 13 – Temporary Service	45-W, 46-W	
No. 14 – Continuity of Service	47-W	
No. 15 – Main Extensions	188-W – 200-W	
No. 16 – Service Connections, Meters, & Customer’s Facilities	201-W – 207-W	
No. 17 – Standards for Measurements of Service	143-W	
No. 18 – Meter Tests & Adjustment of Bills for Meter Error	66-W - 68-W	
No. 19 – Service to Separate Premises & Multiple Units and Resale of Water	144-W - 145-W	
No. 20 – Water Conservation	208-W	
No.21 – Fire Protection	209-W	

(continued)

(To be inserted by utility)

*Issued By*

(To be inserted by P.U.C.)

Advice Letter No. 29-W

**Gary M. Ledesma**

Date Filed \_\_\_\_\_

Decision No. 92-03-093

**Owner**

Effective \_\_\_\_\_

Resolution No. W- 4493

## Earnings Test

### MECCHI WATER COMPANY

#### Summary of Earnings

Category	Most Recent Adopted in Resolution W-4887 Dec. 1, 2011 TY 2011 a	Actual 2021 b	CPI Increase @7% on Adopted Revenue Only c=a*7%	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base (Revenues) d=b + c
<b>Operating Revenues:</b>				
Unmetered Water Revenue	36,377	31,833	2,546	34,379
Other Revenue	0		-	
<b>TOTAL OPERATING REVENUES</b>	<b>36,377</b>	<b>31,833</b>	<b>2,546</b>	<b>34,379</b>
 <b>Operative Expenses:</b>				
Purchased Water	-	-		-
Purchased Power	2,993	3,227		3,227
Purchased Chemicals	-			-
Other Volume Related Expenses	9,268	8,135		8,135
Employee Labor	-	-		-
Materials	-	-		-
Contract Work	10,227	23,847		23,847
Water Testing	734	-		-
Transportation Expense	-	70		70
Other Plant Maintenance	68	207		207
Office Salaries	-	-		-
Management Salaries	1,000	-		-
Employee Pension and Benefits	-	-		-
Uncollectibles	-	1,307		1,307
Office Service and Rentals	-	278		278
Office Supplies and Expenses	-	251		251
Professional Services	1,500	3,777		3,777
Insurance	-	-		-
Regulatory Commission Expense	600	990		990
General Expenses	-	350		350
Capitalized Expense	-			-
<b>SUBTOTAL</b>	<b>26,390</b>	<b>42,439</b>		<b>42,439</b>
Depreciation	1,128	1,671		1,671
Taxes Other than Income	-	-		-
State and Federal Income Taxes	2,009	800		800
Interest	-	-		-
<b>TOTAL DEDUCTIONS</b>	<b>29,527</b>	<b>44,910</b>		<b>44,910</b>
 <b>NET REVENUE</b>	 <b>6,850</b>	 <b>(13,077)</b>		 <b>(10,531)</b>
 <b>RATE BASE</b>				
Average Plant	45,127	66,530		66,530
Less: Average Accumulated Depreciation	34,855	41,731		41,731
<b>NET PLANT</b>	<b>10,272</b>	<b>24,800</b>		<b>24,800</b>
Less: Advances & Contributions	-	-		-
Plus: Working Cash	-	6,600		6,600
Materials & Supplies	-	-		-
CWIP	-	-		-
<b>RATE BASE</b>	<b>10,272</b>	<b>31,400</b>		<b>31,400</b>
<b>RATE OF MARGIN</b>	<b>24.89%</b>	<b>-29.65%</b>		<b>-33.54%</b>

<b>Earnings Test:</b>	-33.54%	<	24.89%
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## Earnings Test

### MECCHI WATER COMPANY Working Cash

#### SIMPLIFIED BASIS DETERMINATION OF WORKING CASH ALLOWANCE

(A utility operating as an individual or partnership using monthly billing at meter rates)

1 Operating Expenses, Excluding Taxes and Depreciation	40,768
2 Purchased Power and/or Purchased Commodity for Resale*	3,227
3 Two Months' Average Operating Expenses (1/6 x Line 1)	6,795
4 One Month's Average Purchased Power and/or Purchased Commodity* (1/12 x Line 2)	269
5 Average Tax Accruals Available	0
6 Working Cash Allowance (Line 3 - Line 4 - Line 5)	6,526
7 Use	6,600

\* Electric power, gas or other fuel purchased for pumping and or purchased water or gas or electricity for resale billed after receipt (metered).

## Earnings Test

### MECCHI WATER COMPANY

**RATES:**

CPI RATE 7.00%

**UNMETERED RATES:**

	<u>OLD</u> <u>Per Meter Per</u> <u>Month</u>	<u>NEW</u> <u>Per Meter</u> <u>Per Month</u>
For each residence located on a single lot but irrigation of lawns and gardens. Restricted to 300 square feet.	\$ 84.40	\$ 90.31
For each additional residence on same lot	\$ 56.27	\$ 60.21 (I)

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**METERED RATES:**

	<u>OLD</u> <u>Per Meter Per</u> <u>Month</u>	<u>NEW</u> <u>Per Meter</u> <u>Per Month</u>
Quantity Rate:		
For all water per 100 cu. ft.	\$1.05	\$ 1.12 (I)
Service Charge:		
5/8 x 3/4-inch meter .....	\$56.27	\$ 60.21 (I)

# Mecchi Water Company

1367 Tofts Drive San Jose, CA 95131

## Advice Letter #29-W Service List

Bracewell Engineering  
Christopher Hauge  
[chris@bracewellengineering.com](mailto:chris@bracewellengineering.com)

California Department of Health Services  
Jose Lozano  
[Jose.Lozano@cdph.ca.gov](mailto:Jose.Lozano@cdph.ca.gov)

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