

CALIFORNIA PUBLIC UTILITIES COMMISSION Water Division

Advice Letter Cover Sheet

Utility Name: West San Martin Water Works, Inc.

Date Mailed to Service List: 8/15/22

District: NA

CPUC Utility #: WTD-170

Protest Deadline (20th Day): 9/4/22

Advice Letter #: 77-W

Review Deadline (30th Day): 9/14/22

Tier X1 2 3 Compliance

Requested Effective Date: 8/15/22

Authorization D.92-03-093

Rate Impact: \$29,614
7.0%

Description: 2021 CPI-U Rate Adjustment

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

Utility Contact:

Phone: 408-683-2098

Phone:

Email: b.ukestad@wsmwater.com

Email:

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
REJECTED

[] WITHDRAWN

[]

Signature: _____ Comments: _____

Date: _____

West San Martin Water Works

1005 Highland Ave., San Martin, CA 95046

Telephone: 408-683-2098

August 15, 2022

Advice Letter No. 77-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

West San Martin Water Works, Inc. (WSM) 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>
406-W	Schedule No. 1, General Metered Service	402-W
407-W	Schedule No. 4, Private Fire Protection Service	403-W
408-W	Table of Contents	405-W

REQUEST

By AL 77-W, WSM 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 \$29,614 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

The present rates became effective on May 12, 2021, by approval of AL No. 75-W, which implemented a Consumer Price Index increase of \$6,401 or 1.4%.

The last general rate increase became effective on February 16, 2012, pursuant to Resolution W-4905, which authorized a general rate increase of \$97,219, or 29.59% and a rate of margin of 24.89% for test year 2011.

West San Martin Water Works

1005 Highland Ave., San Martin, CA 95046

Telephone: 408-683-2098

AL 77-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 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.

West San Martin Water Works

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TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 77-W is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.¹

NOTICE

This AL does not require notice;² 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.³ A copy of this AL has been served to all parties listed on the service list⁴ on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

RESPONSE OR PROTEST⁵

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

¹ GO. 96-B, Water Industry Rule 7.3.1

² GO. 96-B, General Rule 4.2

³ GO. 96-B, General Rule 3.2

⁴ GO. 96-B, Water Industry Rule 4.1

⁵ GO. 96-B, General Rule 7.4.1

West San Martin Water Works

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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.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. Water Division (WD) 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

Mailing Address:

California Public Utilities
Commission
Water Division, 3rd Floor
505 Van Ness Avenue
San Francisco, CA 94102

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

Email Address:

b.ukestad@wsmwater.com

Mailing Address:

West San Martin Water Works, Inc.
1005 Highland Ave
San Martin, CA 95046

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

West San Martin Water Works

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REPLIES

The utility shall reply to each protest and may reply to any response. Any reply must be received by WD 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.⁶

⁶ GO. 96-B, General Rule 7.4.3

West San Martin Water Works

1005 Highland Ave., San Martin, CA 95046

Telephone: 408-683-2098

ADVICE LETTER #77-W

SERVICE LIST

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

I hereby certify that the above service list has been served a copy of AL 77-W on August 15, 2022.

Executed in San Martin, California on August 15, 2022.

West San Martin Water Works,
Inc.

By: /s/BRIAN UKESTAD
Brian Ukestad
President

Enclosures

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 Rate:

First 800 cu. ft., per 100 cubic feet	\$ 2.71	(I)
Over 800 cu. ft., per 100 cubic feet	\$ 3.19	(I)

Service Charge:

	<u>Per Meter</u>	
	<u>Per Month</u>	
For 5/8 x 3/4 -inch meter	\$ 26.57	(I)
For 3/4-inch meter	\$ 26.57	(I)
For 1-inch meter	\$ 37.20	(I)
For 1 1/2 -inch meter	\$ 47.85	(I)
For 2-inch meter	\$ 63.78	(I)
For 3-inch meter	\$ 79.74	(I)
For 4-inch meter	\$ 93.03	(I)
For 6-inch meter	\$ 159.45	(I)
For 8-inch meter	\$ 212.62	(I)
For 10-inch meter	\$ 265.77	(I)

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

SPECIAL CONDITIONS

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

(continued)

(To be inserted by utility)

Advice Letter No. 77-W

Decision No. D.92-03-093

Issued By

Brian Ukestad

President

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

Date Filed _____

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

	<u>Per Service Connection</u>	
	<u>Per Month</u>	
For each 2-inch service	\$ 5.87	(I)
For each 3-inch service	\$ 8.39	(I)
For each 4-inch service	\$ 10.95	(I)
For each 6-inch service	\$ 18.53	(I)
For each 8-inch service	\$ 29.31	(I)
For each 10-inch service	\$ 48.81	(I)
For each 12-inch service	\$ 70.29	(I)

SPECIAL CONDITIONS

1. The fire protection service 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 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)

Advice Letter No. 77-W

Decision No. D.92-03-093

Issued By

Brian Ukestad

President

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

Date Filed _____

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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No. 6 Establishment and Re-establishment of Credit	12-W	
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No. 20 Water Conservation	161-W	
No. 21 Fire Protection	278-W	

(continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 77-W

Brian R. Ukestad

Date Filed _____

Decision No. D.92-03-093

President

Effective _____

Resolution No. _____

Earnings Test

West San Martin Water Works, Inc. Summary of Earnings

Category	Most Recent Adopted in Resolution W-4905 Feb. 16, 2012 TY2011 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
Operative Revenues:				
Flat Rate			-	0
Metered	421,748	575,512	29,522	605,034
Private Fire Protection	4,002		92	92
TOTAL OPERATING REVENUES	425,750	575,512	29,614	605,126
Operative Expenses:				
Purchased Water	-	-		-
Purchased Power	49,296	75,591		75,591
Purchased Chemicals	-			-
Other Volume Related Expenses	88,905	163,468		163,468
Employee Labor	18,085	-		-
Materials	2,653	2,673		2,673
Contract Work	18,093	131,081		131,081
Water Testing		-		-
Transportation Expense	3,058	1,235		1,235
Other Plant Maintenance	6,027	70		70
Office Salaries	18,500	55,000		55,000
Management Salaries	29,500	30,000		30,000
Employee Pension and Benefits	18,176	418		418
Uncollectibles	2,129	-		-
Office Service and Rentals	6,000	11,648		11,648
Office Supplies and Expenses	9,843	1,245		1,245
Professional Services	5,603	15,016		15,016
Insurance	8,303	6,734		6,734
Regulatory Commission Expense	5,598	7,109		7,109
General Expenses	2,595	49,360		49,360
SUBTOTAL	292,364	550,648		550,648
Depreciation	12,399	17,900		17,900
Taxes Other than Income	14,428	61,742		61,742
State and Federal Income Taxes	30,698	800		800
Interest	-	679		679
TOTAL DEDUCTIONS	349,889	631,769		631,769
NET REVENUE	75,861	(56,257)		(26,643)
RATE BASE				
Average Plant	1,877,559	2,284,073		2,284,073
Less: Average Accumulated Depreciation	1,052,207	1,637,384		1,637,384
NET PLANT	825,352	646,689		646,689
Less: Advances	154,223	151,468		151,468
Contributions	660,129	306,049		306,049
Plus: Working Cash	4,000	72,300		72,300
Materials & Supplies	27,200	8,423		8,423
RATE BASE	42,200	269,895		269,895
RATE OF MARGIN	24.89%	-9.52%		-4.16%
Earnings Test:	-4.16%	<	24.89%	

Earnings Test

West San Martin Water Works, Inc. 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	471,006
2	Purchased Power and/or Purchased Commodity for Resale*	75,591
3	Two Months' Average Operating Expenses (1/6 x Line 1)	78,501
4	One Month's Average Purchased Power and/or Purchased Commodity* (1/12 x Line 2)	6,299
5	Average Tax Accruals Available	
6	Working Cash Allowance (Line 3 - Line 4 - Line 5)	72,202
7	Use	72,300

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

Meter Rates

West San Martin Water Works, Inc.

METERED RATES:

CPI RATE 7.00%

Service Charge:	OLD <u>Per Meter</u> <u>Per Month</u>	NEW <u>Per Meter Per</u> <u>Month</u>		
<u>QR</u>				
First 800 cu. ft., per 100 cu. ft.	\$2.53	\$	2.71	(I)
Over 800 cu. ft., per 100 cu. ft.	\$2.98	\$	3.19	(I)
5/8 x 3/4-inch meter	\$24.83	\$	26.57	(I)
3/4-inch meter	\$24.83	\$	26.57	(I)
1-inch meter	\$34.77	\$	37.20	(I)
1-1/2 inch meter	\$44.72	\$	47.85	(I)
2-inch meter	\$59.61	\$	63.78	(I)
3-inch meter	\$74.52	\$	79.74	(I)
4-inch meter	\$86.94	\$	93.03	(I)
6-inch meter	\$149.02	\$	159.45	(I)
8-inch meter	\$198.71	\$	212.62	(I)
10-inch meter	\$248.38	\$	265.77	(I)

PRIVATE FIRE PROTECTION:

2-inch meter	\$5.49	\$	5.87	(I)
3-inch meter	\$7.84	\$	8.39	(I)
4-inch meter	\$10.23	\$	10.95	(I)
6-inch meter	\$17.32	\$	18.53	(I)
8-inch meter	\$27.39	\$	29.31	(I)
10-inch meter	\$45.62	\$	48.81	(I)
10-inch meter	\$65.69	\$	70.29	(I)