

**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:** 07/06/20  
**District:** \_\_\_\_\_  
**CPUC Utility #:** WTD – 170 **Protest Deadline (20<sup>th</sup> Day):** 07/26/20  
**Advice Letter #:** 72 **Review Deadline (30<sup>th</sup> Day):** 08/05/20  
**Tier** 1 2 3  Compliance **Requested Effective Date:** 07/06/20  
**Authorization** D. 92-03-093 et al **Rate Impact:** \$10,279  
2.3%  
**Description:** Request a CPI rate increase of 2.3%

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:** Robert D. Ukestad  
**Phone:** (408) 683-2098  
**Email:** [b.ukestad@wsmwater.com](mailto:b.ukestad@wsmwater.com)

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

**DWA Contact:** Tariff Unit  
**Phone:** (415) 703-1133  
**Email:** [Water.Division@cpuc.ca.gov](mailto: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APPROVED  WITHDRAWN  REJECTED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.**  
**Santa Clara County**

July 6, 2020

ADVICE LETTER No. 72

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 each of the following tariffs schedules which are attached hereto:

| <u>CPUC SHEET No.</u> | <u>TITLE OF SHEET</u>                              | <u>CANCELING CPUC SHEET No.</u> |
|-----------------------|--|---------------------------------|
| 390-W                 | Schedule No. 1,<br>General Metered Service         | 346-W                           |
| 391-W                 | Schedule No. 4,<br>Private Fire Protection Service | 347-W                           |
| 392-W                 | Schedule No. F, Facilities Fees                    | 261-W                           |
| 393-W                 | Table of Contents                                  | 389-W                           |

The present rates of WSMWW became effective on April 23, 2018 through Advice Letter No. 64, under which the Commission approved a CPI increase of \$9,192 or 2.1%. 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 \$10,279 or 2.3% for year 2019. Work papers justifying this rate increase have been provided to the CPUC Division of Water and Audits staff.

**Requested Effective Date**

Advice Letter No. 72 is a Tier 1 advice letter and may be effective the date of filing. Therefore WSMWW respectfully requests this advice letter be effective on July 6, 2020.

**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, 3<sup>rd</sup> Floor  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
E-Mail: [water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

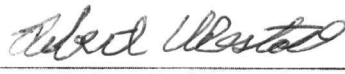
On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

West San Martin Water Works, Inc.  
1005 Highland Avenue  
San Martin, CA 95046  
Fax No. (408) 686-9633  
E-Mail: [b.ukestad@wsmwater.com](mailto:b.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   
Robert D. Ukestad  
General Manager

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..... | \$ 2.488 | (1) |
| Over 800 cu. ft., per 100 cu. ft.....  | 2.940    | (1) |

| Service charge :              | Per Meter<br>Per Month |     |
|-------------------------------|------------------------|-----|
| For 5/8 x 3/4-inch meter..... | \$ 24.49               | (1) |
| For 3/4-inch meter.....       | 24.49                  |     |
| For 1-inch meter.....         | 34.29                  |     |
| For 1-1/2-inch meter.....     | 44.10                  |     |
| For 2-inch meter.....         | 58.79                  |     |
| For 3-inch meter.....         | 73.49                  |     |
| For 4-inch meter.....         | 85.74                  |     |
| For 6-inch meter.....         | 146.96                 |     |
| For 8-inch meter.....         | 195.97                 |     |
| For 10-inch meter.....        | 244.95                 |     |

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. P.U.C.)

Advice Letter No. 72

Robert D.Ukestad  
Name

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

Decision No. 92-03-093

General Manager  
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  | \$ 5.41                | (I) |
| For each 3-inch service  | 7.73                   |     |
| For each 4-inch service  | 10.09                  |     |
| For each 6-inch service  | 17.08                  |     |
| For each 8-inch service  | 27.01                  |     |
| For each 10-inch service | 44.99                  |     |
| For each 12-inch service | 64.78                  | (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. P.U.C.)

Advice Letter No. 72

Robert D. Ukestad  
Name

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

Decision No. 92-03-093

General Manager  
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 ..... | \$1,534 |
| For 3/4-inch meter .....       | 2,302   |
| For 1-inch meter .....         | 3,836   |
| For 1-1/2-inch meter .....     | 6,138   |
| For 2-inch meter .....         | 9,207   |

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. P.U.C.)

Advice Letter No. 72

Robert D. Ukestad

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

Name

Decision No. 92-03-093

General Manager

Effective \_\_\_\_\_

Title

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>   |     |
|--|--|-----|
| Title Page   | 263-W  |     |
| Table of Contents  | 393-W, 359-W   | (T) |
| Preliminary Statement  | 151-W, 284-W - 286-W, 327-W - 330-W  |     |
| Service Area Map   | 242-W  |     |
| <br>Rate Schedules:  |  |     |
| Schedule No. 1, General Meter Service  | 390-W, 342-W   | (C) |
| Schedule No.2TR, Especial Temporary Flat Rate Service                          | 227-W  |     |
| Schedule No. 4, Private fire Protection Service                                | 391-W, 301-W   | (C) |
| Schedule No. 5, Public Fire Hydrant Service                                    | 70-W   |     |
| Schedule No. 6, Facilities Financing charge                                    | 101-W  |     |
| Schedule No. 6R, Resale Service  | 228-W  |     |
| Schedule No. F, Facilities fees  | 392-W  | (C) |
| Schedule No. UF, Surcharge to Fund PUC Reimbursement Fee                       | 364-W  |     |
| <br>Rules:   |  |     |
| No. 1 Definitions  | 369-W, 370-W   |     |
| No. 2 Description of Service   | 84-W   |     |
| No. 3 Application for Service  | 305-W  |     |
| No. 4 Contracts  | 9-W  |     |
| No 5 Special Information Required on Forms                                     | 371-W-373-W  |     |
| No. 6 Establishment and Re-establishment of Credit                             | 12-W   |     |
| No. 7 Deposits   | 267-W, 268-W   |     |
| No. 8 Notices  | 374-W, 376-W   |     |
| No. 9 Rendering and Payment of Bills   | 16-W, 17-W, 269-W  |     |
| No. 10 Disputed Bills  | 377-W, 378-W   |     |
| No. 11 Discontinuance and Restoration of Service                               | 379-W-388-W  |     |
| No. 12 Information Available to Public   | 23-W- 24-W   |     |
| No. 13 Temporary Service   | 25-W- 26-W   |     |
| No. 14 Continuity of Service   | 27-W   |     |
| No. 14.1 Voluntary Water Conservation Plan                                     | 318-W-325-W  |     |
| No. 15 Main Extensions   | 117-W-119-W, 308-W, 121-W, 167-W, 309-W,<br>168-W, 125-W, 169-W, 170-W, 128-W, 129-W, 171-W, 362-W |     |
| No. 16 Service Connections, Meters, and Customer's<br>Facilities               | 218-W, 310-W, 311-W, 312-W, 221-W-224-W  |     |
| No. 17 Standards for Measurement of Service                                    | 158-W  |     |
| No. 18 Meter Tests and Adjustment of bills for<br>Meter Error                  | 159-W, 42-W, 43-W  |     |
| No. 19 Service to separate Premises and Multiple Units, and<br>Resale of Water | 191-W, 192-W   |     |
| No. 20 Water Conservation  | 161-W  |     |
| No. 21 Fire Protection   | 278-W  |     |

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 72

Robert D.Ukestad

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

Name

Decision No. 92-03-093

General Manager

Effective \_\_\_\_\_

Title

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 first class United States mail and E-mail of the following document, West San Martin Water Works, Inc. Advice Letter No. 72, 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. 72 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 6th day of July, 2020.



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Brian Ukestad  
Secretary

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

**WEST SAN MARTIN WATER WORKS, INC.**  
**ADVICE LETTER No. 72**  
**SERVICE LIST**  
**(AS PER SECTION 4.3 OF GENERAL ORDER No. 96-B)**

Via First Class United States Mail and E-mail

Rami Khalon, Director  
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

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WEST SAN MARTIN WATER WORKS, INC.

Advice Letter No. 72

Summary of Earnings

Year 2019

|                                      | Adopted Res.<br>No. W-4905 | CPI Increase<br>2016 | CPI Increase<br>2017 | CPI Increase<br>2018 | Total Adopted<br>Rates | Actual 2019    | CPI Increase<br>at 2.3% | After CPI<br>Increased<br>Revenue |
|--------------------------------------|----------------------------|----------------------|----------------------|----------------------|------------------------|----------------|-------------------------|-----------------------------------|
| <b>Operating Revenue</b>             |                            |                      |                      |                      |                        |                |                         |                                   |
| Water Revenue                        | 421,748                    | 2,952                | 8,919                | 9,106                | 442,725                | 532,432        | 10,183                  | 542,615                           |
| Fire Protection Revenue              | 4,002                      | 28                   | 85                   | 86                   | 4,201                  | 3,770          | 97                      | 3,867                             |
| Other Water Revenue                  | 0                          | 0                    | 0                    | 0                    | 0                      | 0              | 0                       | 0                                 |
| <b>Total</b>                         | <b>425,750</b>             | <b>2,980</b>         | <b>9,004</b>         | <b>9,192</b>         | <b>446,926</b>         | <b>536,202</b> | <b>10,279</b>           | <b>546,481</b>                    |
| <b>Operating Expenses</b>            |                            |                      |                      |                      |                        |                |                         |                                   |
| Purchased Power                      | 49,296                     |                      |                      |                      | 49,296                 | 70,775         |                         | 70,775                            |
| Other Volume Related Expenses        | 88,905                     |                      |                      |                      | 88,905                 | 152,196        |                         | 152,196                           |
| Employee Labor                       | 18,085                     |                      |                      |                      | 18,085                 | 50,250         |                         | 50,250                            |
| Materials                            | 2,653                      |                      |                      |                      | 2,653                  | 3,810          |                         | 3,810                             |
| Contract Work                        | 18,093                     |                      |                      |                      | 18,093                 | 20,647         |                         | 20,647                            |
| Transportation Expense               | 3,058                      |                      |                      |                      | 3,058                  | 1,972          |                         | 1,972                             |
| Other Plant Maintenance Expenses     | 6,027                      |                      |                      |                      | 6,027                  | 3,587          |                         | 3,587                             |
| 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                 | 11,025         |                         | 11,025                            |
| Uncollectibles Expense               | 2,129                      |                      |                      |                      | 2,129                  | 0              |                         | 0                                 |
| Office Services and Rentals          | 6,000                      |                      |                      |                      | 6,000                  | 16,875         |                         | 16,875                            |
| Office Supplies and Expenses         | 9,843                      |                      |                      |                      | 9,843                  | 10,144         |                         | 10,144                            |
| Professional Services                | 5,603                      |                      |                      |                      | 5,603                  | 21,344         |                         | 21,344                            |
| Insurance                            | 8,303                      |                      |                      |                      | 8,303                  | 6,382          |                         | 6,382                             |
| Regulatory Commission Expense        | 5,598                      |                      |                      |                      | 5,598                  | 786            |                         | 786                               |
| General Expense                      | 2,595                      |                      |                      |                      | 2,595                  | 3,575          |                         | 3,575                             |
| Depreciation                         | 12,399                     |                      |                      |                      | 12,399                 | 17,101         |                         | 17,101                            |
| Taxes Other Than Income Taxes        | 14,428                     |                      |                      |                      | 14,428                 | 18,749         |                         | 18,749                            |
| Income Taxes                         | 30,698                     |                      |                      |                      | 30,698                 | 26,677         |                         | 26,677                            |
| <b>Total Operating Expenses</b>      | <b>349,889</b>             |                      |                      |                      | <b>349,889</b>         | <b>495,895</b> |                         | <b>495,895</b>                    |
| <b>Net Revenue</b>                   | <b>75,861</b>              |                      |                      |                      | <b>97,037</b>          | <b>40,307</b>  |                         | <b>50,586</b>                     |
| <b>Average Rate Base:</b>            |                            |                      |                      |                      |                        |                |                         |                                   |
| Water Plant in Service               | 1,877,559                  |                      |                      |                      | 1,877,559              | 2,277,484      |                         | 2,277,484                         |
| Less:                                |                            |                      |                      |                      |                        |                |                         | 0                                 |
| Accumulated Depreciation             | (1,052,207)                |                      |                      |                      | (1,052,207)            | (1,520,232)    |                         | (1,520,232)                       |
| Advances for Construction            | (154,223)                  |                      |                      |                      | (154,223)              | (150,501)      |                         | (150,501)                         |
| CIAC                                 | (660,129)                  |                      |                      |                      | (660,129)              | (346,393)      |                         | (346,393)                         |
| Accum. Deferred Income Taxes         | 0                          |                      |                      |                      | 0                      | (67,881)       |                         | (67,881)                          |
| Plus:                                |                            |                      |                      |                      |                        |                |                         |                                   |
| Materials                            | 27,200                     |                      |                      |                      | 27,200                 | 8,700          |                         | 8,700                             |
| Working Cash                         | 4,000                      |                      |                      |                      | 4,000                  | 36,436         |                         | 36,436                            |
| Construction Work in Progress        | 0                          |                      |                      |                      | 0                      | 0              |                         | 0                                 |
| <b>Adopted Rate Base Res. W-4905</b> | <b>42,200</b>              |                      |                      |                      | <b>42,200</b>          | <b>237,613</b> |                         | <b>237,613</b>                    |
| <b>Authorized Rate of Margin</b>     | <b>24.89%</b>              |                      |                      |                      | <b>24.89%</b>          | <b>8.95%</b>   |                         | <b>11.23%</b>                     |

**WEST SAN MARTIN WATER WORKS, INC.**  
**Advice Letter No. 72**  
**Financial Information**

**Estimated 2020 Annual Revenue**

|                                      |                |
|--------------------------------------|----------------|
| Recorded 2019 Water Revenue          | \$ 536,202     |
| Revenue Increase: (\$446,926 x 2.3%) | 10,279         |
| Estimated 2020 Revenue               | <u>546,481</u> |

**Actual Expenses for Calendar Year 2019**

|   |                   |
|---|-------------------|
| (Excluding Other Income and Other Expenses) | <u>\$ 495,895</u> |
|---|-------------------|

**Average Rate Base - Year 2019**

\$ 237,613

**Basis for Rate of Margin**

|  |                   |
|--|-------------------|
| Recorded 2019 Operating Expenses                 | 433,368           |
| Recorded 2019 Depreciation                       | <u>17,101</u>     |
| Total Basis for Rate of Margin                   | <u>450,469</u>    |
| Authorized Rate of Margin                        | 24.89%            |
| Net Revenue to be Earned Based on Rate of Margin | <u>\$ 112,122</u> |
| Net Revenue Achieved after CPI Increase          | <u>\$ 50,586</u>  |