

**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: Dec. 28, 2020

CPUC Utility #: WTD 170

Protest Deadline (20th Day): Jan. 18, 2021

Advice Letter #: 74-W

Review Deadline (30th Day): Jan. 28, 2021

Tier 1 2 3 Compliance

Requested Effective Date: Jan. 29, 2021

Authorization PU Code 755

Rate Impact: \$0
%

Description: Process payments using credit or debit card or
ACH/e-check and establish a Payment
Processing Costs Memorandum Account

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 Ukstad

Utility Contact 2:

Phone: 408-683-2098

Phone 2:

Email: brian.ukstad@wsmwater.com

Email 2:

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WITHDRAWN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

December 28, 2020

Advice Letter No. 74-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 and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
396-W	Preliminary Statement	285-W
397-W – 400-W	Rendering and Payment of Bills	16-W, 17-W, 269-W
401-W	Table of Contents	395-W

REQUEST

By Advice Letter 74-W, WSM requests similar treatment as was afforded to Valencia Water Company in Resolution (Res.) W-4908 dated April 19, 2012, Apple Valley Ranchos Water Company in Res. W-4935 dated January 10, 2013, Great Oaks Water Company in Res. W-4979 dated October 16 2014, Bakman Water Company in Res. W-5018 dated January 29, 2015 and Lukins Brothers Water Company in Res. W-5072 dated December 3, 2015 pursuant to Industry Rule 8.2 (Request for Similar Treatment) of General Order 96-B and PU Code 755.

WSM seeks Commission authorization to:

- (a) Offer its customers the option of paying their water bills using a credit card or debit card, by Automatic Clearing House (ACH) or electronic check through a third-party;
- (b) Open a memorandum account to track expenses associated with the proposed payment options.
- (c) Allow customers to receive water bills and most legally mandated notices electronically.

West San Martin Water Works, Inc.

1005 Highland Ave
San Martin, CA 95046

WSM is offering this service in response to numerous requests from customers and not as a cost savings measure and will not improve profitability. WSM will not receive any revenue from the service; customers not utilizing this service will not incur any fee or other expenses; and water service and rates will not be affected by the proposed payment options.

Customers who choose to use this service may pay their water bills using one of these payment options in person; via telephone; through a provided internet/web-based system; or through a Customer Service Representative-assisted system. The convenience fee of \$2.95 for credit or debit card, or \$2.35 for e-check is charged directly to the customer by the third-party vendor, and this will produce no revenue for WSM.

WSM requested proposals for the proposed payment options from three vendors (See Exhibits 1-4). Each vendor's proposal was required to satisfy criteria that included: (1) revenue-neutral credit card, debit card, and ACH/electronic check payment processing with no revenue generated or cost to WSM; (2) a web-based payment option; (3) ability to make credit card or debit card payments at WSM's offices; (4) ability for customers to make payments after hours and on weekends; (5) WSM to receive payments notification at nearly real-time or within 24 to 48 hours(maximum); (6) WSM to have the ability to customize the implementation and management of any web-based payment option, and (7) WSM's Customer Service Representatives (CSR) should have the ability to take payments over the telephone. WSM selected Nextbillpay, as its third-party payment vendor, to provide the proposed services. Nextbillpay is also the lowest cost third-party vendor. The convenience fee will be \$2.95 per transaction up to \$300 and 2.75% for transaction over \$300 for using the automated system to pay their bills by credit card or debit card and \$2.35 for ACH/electronic checks. The same convenience fees apply to payments made that require assistance from a CSR either by phone or at a WSM' office.

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

WSM respectfully requests expedited handling of this advice letter.

West San Martin Water Works, Inc.

1005 Highland Ave
San Martin, CA 95046

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

These tariffs are submitted pursuant to Water Industry Rule 8.1 of General Order (GO.) 96-B and this advice letter is designated as a Tier 3 filing. This advice letter will become effective upon Commission approval through a Resolution.

NOTICE

In compliance with GO. 96-B, General Rule 4.3 and 4.7, a copy of this advice letter has been served to all parties on the AL 74-W service list. 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 DWA within 20 days of the date this advice letter is filed. The addresses for submitting a response or protest are:

West San Martin Water Works, Inc.

1005 Highland Ave
San Martin, CA 95046

Mailing Address:

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

Email Address:

Water.Division@cpuc.ca.gov

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

Mailing Address:

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

Email Address:

brian.ukstad@wsmwater.com

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

1005 Highland Ave
San Martin, CA 95046

CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter 74-W has been served a copy of this Advice Letter No. 74-W on December 28, 2020.

Executed in San Martin, California on the December 28, 2020.

West San Martin Water
Works, Inc.

By: /s/ BRIAN UKSTAD

Brian Ukstad
President

Enclosures:

PRELIMINARY STATEMENT
(continued)

F. MEMORANDUM ACCOUNTS

The company has established the following memorandum accounts. The purpose of these accounts is to recover costs not anticipated in rates. The balance in these accounts will be recovered in rates after CPUC review and audit of the reasonableness of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision or Public Utilities Code (PU Code). Additional description can be found in the authorizing document (s).

1. Unanticipated Repair Cost Memorandum Account (URCMA), Decision 92-03-093, dated March 31, 1992
2. Catastrophic Event Memorandum Account (CEMA), Resolution E-3238, dated July 24, 1991 and PU Code 454.9
Note: Should a disaster or emergency occur, the utility will inform the Division of Water and Audits of the CPUC, within 30 days after the catastrophic event, that the utility has started booking costs to its CEMA.
3. Infrastructure Act Memorandum Account (IAMA), Decision 06-05-041, dated May 25, 2006 and PU Code 789
Note: This account is established to track gains on real property.
4. Water Contamination Litigation Expense Memorandum Account, Resolution W-4094, dated March 26, 1998
5. Payment Processing Costs Memorandum Account. (N)

G. BALANCING ACCOUNT

The company has established the following balancing accounts. The purpose of these accounts is to track changes in costs for the named expense category. The balance in these accounts will be recovered in rates after CPUC review and audit of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision or Public Utilities Code (PU Code).

1. Purchased Power, Resolution W-4467, April 22, 2004.
2. Purchased Water, Resolution W-4467, April 22, 2004.
3. Pump Tax, Resolution W-4467, April 22, 2004.
4. Payroll, Resolution W-4467, April 22, 2004.
5. Payroll Taxes, Resolution W-4467, April 22, 2004.

(To be inserted by utility)

Advice Letter No. 74-W

Decision No. _____

Issued By

Brian R. Ukestad

President

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

Date Filed _____

Effective _____

Resolution No. _____

Rule No. 9

RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

Bills for service will be rendered each customer on a monthly or bi-monthly basis at the option of the utility, unless otherwise provided in the rate schedules.

At the customer's request, the utility may be requested to provide either paper or electronic bills for rendered service, but not both.

(N)

The customer may elect to receive and view regular bills for service and other legal and mandated notices electronically and to no longer receive paper bills and legal and mandated notices. Customers requesting this option may be required to complete additional forms and agreements. Legal and mandated notices shall be included with the utility's electronic means of bill delivery; except however, all notices of termination of service shall be made in accordance with Rule No. 8. The customer may discontinue electronic billing upon 30 days prescribed notice.

(N)

1. Metered Service

- a. Meters will be read at regular intervals for the preparations of periodic bills and as required for the preparation of opening bills, closing bills, and special bills.
- b. The opening bill for metered service will not be less than the established monthly minimum of readiness-to-serve charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
- c. It may not have always been practicable to read meters at intervals which will result in billing period of equal numbers of days.
 - (1) Should a monthly billing period contain less than 27 days or more than 33 days a pro rata correction in the amount of the bill will be made.
 - (2) The charge for metered service for a bi-monthly period will be computed by doubling the monthly minimum or readiness-to-serve charge and the number of cubic feet to which each block rate is applicable on a monthly basis.

continued

(To be inserted by utility)

Issued By

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

Advice Letter No. 74-W

Brian R. Ukestad

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

Rule No. 9
RENDERING AND PAYMENT OF BILLS
(continued)

- 1. Metered Service (continued)
 - A. 1. c. (3) For billing periods other than monthly or bi-monthly, adjustments will be made proportionate to that for a monthly billing period. (L)
 - d. Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered, the meter constant, if any, the number and kind of units, and date of the current meter reading.
 - e. Each meter on a customer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided for in the applicable rate schedule, or where the utility's operating convenience of necessity may require the use of more than one meter or a battery of meters. In the latter case, the monthly minimum or readiness-to-serve charges will be prorated from the monthly minimum or readiness-to-serve charges of the applicable rate schedule upon the basis of a meter size equivalent in diameter to the total combined discharge areas of such meters.
- 2. Flat Rate Service
 - a. Bill for flat rate service area payable in advance.
 - b. The opening bill for flat rate service will be the established monthly charge for the service. Any amount paid in excess of the prorates charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.
 - c. For billing periods other than monthly, the charge for flat rate service will be computed by multiplying the monthly charge by the number of months in the billing period.
- 3. Proration of Bills
 - a. The charges applicable to opening periods, closing bills, and bills rendered for periods corresponding to less than 27 days or more than 33 days for monthly billing periods will be computed as follows: (L)

(continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 74-W

Brian R. Ukestad

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

Rule No. 9
RENDERING AND PAYMENT OF BILLS

(continued)

3. Proration of Bills (continued)

(1) Metered Service (L)

The amount of the minimum charge (and the quantity allowed therefore) or the readiness-to-serve charge and the quantity in each of the several quantity rate blocks will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average billing period. The measured quantity of usage will be applied to such prorated amounts and quantities.

(2) Flat Rate Service

The billing period charge will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average e billing period.

(3) Average Billing Period

The number of days in an average billing period is defined as 365 divided by the number of billing periods in a year. (It is 30.4 days for a monthly billing period.)

B. Payment of Bills

Bills for service are due and payable upon presentation and payment may be made at any commercial office of the utility or to any representative of the utility authorized to make collections. Collection of closing bills may be made at the time of presentation.

1. The utility may charge \$20.00 for any bad check or electronic fund transfer not honored by the customer's financial institution or a payment processor. (L)
(N)
(N)

(continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 74-W

Brian R. Ukestad

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

Rule No. 9
RENDERING AND PAYMENT OF BILLS

(continued)

- B. Payment of Bills (continued) (N)
2. Credit/Debit Card Option (N)
- At the option of the customer a credit or debit card payment can be made through a third-party vendor. A non-refundable transaction fee of \$2.95 or 2.75% (amounts over \$300) per transaction shall apply. The transaction fee will be over and above the utility bill amount and may be charged to the customer by a third-party vendor for this service and will not be on the utility billing statement. For customers with more than one account, a separate transaction fee is necessary for each account. This payment option is not available to customers who have made fraudulent payments within the last 12 months. (N)

(To be inserted by utility)

Advice Letter No. 74-W

Decision No. _____

Issued By

Brian R. 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:

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(To be inserted by utility)

Issued By

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

Advice Letter No. 74-W

Brian R. Ukestad

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

West San Martin Water Works, Inc.

1005 Highland Ave
San Martin, CA 95046

ADVICE LETTER NO. 74-W

SERVICE LIST

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