



CALIFORNIA WATER SERVICE COMPANY
1720 NORTH FIRST STREET
SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428

May 20, 2009

Advice Letter No. 1924

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To The Public Utilities Commission of the State of California:

California Water Service Company (Cal Water) hereby transmits for filing the following changes in its tariffs applicable to its MID-PENINSULA district and four copies of each are attached hereto:

<u>C.P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule No.</u>	<u>Canceling C.P.U.C. Sheet No.</u>
7755-W	Residential Metered Service	MID-1-R	7702-W
7756-W	Nonresidential Metered Service	MID-1-NR	7703-W
7757-W	Preliminary Statement M (Page WRAM 7)		7427-W
7758-W	Table of Contents (Page 3)		7751-W
7759-W	Table of Contents (Page 1)		7754-W

Summary

This filing increases rates by \$1,747,999 or 6.3% to adjust for an increase in purchased water rates in the Mid-Peninsula District. According to Water Industry Rule (GO-96-B) 7.3 as modified by Resolution W-4664, this filing is designated Tier 1 and is effective pending Commission determination. Cal Water requests that this Tier 1 Advice Letter become effective on July 1, 2009, the effective date of the new SFPUC rates.

Background

Purchased water for the Mid-Peninsula District is obtained from San Francisco Public Utilities Commission (SFPUC). SFPUC increased its rates on July 1, 2009. As shown in the attached workpapers, SFPUC increased its quantity rate from \$1.43 per Ccf. (approved in AL 1892) to \$1.65 per Ccf.

The present rates for the Mid-Peninsula District became effective on August 25, 2008 in Advice Letter 1892 filing authorized by D.08-07-008. In the last General Rate Case, D.06-08-011, no allowance was made for future changes in (1) rates for purchased water, (2) local taxes, or (3) uncollectibles. Below is a summary of the expense increases requested in this advice letter.



Item	Expense Increase
a) Purchased Water	\$ 1,746,200
c) Uncollectibles	1,800
Total	<u>\$1,748,000</u>

Note: Total may not match due to rounding.

The offset costs are variable in nature, so Cal Water is designing rates with 100% of the increase in the quantity rates. Each residential tier has been increased by the same percentage to keep the adopted tier ratios intact. Quantity rates increase \$0.1955 for Tier 1, \$0.2058 for tier 2, and \$0.2470 for tier 3. Nonresidential rates increase \$0.2812 or \$0.2864 depending on meter size.

The Commission staff has been provided standard workpapers in accordance with Standard Practice U-27-W.

Discussion

In addition, in order to properly implement the WRAM/MCBA mechanism adopted in D.08-02-036, Cal Water proposes changes to its preliminary statement M that reflect the quantities and rate design proposed in this offset.

Requested Effective Date

Under General Order 96-B, Water Industry Rule 7.3.1, as modified by Resolution W-4664 this is a Tier 1 advice letter. As provided in GO-96-B, General Rule 7.3.2, Cal Water requests a later effective date of July 1, 2009. The effectiveness is subject to refund pending the Commission staff's determination that the filing complies with the standard practice, that the changes in wholesale purchased water and pump tax costs are correct, and that the proposed rate design is equitable and correctly calculated.

Notice

This advice letter is filed in compliance with Standard Practice U-27-W. No customer notice is required. In accordance with General Order 96-B, General Rule 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on May 20, 2009 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

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 Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

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

Darin T. Duncan
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8430 or
E-mail dduncan@calwater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits, 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.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20 day comment period.

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 5 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.



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 1924, Mid-Peninsula Purchase Water Offset

Page 4

If you have not received a reply to your protest within 10 business days, contact California Water Service Company at 408/367-8200.

CALIFORNIA WATER SERVICE COMPANY

A handwritten signature in cursive script that reads "Darin T. Duncan".

Darin T. Duncan
Manager of Rates

Enclosures

cc: Ting-Pong Yuen, DRA

**CALIFORNIA PUBLIC UTILITIES
COMMISSION
DIVISION OF WATER AND
AUDITS
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

AL # 1924	Date Mailed to Service List: May 20, 2009	Requested Effective Date: July 1, 2009	Requested Tier: <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
Replacing AL#:	Authorized by: D.08-07-008	Compliance Filing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Rate	\$ 1,747,999
			Impact	% 6.3

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to:

water_division@cpuc.ca.gov

Your protest also must be served on the Utility

(see attached advice letter for more information and grounds for protest)

Company Name: California Water Service Company

CPUC Utility Number:
WTA U-60-W

Address: 1720 North First Street

City, State, Zip: San Jose, CA 95112

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	DARIN DUNCAN	408-367-8200	408-367-8340	dduncan@calwater.com
Alternate	TU RASH	408-367-8235	408-367-8426	turash@calwater.com

Description:

In this space or on the back of this form:

1. Explain justification for requested Tier – Purchase water offset, Tier 1
2. Describe service affected and how it is affected – quantity rates will increase for residential and non-residential customers
3. Describe differences from related Advice Letters (Similar service, replacement filing): n/a

(FOR CPUC USE ONLY)

WTS Budget/Activity/Type _____/_____/_____	Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
Project Manager: _____	20th Day _____ 30th Day _____
Analyst: _____	Suspended on: _____
Due Date: _____	Extended on: _____
Completion Date: _____	Resolution No.: _____
	AL/Tariff Effective Date: _____

Table of Contents

The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>																		
Title Page	5613-W																		
Table of Contents	7759-7750-7758-7752-7753-7343-5317-2926-W (C)																		
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Cal. P.U.C. Sheet No.</u></th> <th style="text-align: left;"><u>Cal. P.U.C. Sheet No.</u></th> </tr> </thead> <tbody> <tr> <td>Preliminary Statement A 3836-W</td> <td>Preliminary Statement K 7313-W</td> </tr> <tr> <td>Preliminary Statement B-D .. 610-W</td> <td>Preliminary Statement L 6686-W</td> </tr> <tr> <td>Preliminary Statement E 6175-W</td> <td>Preliminary Statement M7345-7346-7571-7457-7462-7450-7757-7474-7286-7576-7468-W (C)</td> </tr> <tr> <td>Preliminary Statement F 6323-W</td> <td>Preliminary Statement N7315-7316-W</td> </tr> <tr> <td>Preliminary Statement G 6479-W</td> <td>Preliminary Statement O 7318-W</td> </tr> <tr> <td>Preliminary Statement H 6686-W</td> <td>Preliminary Statement P 7446-W</td> </tr> <tr> <td>Preliminary Statement I 6757-W</td> <td>Preliminary Statement Q 7485-W</td> </tr> <tr> <td>Preliminary Statement J 6686-W</td> <td></td> </tr> </tbody> </table>		<u>Cal. P.U.C. Sheet No.</u>	<u>Cal. P.U.C. Sheet No.</u>	Preliminary Statement A 3836-W	Preliminary Statement K 7313-W	Preliminary Statement B-D .. 610-W	Preliminary Statement L 6686-W	Preliminary Statement E 6175-W	Preliminary Statement M7345-7346-7571-7457-7462-7450-7757-7474-7286-7576-7468-W (C)	Preliminary Statement F 6323-W	Preliminary Statement N7315-7316-W	Preliminary Statement G 6479-W	Preliminary Statement O 7318-W	Preliminary Statement H 6686-W	Preliminary Statement P 7446-W	Preliminary Statement I 6757-W	Preliminary Statement Q 7485-W	Preliminary Statement J 6686-W	
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Service Area Maps:

General Location of Districts	3027-W
Bakersfield District	5648-W
Bear Gulch District	7336-W
Chico – Hamilton City District	6869-W
Dixon District	4633-W
East Los Angeles District	6174-W
Grand Oaks District	6824-W
Hermosa-Redondo District	6821-W
King City District	6139-W
Kern River Valley District	
Mountain Shadows Service Area.....	6321-W
Ponderosa Pines Service Area.....	6418-W
Livermore District	6141-W
Los Altos District	3510-W
Marysville District	1689-W
Mid-Peninsula District	5233-W
Oroville District	3477-W
Palos Verdes District	6898-W
Redwood Valley District	
Coast Springs Service Area	5781-W
Salinas District	5634-W
Las Lomas Service Area	3820-W
Oak Hills Service Area	3821-W
Selma District	6755-W
South San Francisco District	3368-3245-W
Stockton District	6145-W
Visalia District	6147-W
Westlake District	3294-W
Willows District	3235-W

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<u>Sheet Subject Matter</u>	<u>Service Area</u>	<u>Schedule Number</u>	<u>Cal. P.U.C. Sheet No.</u>
<u>RATE SCHEDULES:</u>			
GRAND OAKS DISTRICT			
Residential Metered Service-		GO-R-1	7437-W
HERMOSA-REDONDO DISTRICT			
Residential Metered Service		HR-1-R	7565-W
Nonresidential Metered Service		HR-1-NR	7566-W
Private Fire Protection Service		HR-4	5371-W
Private Fire Protection Service		HR-4RPF	4652-W
Public Fire Hydrant Service		HR-5	3446-W
Reclaimed Water Service		HR-6	7479-W
KERN RIVER VALLEY DISTRICT			
General Metered Service	Arden	KRV-AR-1	7514-W
General Metered Service	Bodfish	KRV-BD-1	7515-W
General Metered Service	Kernville	KRV-KD-1	7516-W
General Metered Service	Lakeland	KRV-LK-1	7517-W
General Metered Service	Squirrel Mountain	KRV-SQ-1	7518-W
General Metered Service	All Other Areas	KRV-AO-1	7519-W
Interruptible Public			
Authority Irrigation Service	Kernville	KRV-KD-2	7520-W
Private Fire Protection Service		KRV-4	6564-W
KING CITY DISTRICT			
Residential Metered Service		KC-1-R	7241-W
Nonresidential Metered Service		KC-1-NR	7242-W
Private Fire Protection Service		KC-4	6944-W
LIVERMORE DISTRICT			
Residential Metered Service		LV-1-R	7448-W
Nonresidential Metered Service		LV-1-NR	7449-W
Private Fire Protection Service		LV-4	7183-W
LOS ALTOS-SUBURBAN DISTRICT			
Residential Metered Service		LS-1-R	7384-W
Nonresidential Metered Service		LS-1-NR	7385-W
Private Fire Protection Service		LS-4	7186-W
Public Fire Hydrant Service		LS-5	3447-W
MARYSVILLE DISTRICT			
Residential Metered Service		MR-1-R	7523-W
Nonresidential Metered Service		MR-1-NR	7524-W
Residential Flat Rate Service		MR-2R	7525-W
Private Fire Protection Service		MR-4	6567-W
MID PENINSULA DISTRICT			
Residential Metered Service		MID-1-R	7755-W (C)
Nonresidential Metered Service		MID-1-NR	7756-W (C)
Private Fire Protection Service		MID-4	7189-W

(continued)

(To be inserted by utility)
 Advice Letter No. 1924
 Decision No. -

Issued by
THOMAS F. SMEGAL
NAME
Vice President
TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed May 20, 2009
 Effective July 1, 2009
 Resolution No. -

Schedule No. MID-1-R
Mid-Peninsula Tariff Area
RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service provided to single-family residential customers.

TERRITORY

San Mateo, San Carlos and vicinity, San Mateo County.

RATES

Quantity Rates:

For the first 900 cubic feet, per 100 cubic feet.....	\$3.0339	(I)
For the next 1,300 cubic feet, per 100 cubic feet.....	3.1936	
For all over 2,200 cubic feet, per 100 cubic feet.....	3.8323	(I)

	Per Meter	
Service Charge:	Per Month	
For.....5/8 x 3/4 - inch meter	\$8.75	
For.....3/4 - inch meter	13.13	
For.....1 - inch meter	17.97	
For.....1-1/2 - inch meter	28.76	
For.....2 - inch meter	58.93	
For.....3 - inch meter	117.87	
For.....4 - inch meter	169.79	
For.....6 - inch meter	259.59	
For.....8 - inch meter	399.92	
For.....10 - inch meter	533.22	
For.....12 - inch meter	766.85	
For.....14 - inch meter	1,045.74	

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 rates.

Government Fee Surcharges:

Surcharge for San Carlos Franchise Tax *	1.733%
Surcharge for San Mateo Business License Fee **	1.350%

*Applies to customers within the City of San Carlos only

**Applies to customers within the City of San Mateo only

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fees set forth on Schedule UF.
2. All bills are subject to any applicable surcharges on Schedules RSF and LIRA-SC.
3. Qualifying low-income individually metered and flat rate residential customers, non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers are eligible for credits as shown on Schedule LIRA
4. Due to the delay in implementing D.08-07-008 from July 1, 2008 to July 10, 2008, a surcharge of \$0.0064 per 100 cu. ft. of water used is to be applied to the quantity rates for 12 months from November 16, 2008, the effective date of Advice Letter No.1887.
5. A one-time surcharge of \$0.3243 is to be added to each bill after May 28, 2009, the effective date of Advice Letter 1922 to recover the amount paid to the CPUC for the Division of Ratepayer Advocates' audit of Cal Water's General Office.
6. A surcredit of \$-0.3333 is to be added to each bill on or after June 1, 2009, the effective date of Advice Letter 1923, to reflect the Cost of Capital authorized by the CPUC in Decision 09-05-019.

Schedule No. MID-1-NR
Mid-Peninsula Tariff Area
NONRESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service except that provided to single-family residential customers.

TERRITORY

San Mateo, San Carlos and vicinity, San Mateo County.

RATES

Quantity Rates:

For meter sizes up to 6 inches, per 100 cubic feet	\$3.4062	(I)
For meter sizes 8 inches and above, per 100 cubic feet.....	3.4682	(I)

	Per Meter
	Per Month
Service Charge:	
For.....5/8 x 3/4 - inch meter	\$6.56
For.....3/4 - inch meter	9.84
For.....1 - inch meter	13.48
For.....1-1/2 - inch meter	21.57
For.....2 - inch meter	44.20
For.....3 - inch meter	88.40
For.....4 - inch meter	127.34
For.....6 - inch meter	194.69
For.....8 - inch meter	299.94
For.....10 - inch meter	399.91
For.....12 - inch meter	575.14
For.....14 - inch meter	784.30

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 rates.

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(To be inserted by utility)

Issued by

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

Advice Letter No. 1924

THOMAS F. SMEGAL

Date Filed May 20 2009

Decision No. -

Vice President

Effective July 1 2009

TITLE

Resolution No. -

Preliminary Statement
 (continued)

M. WATER REVENUE ADJUSTMENT MECHANISM / MODIFIED COST BALANCING ACCOUNT
 (WRAM/MCBA)

Monthly Detail (In Thousands of Dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	Month	Service Charge and other Non-WRAM Revenue	Quantity Charge for WRAM	Total	Purchased Power	Purchased Water	Pump Tax	Total Production Cost	
13. Marysville	JUL	\$141.3	\$81.8	\$223.1	\$24.6	\$0.0	\$0.0	\$24.6	
	AUG	\$141.3	\$83.3	\$224.6	\$22.9	\$0.0	\$0.0	\$22.9	
52.4% MCBA Non-WRAM	SEP	\$141.3	\$92.6	\$233.9	\$17.8	\$0.0	\$0.0	\$17.8	
47.6% MCBA WRAM	OCT	\$141.3	\$65.5	\$206.8	\$13.5	\$0.0	\$0.0	\$13.5	
	NOV	\$141.3	\$53.2	\$194.5	\$10.0	\$0.0	\$0.0	\$10.0	
<u>Revenue Split Reference</u>	DEC	\$141.3	\$46.8	\$188.1	\$9.1	\$0.0	\$0.0	\$9.1	
AL 1923 * June 1, 2009	JAN	\$141.3	\$41.3	\$182.6	\$8.5	\$0.0	\$0.0	\$8.5	
<u>Total Rev and MCBA Reference</u>	FEB	\$141.3	\$39.1	\$180.4	\$7.8	\$0.0	\$0.0	\$7.8	
AL 1866 * July 15, 2008	MAR	\$141.3	\$39.3	\$180.6	\$9.0	\$0.0	\$0.0	\$9.0	
	APR	\$141.3	\$41.5	\$182.8	\$10.2	\$0.0	\$0.0	\$10.2	
	MAY	\$131.9	\$47.0	\$178.8	\$15.4	\$0.0	\$0.0	\$15.4	
	JUN	\$141.3	\$68.5	\$209.8	\$19.7	\$0.0	\$0.0	\$19.7	
	12 Month Total	\$1,686.1	\$700.0	\$2,386.0	\$168.5	\$0.0	\$0.0	\$168.5	
14. Mid Peninsula	JUL	\$461.6	\$2,764.3	\$3,225.9	\$61.1	\$1,559.8	\$0.0	\$1,620.9	(C)
	AUG	\$461.6	\$2,600.9	\$3,062.4	\$56.8	\$1,453.1	\$0.0	\$1,510.0	
0.0% MCBA Non-WRAM	SEP	\$461.6	\$2,805.7	\$3,267.2	\$60.7	\$1,549.7	\$0.0	\$1,610.4	
100.0% MCBA WRAM	OCT	\$461.6	\$2,311.8	\$2,773.4	\$48.4	\$1,243.7	\$0.0	\$1,292.1	
	NOV	\$461.6	\$1,921.6	\$2,383.2	\$38.0	\$985.5	\$0.0	\$1,023.5	
<u>Revenue Split Reference</u>	DEC	\$461.6	\$1,638.6	\$2,100.2	\$33.1	\$863.1	\$0.0	\$896.3	
AL 1924 * July 1, 2009	JAN	\$461.6	\$1,480.2	\$1,941.8	\$30.2	\$790.7	\$0.0	\$820.9	
<u>Total Rev and MCBA Reference</u>	FEB	\$461.6	\$1,352.6	\$1,814.1	\$27.8	\$729.7	\$0.0	\$757.5	
AL 1924 * July 1, 2009	MAR	\$461.6	\$1,503.5	\$1,965.1	\$38.9	\$1,007.0	\$0.0	\$1,045.9	
	APR	\$461.6	\$1,575.4	\$2,036.9	\$33.7	\$876.4	\$0.0	\$910.1	
	MAY	\$320.1	\$1,851.5	\$2,171.5	\$40.8	\$1,053.2	\$0.0	\$1,094.0	
	JUN	\$461.6	\$2,483.1	\$2,944.6	\$52.9	\$1,354.5	\$0.0	\$1,407.4	
	12 Month Total	\$5,397.5	\$24,289.1	\$29,686.6	\$522.5	\$13,466.5	\$0.0	\$13,989.0	(C)
15. Oroville	Jul-09	\$129.4	\$212.5	\$342.0	\$29.7	\$27.7	\$0.0	\$57.3	
	Aug-08	\$129.4	\$299.7	\$429.1	\$30.7	\$26.0	\$0.0	\$56.6	
8.6% MCBA Non-WRAM	Sep-08	\$129.4	\$332.7	\$462.1	\$23.9	\$20.5	\$0.0	\$44.4	
91.4% MCBA WRAM	Oct-08	\$129.4	\$201.5	\$330.9	\$19.1	\$18.9	\$0.0	\$38.0	
	Nov-08	\$129.4	\$138.6	\$268.0	\$13.2	\$13.0	\$0.0	\$26.1	
<u>Revenue Split Reference</u>	Dec-08	\$129.4	\$90.2	\$219.6	\$12.5	\$12.1	\$0.0	\$24.6	
AL 1923 * June 1, 2009	Jan-09	\$129.4	\$92.5	\$221.9	\$11.7	\$11.3	\$0.0	\$23.0	
<u>Total Rev and MCBA Reference</u>	Feb-09	\$129.4	\$82.4	\$211.9	\$10.9	\$10.5	\$0.0	\$21.4	
AL 1895 * January 13, 2009	Mar-09	\$129.4	\$87.7	\$217.1	\$12.5	\$10.9	\$0.0	\$23.4	
	Apr-09	\$129.4	\$98.6	\$228.0	\$11.7	\$7.7	\$0.0	\$19.4	
	May-09	\$88.5	\$115.4	\$204.0	\$19.4	\$18.4	\$0.0	\$37.8	
	Jun-09	\$129.4	\$163.0	\$292.5	\$23.3	\$22.3	\$0.0	\$45.6	
	12 Month Total	\$1,512.2	\$1,914.7	\$3,426.9	\$218.5	\$199.3	\$0.0	\$417.8	

*Step or Offset - Adopted Quantities Advice Letter Number

MID PENINSULA DISTRICT
Offset Calculation For Advice Letter 1924

A) PURCHASED POWER

1	PURCHASED POWER Adopted in A.L. 1879	\$522.5
2	kWh ADOPTED (From D.08-07-008 Appendix A, pg. 8)	3,249,838
3	CHANGES IN COST per kWh	\$0.00000
4	PURCHASED POWER INCREASE or (DECREASE) (2) * (3)	\$0.0
5	PURCHASED POWER COSTS (1) + (4)	\$522.5

B) PURCHASED WATER

1	PURCHASED WATER ADOPTED IN A.L. 1879	\$11,720.3
2	KCcf ADOPTED (From D.08-07-008 Appendix A, pg. 8)	7,938.8
3	CHANGE IN S.F.W.D. WATER RATES FROM ADOPTED TO CURRENT	14.90%
4	\$ - AMT OF CHANGE - PURCHASED WATER (1) * (3)	\$1,746.2
5	COST OF PURCHASED WATER AT 7/09 RATES BEFORE SERVICE CHARGES AND FEES	\$13,466.5

C) INCOME TAX ADJUSTMENT

1	REVENUE INCREASE or (DECREASE)	0.0
2	EXPENSE INCREASE or (DECREASE)	1,746.2
3	TAXIBLE EARNINGS INCREASE or (DECREASE) (1) - (2)	(1,746.2)
4	COMPOSITE TAX RATE (See Net-to-Gross)	43.84%
5	INCOME TAXES (3) * (4)	(765.5)

D) UNCOLLECTIBLES

1	REVENUE INCREASE or (DECREASE)	0.0
2	ADOPTED EFFECTIVE RATE (From D.08-07-008 Appendix A, pg. 8)	0.10226%
3	UNCOLLECTIBLES (1) * (2)	0.0

E) LOCAL FRANCHISE TAXES & BUS.LIC. (Not Included in Summary of Earnings)

1	REVENUE INCREASE or (DECREASE)	0.0
2	ADOPTED EFFECTIVE RATE (From D.08-07-008 Appendix A, pg. 8)	0.000000%
3	LOCAL TAXES (1) * (2)	0.0

F) REVENUE REQUIREMENT

1	NET REVENUE INCREASE or (DECREASE) REQUIRED.	980.7
2	ADOPTED NET-TO-GROSS MULTIPLIER (From D.08-07-008 Appendix A, pg. 8)	1.78245
3	GROSS REVENUE INCREASE or (DECREASE) REQUIRED. (1) * (2)	1,748.0
4	ADJUSTMENT TO REVENUE REQUIREMENT TO MATCH THE ADOPTED RATE OF RETURN	0.0
5	ADJUSTED GROSS REVENUE INCREASE or (DECREASE) REQUIRED. (3) + (4)	1,748.0

G) UNCOLLECTIBLES

1	REVENUE INCREASE or (DECREASE)	1,748.0
2	ADOPTED EFFECTIVE RATE	0.10226%
3	UNCOLLECTIBLES (1) * (2)	1.8

H) LOCAL FRANCHISE TAXES & BUS.LIC.

1	REVENUE INCREASE or (DECREASE)	1748.0
2	ADOPTED EFFECTIVE RATE	0.0000%
3	LOCAL TAXES (1) * (2)	0.0

I) INCOME TAX ADJUSTMENT

1	REVENUE INCREASE or (DECREASE)	1,748.0
2	EXPENSE INCREASE or (DECREASE)	1.8
3	TAXABLE EARNINGS INCREASE or (DECREASE) (1) - (2)	1,746.2
4	COMPOSITE TAX RATE	0.43840
5	INCOME TAXES (3) * (4)	765.5

MID-PENINSULA RATE DESIGN

Flat-rate Customers	Present Revenue	Current Rate	Proposed Rate	Difference	Services	Revenue Increase	Revenue
0- 6000 sq. ft.	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
6- 10000 sq. ft.	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
10- 16000 sq. ft.	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
16- 25000 sq. ft.	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
ADDITIONAL sq. ft.	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
Fire Protection+other	\$ 393,179.47					\$	\$ 393,179.47
	\$ 393,179.47					\$	\$ 393,179.47

		Grate	Service
0.00% %Rec	\$ -	0.0%	0.0%
%Flat	\$ -	0.0%	
63.55% %Res	\$ 1,110,798.77	6.9%	0.0%
36.45% %NR	\$ 637,200.04	9.0%	0.0%
	\$ (371.95)		

Residential Metered Services	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
5/8 x 3/4	\$ 2,639,070.00	\$ 8.75	\$ 8.75	\$ -	25,134	\$ -	\$ 2,639,070.00
3/4	\$ 4,567.50	\$ 13.13	\$ 13.13	\$ -	29	\$ -	\$ 4,569.24
1	\$ 1,264,573.82	\$ 17.97	\$ 17.97	\$ -	5,865	\$ -	\$ 1,264,728.60
1 1/2	\$ 45,904.22	\$ 28.76	\$ 28.76	\$ -	133	\$ -	\$ 45,900.96
2	\$ 44,554.40	\$ 58.93	\$ 58.93	\$ -	63	\$ -	\$ 44,551.08
3	\$ 7,072.13	\$ 117.87	\$ 117.87	\$ -	5	\$ -	\$ 7,072.20
4	\$ 8,150.03	\$ 169.79	\$ 169.79	\$ -	4	\$ -	\$ 8,149.92
6	\$ 3,115.09	\$ 259.59	\$ 259.59	\$ -	1	\$ -	\$ 3,115.08
8	\$ -	\$ 399.92	\$ 399.92	\$ -	-	\$ -	\$ -
10	\$ -	\$ 533.22	\$ 533.22	\$ -	-	\$ -	\$ -
12	\$ -	\$ 766.85	\$ 766.85	\$ -	-	\$ -	\$ -
14	\$ -	\$ 1,045.74	\$ 1,045.74	\$ -	-	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
	\$ 4,017,007.18				31,234	\$ -	\$ 4,017,157.08

Quantity Rate					Quantity (Ccf.)		
Tier 1	7,616,005.4	\$ 2.8384	\$ 3.0339	\$ 0.1955	2,683,239	\$ 524,673.72	\$ 8,140,679.09
Tier 2	3,163,871.5	\$ 2.9878	\$ 3.1936	\$ 0.2058	1,058,948	\$ 217,984.36	\$ 3,381,855.90
Tier 3	2,842,846.2	\$ 3.5853	\$ 3.8323	\$ 0.2470	792,917	\$ 195,850.50	\$ 3,038,696.74
	13,622,723.1				4,535,104.2	\$ 938,508.58	\$ 14,561,231.73

Total Residential Metered Revenue	17,639,730.3					\$ 938,508.58	\$ 18,578,388.81
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Non-Residential Metered Services	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
5/8 x 3/4	138,127.5	\$ 6.56	\$ 6.56	\$ -	1,754	\$ -	\$ 138,074.88
3/4	236.3	\$ 9.84	\$ 9.84	\$ -	2	\$ -	\$ 236.16
1	184,187.9	\$ 13.48	\$ 13.48	\$ -	1,139	\$ -	\$ 184,244.64
1 1/2	106,131.9	\$ 21.57	\$ 21.57	\$ -	410	\$ -	\$ 106,124.40
2	415,575.8	\$ 44.20	\$ 44.20	\$ -	784	\$ -	\$ 415,568.40
3	143,210.6	\$ 88.40	\$ 88.40	\$ -	135	\$ -	\$ 143,208.00
4	82,519.1	\$ 127.34	\$ 127.34	\$ -	54	\$ -	\$ 82,516.32
6	44,390.0	\$ 194.69	\$ 194.69	\$ -	19	\$ -	\$ 44,389.32
8	14,397.0	\$ 299.94	\$ 299.94	\$ -	4	\$ -	\$ 14,397.12
10	-	\$ 399.91	\$ 399.91	\$ -	-	\$ -	\$ -
12	-	\$ 575.14	\$ 575.14	\$ -	-	\$ -	\$ -
14	-	\$ 784.30	\$ 784.30	\$ -	-	\$ -	\$ -
16	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
18	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	\$ 1,128,776.03				4,301	\$ -	\$ 1,128,759.24

Quantity Rate					Quantity (Ccf.)		
Less Than 8"	\$ 8,870,951.99	\$ 3.1250	\$ 3.4062	\$ 0.2812	2,838,749	\$ 798,395.14	\$ 9,669,347.13
Greater than 8"	\$ 119,149.57	\$ 3.1818	\$ 3.4682	\$ 0.2864	37,447	\$ 10,723.13	\$ 129,872.70
	\$ 8,990,101.55				2,876,196	\$ 809,118.28	\$ 9,799,219.83

Total Non-Residential Metered Revenue	10,118,877.6					\$ 809,118.28	\$ 10,927,979.07
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TOTAL	\$ 28,151,787.39					\$ 1,747,626.86	\$ 29,899,547.35
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Revenue Increase Requested \$ 1,747,998.81 6.21%



AGENDA ITEM
Public Utilities Commission
City and County of San Francisco



#8

DEPARTMENT Financial Services AGENDA NO. _____
 MEETING DATE May 5, 2009

**Adopt Wholesale Supply Agreement Charges Related to Water Service FY 2009-10
 Regular Calendar**

Project Manager: William Laws

Adopt Wholesale Supply Agreement Charges Related to Water Service FY 2009-10

<p>Summary of Proposed Commission Action:</p>	<p>Consider and adopt the rate schedule in the amount necessary to recover from the wholesale customers the amount of the Wholesale Revenue Requirement that is projected to be owed to the San Francisco Public Utilities Commission for wholesale water service during FY 2009-10, as applied to meter readings on or after July 1, 2009. This rate schedule implements the terms of the 2009 Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers ("2009 Agreement"), which was approved on April 28, 2009 by Commission Resolution No. 09-0069.</p>
<p>Background:</p>	<p>The 2009 Agreement replaces the 1984 Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and the Suburban Purchasers ("1984 Agreement") which expires on June 30, 2009. The 2009 Agreement implements the Water System Improvement Program (WSIP) the Programmatic Environmental Impact Report requirements, which was approved by Commission Resolution No. 08-0200 on October 30, 2008. WSIP was analyzed in the Programmatic Environmental Impact Report, certified on October 30, 2008 by Planning Commission Motion No. 17734. The SFPUC anticipates the wholesale customers will approve the 2009 Water Supply Agreement before July 1, 2009. In the absence of such approval, or as to those Wholesale Customers who fail to execute the agreement by July 1, 2009, the SFPUC has authority under the state law and the City Charter to set rates to recover the Wholesale Revenue Requirement in the absence of the contract.</p>
<p>Result of Inaction:</p>	<p>A delay or denial in approving this agenda item will result in no rate adjustment and will adversely impact the SFPUC's ability to meet projected revenue requirements for the Water Enterprise.</p>

Description of Scope of Services:	<p>Financial Services has prepared an analysis of revenues and revenue requirements of the San Francisco Water Enterprise for the fiscal year that begins July 1, 2009. The analysis indicates the projected cost of wholesale water service will be \$20.0 million more than the projected revenues for that class of service. A copy of Financial Service's analysis entitled "Report on Water and Wastewater Rates for Fiscal Years 2009-10 to 2013-14" has been provided to the Commission and has also been made available to the public.</p> <p>Financial Services estimates \$127.5 million in revenues under the existing rate will be available to meet the costs allocated to wholesale water service. Those costs, estimated to be \$147.5 million, are based on the budget adopted by the Commission at its February 10, 2009 meeting and include a proportionate share of operating expenses, debt service on bonds sold to construct or acquire regional assets, revenue funding for regional projects, and balancing account and other credits owed the City under the 1984 Settlement. The balancing account is a mechanism to adjust the annual revenue requirement for the difference between revenues recovered based on budget estimates and actual operating results. The amount to be applied in the fiscal year beginning July 1, 2009 is a credit of \$2.0 million in favor of the City. In addition, the recently adopted 2009 Agreement requires the wholesale customers fund a Wholesale Revenue Coverage Reserve to satisfy debt service coverage requirements. The projected Wholesale Customer underpayment for fiscal year 2009-10 including the Wholesale Revenue Coverage Reserve, is projected to be \$20.0 million, or 15.7% of revenues from wholesale water sales. Consequently, it is recommended that the Wholesale Revenue Requirement be increased by 15.7% as shown on Schedule W-25, effective with meter readings on or after July 1, 2009.</p>
Recommendation:	SFPUC staff recommends that the Commission adopt the attached resolution.
Attachments:	SFPUC Resolution

#8

ADDED

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. _____

Resolution adopting and imposing a Schedule for Recovery the Wholesale Revenue Requirement projected to be owed to the Water Enterprise for the fiscal year beginning July 1, 2009.

WHEREAS, A public hearing was held on May 5, 2009 to review a Schedule for Recovery of the Wholesale Revenue Requirement for water sales to Wholesale Customers during FY 2009-10, a copy of said Schedule W-25 Wholesale Use with Long Term Contract being on file in the Office of the Secretary of the Commission and being made a part of this resolution by reference; and

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WHEREAS, the 2009 Water Supply Agreement was approved by Commission Resolution No. 09-0069 on April 28, 2009, which resolution also adopted findings required by the California Environmental Quality Act, including a statement of overriding considerations and a mitigation monitoring and reporting program; now therefore, be it

RESOLVED, That this Commission hereby determines projected revenues under the existing rate will be less than projected costs allocated to such customers for the fiscal year beginning July 1, 2009 and will result in an underpayment of \$20.0 million; and be it

FURTHER RESOLVED, This Commission determines that an increase in the Schedule for Recovery of the Wholesale Revenue Requirement is required and hereby adopts an 15.7% increase, effective July 1, 2009, as enumerated in said Schedule W-25 which shall be uniform to the nearest dollar on service charges and establish a \$1.65 per 100 cubic feet commodity charge for all water delivered to the Wholesale Customers; and be it

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FURTHER RESOLVED, this Commission has reviewed and considered the Final Program Environmental Impact Report and finds that this approval is within the scope of the WSIP and activities evaluation in the Final Program Environmental Impact Report and is a necessary action to implement the 2009 Water Supply Agreement, and hereby adopts the environmental findings contained in Resolution No. 09-0069 approving the Agreement, including a statement of overriding considerations and a mitigation monitoring and reporting program, which findings are incorporated by this reference thereto as though fully set forth in this Resolution; and be it

SCHEDULE W-25 WHOLESALE USE WITH LONG TERM CONTRACT

For service to municipalities, water districts and others who, under long-term contracts, purchase water for resale, in whole or in part, as water:

FIRST: A MONTHLY SERVICE CHARGE base on the type and size of the meter:

METER SIZE	DISC/COMPOUND METERS	CREST METERS	MAGNETIC METERS	TURBINE METERS
5/8 in	\$ 11.00	\$ -	\$ -	\$ -
3/4 in	18.00	-	-	-
1 in	30.00	-	-	-
1 1/2 in	43.00	-	-	-
2 in	79.00	-	-	-
3 in	158.00	-	-	-
4 in	318.00	353.00	-	577.00
6 in	476.00	685.00	-	1,256.00
8 in	635.00	1,335.00	2,265.00	1,875.00
10 in	793.00	1,732.00	-	3,391.00
12 in	953.00	1,840.00	5,159.00	-
16 in	1,270.00	5,628.00	-	7,215.00
18 in	-	6,133.00	-	-
20 in	-	6,349.00	-	-

The service charge for a battery of meters installed on one service in lieu of one meter or for a special type of meter shall be based on the size of single or multiple standard type meters of equivalent capacity.

SECOND: A CHARGE FOR WATER DELIVERED based on one-month's meter readings:

\$718.74 per acre-foot

or

\$1.65 per 100 cu. ft.

MID-PENINSULA DISTRICT
ADVICE LETTER FILING MAILING LIST
PER SECTION III (G) OF GENERAL ORDER NO. 96-A

Municipalities and Governmental Agencies

City of San Carlos
Attn: Linda Navarro
600 Elm Street, San Carlos, CA 94070

City of San Mateo, City Hall
330 West 20th Ave., San Mateo, CA 94403

Adjacent Private and Public Utilities

Mid-Peninsula Water District
Attn: Paul R. Regan
P.O. Box 129, Belmont, CA 94002

Justin Ezell
Public Works Superintendent
1400 Broadway
Redwood City, CA 94063-2505
Email: jezell@redwoodcity.org

Ray Towne, Director of Public Works
Foster City
610 Foster City Blvd.
Foster City, CA 94404
Email: rtowne@fostercity.org

City of Burlingame
Attn: Frank C. Erbacher
501 Primrose Rd., Burlingame, CA 94010

Town of Hillsborough
1600 Floribunda Ave., Hillsborough, CA 94010
Email: mdebry@hillsborough.net

Mr. John Gardner
Tilden Engineering
P. O. Box 897
Menlo Park, CA 94026

Service Area Maps Only

Executive Officer
San Mateo LAFCO
County Government Center
Redwood City, CA 94063

Other Interested Parties

Arthur Mangold
21 Eleventh Avenue
San Mateo, CA 94401