



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

May 21, 2009

**Advice Letter No. 1928**

**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 SOUTH SAN FRANCISCO 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>
7776-W	Residential Metered Service	SS-1-R	7732-W
7777-W	Nonresidential Metered Service	SS-1-NR	7733-W
7778-W	Preliminary Statement M (Page WRAM 10)		7762-W
7779-W	Table of Contents (Page 5)		7763-W
7780-W	Table of Contents (Page 1)		7775-W

**Summary**

This filing increases rates by \$826,500 or 5.9% to adjust for an increase in purchased water rates in the South San Francisco 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 South San Francisco 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 1894) to \$1.65 per Ccf.

The present rates for the South San Francisco District became effective on January 13, 2009 in Advice Letter 1894 filing authorized by D.07-12-055. In the last General Rate Case, D.07-12-055, no allowance was made for future changes in (1) rates for purchased water, and (2) uncollectibles. Below is a summary of the expense increases requested in this advice letter.



Item	Expense Increase
a) Purchased Water	\$ 825,300
b) Uncollectibles	1,100
Total	<u>\$826,500</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 \$0.1557 for Tier 1, and \$0.1869 for tier 2. Nonresidential rates increase \$0.2276 and \$0.2285 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 21, 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, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue, San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto: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](mailto: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.



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)

<b>AL #</b> 1928	<b>Date Mailed to Service List:</b> May 21, 2009	<b>Requested Effective Date:</b> July 1, 2009	<b>Requested Tier:</b> <input checked="" type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
<b>Replacing AL#:</b>	<b>Authorized by:</b> D.07-12-055	<b>Compliance Filing?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Rate</b>	\$ 826,500
			<b>Impact</b>	% 5.9

**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](mailto: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

	<b>Contact Name:</b>	<b>Phone No.</b>	<b>Fax No.</b>	<b>Email Address:</b>
Filer	DARIN DUNCAN	408-367-8200	408-367-8340	<a href="mailto:dduncan@calwater.com">dduncan@calwater.com</a>
Alternate	TU RASH	408-367-8235	408-367-8426	<a href="mailto:turash@calwater.com">turash@calwater.com</a>

**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)

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

**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 .....	7780-7774-7758-7752-7779-7343-5317-2926-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 M .....7345-7346-7773-7457-7462-7450-7581-7474-7286-7778-7468-W (C)</td> </tr> <tr> <td>Preliminary Statement F ..... 6323-W</td> <td>Preliminary Statement N .....7315-7316-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 M .....7345-7346-7773-7457-7462-7450-7581-7474-7286-7778-7468-W (C)	Preliminary Statement F ..... 6323-W	Preliminary Statement N .....7315-7316-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
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Willows District .....	3235-W

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<b><u>RATE SCHEDULES:</u></b>			
<b>SELMA DISTRICT</b>			
Residential Metered Service		SL-1-R	7728-W
Nonresidential Metered Service		SL-1-NR	7729-W
Residential Flat Rate Service	Page 1 of 2	SL-2R	7551-W
Residential Flat Rate Service	Page 2 of 2	SL-2R	7730-W
Private Fire Protection Service		SL-4	7731-W
<b>SOUTH SAN FRANCISCO DISTRICT</b>			
Residential Metered Service		SS-1-R	7776-W (C)
Nonresidential Metered Service		SS-1-NR	7777-W (C)
Private Fire Protection Service		SS-4	7734-W
<b>STOCKTON DISTRICT</b>			
General Metered Service		ST-1-R	7760-W
Nonresidential Metered Service		ST-1-NR	7761-W
Private Fire Protection Service		ST-4	7737-W
Public Fire Hydrant Service	City and Mayfair	ST-5L	3449-W
Other Public Authorities		ST-5	3450-W
<b>VISALIA DISTRICT</b>			
General Metered Service		VS-1-R	7738-W
Nonresidential Metered Service		VS-1-NR	7739-W
Residential Flat Rate Service	Page 1 of 2	VS-2R	7537-W
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Private Fire Protection Service	Nish	VS-NS-4	5550-W
<b>WESTLAKE DISTRICT</b>			
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Nonresidential Metered Service		WK-1-NR	7743-W
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<b>WILLOWS DISTRICT</b>			
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Nonresidential Metered Service		WL-1-NR	7747-W
Residential Flat Rate Service		WL-2R	7748-W
Private Fire Protection Service		WL-4	7749-W

(continued)

Schedule No. SS-1-R  
South San Francisco Tariff Area  
RESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

South San Francisco and vicinity, San Mateo County.

RATES

Quantity Rates:

For the first 500 cubic feet, per 100 cubic feet.....	\$2.4977	( I )
For all over 500 cubic feet, per 100 cubic feet.....	2.9973	( I )

	Per Meter	
	Per Month	
Service Charge:		
For.....5/8 x 3/4 - inch meter	\$10.77	
For.....3/4 - inch meter	16.16	
For......1 - inch meter	26.92	
For.....1-1/2 - inch meter	53.85	
For......2 - inch meter	82.47	
For......3 - inch meter	158.96	
For......4 - inch meter	197.95	
For......6 - inch meter	326.92	
For......8 - inch meter	479.89	
For.....10 - inch meter	628.40	
For.....12 - inch meter	1,777.54	
For.....14 - inch meter	2,423.40	

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.

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. A WRAM-MCBA true-up surcharge of \$0.1017 per 100 cu. ft. of water used is to be applied to the quantity rates for 12 months from May 13, 2009, the effective date of Advice Letter 1919.
5. A surcredit of \$-0.3667 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.

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 1928

THOMAS F. SMEGAL

Date Filed May 21 2009

Decision No. -

Vice President

Effective July 1 2009

TITLE

Resolution No. -

Schedule No. SS-1-NR  
South San Francisco Tariff Area  
NONRESIDENTIAL METERED SERVICE

APPLICABILITY

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

TERRITORY

South San Francisco and vicinity, San Mateo County.

RATES

Quantity Rates:

For meter sizes up to 6 inches, per 100 cubic feet .....	\$2.8330	(I)
For meter sizes 8 inches and above, per 100 cubic feet.....	2.8439	(I)

Service Charge:	Per Meter	
	Per	
For.....5/8 x 3/4 - inch meter	\$9.19	
For.....3/4 - inch meter	13.79	
For.....1 - inch meter	22.98	
For.....1-1/2 - inch meter	45.97	
For.....2 - inch meter	70.39	
For.....3 - inch meter	135.66	
For.....4 - inch meter	168.94	
For.....6 - inch meter	279.01	
For.....8 - inch meter	409.56	
For.....10 - inch meter	536.32	
For.....12 - inch meter	1,517.06	
For.....14 - inch meter	2,068.28	

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.

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. A WRAM-MCBA true-up surcharge of \$0.1017 per 100 cu. ft. of water used is to be applied to the quantity rates for 12 months from May 13, 2009, the effective date of Advice Letter 1919.
5. A surcredit of \$-0.3667 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.

(To be inserted by utility)  
 Advice Letter No. 1928  
 Decision No. -

*Issued by*  
**THOMAS F. SMEGAL**  
NAME  
**Vice President**  
TITLE

(To be inserted by Cal. P.U.C.)  
 Date Filed May 21 2009  
 Effective July 1 2009  
 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 Revenue for WRAM	Total	Purchased Power	Purchased Water	Pump Tax	Total Production Cost	
22. South San Francisco	Jul-09	\$299.6	\$1,211.9	\$1,511.6	\$8.7	\$800.5	\$0.0	\$809.2	(C)
	Aug-08	\$299.6	\$1,131.7	\$1,431.3	\$8.1	\$746.7	\$0.0	\$754.9	
0.0% MCBA Non-WRAM	Sep-08	\$299.6	\$1,185.6	\$1,485.2	\$7.3	\$672.7	\$0.0	\$680.0	
100.0% MCBA WRAM	Oct-08	\$299.6	\$1,021.3	\$1,321.0	\$6.7	\$612.8	\$0.0	\$619.5	
	Nov-08	\$299.6	\$849.7	\$1,149.3	\$5.4	\$495.6	\$0.0	\$501.0	
Revenue Split Reference	Dec-08	\$299.6	\$797.9	\$1,097.5	\$4.9	\$450.1	\$0.0	\$455.0	
AL 1928 * July 1, 2009	Jan-09	\$299.6	\$745.8	\$1,045.4	\$5.3	\$486.2	\$0.0	\$491.4	
Total Rev and MCBA Reference	Feb-09	\$299.6	\$711.6	\$1,011.2	\$4.7	\$435.2	\$0.0	\$439.9	
AL 1928 * July 1, 2009	Mar-09	\$299.6	\$767.6	\$1,067.2	\$5.5	\$501.6	\$0.0	\$507.1	
	Apr-09	\$299.6	\$800.0	\$1,099.7	\$5.6	\$518.6	\$0.0	\$524.2	
	May-09	\$228.0	\$920.7	\$1,148.7	\$7.0	\$641.3	\$0.0	\$648.3	
	Jun-09	\$299.6	\$1,134.7	\$1,434.3	\$7.7	\$707.8	\$0.0	\$715.5	
	12 Month Total	\$3,524.1	\$11,278.4	\$14,802.5	\$76.9	\$7,069.2	\$0.0	\$7,146.1	(C)
23. Stockton	JUL	\$723.2	\$2,529.6	\$3,252.8	\$108.4	\$451.5	\$185.4	\$745.3	
	AUG	\$723.2	\$2,392.3	\$3,115.5	\$106.8	\$451.5	\$182.6	\$740.9	
0.0% MCBA Non-WRAM	SEP	\$723.2	\$2,445.3	\$3,168.5	\$107.6	\$451.5	\$183.9	\$742.9	
100.0% MCBA WRAM	OCT	\$723.2	\$1,945.0	\$2,668.2	\$83.8	\$451.5	\$143.3	\$678.6	
	NOV	\$723.2	\$1,531.8	\$2,255.0	\$63.8	\$451.5	\$109.0	\$624.2	
Revenue Split Reference	DEC	\$723.2	\$1,273.5	\$1,996.8	\$51.5	\$451.5	\$88.1	\$591.1	
AL 1924 * July 1, 2009	JAN	\$723.2	\$1,193.8	\$1,917.1	\$49.9	\$451.5	\$85.3	\$586.6	
Total Rev and MCBA Reference	FEB	\$723.2	\$1,066.9	\$1,790.2	\$45.0	\$451.5	\$76.9	\$573.4	
AL 1864 * July 10, 2008	MAR	\$723.2	\$1,239.1	\$1,962.4	\$67.1	\$451.5	\$114.8	\$633.4	
	APR	\$723.2	\$1,302.9	\$2,026.2	\$54.5	\$451.5	\$93.2	\$599.2	
	MAY	\$723.2	\$1,598.5	\$2,321.7	\$67.5	\$451.5	\$115.4	\$634.3	
	JUN	\$723.2	\$2,224.3	\$2,947.5	\$94.8	\$451.5	\$162.0	\$708.3	
	12 Month Total	\$8,678.8	\$20,743.0	\$29,421.8	\$900.7	\$5,417.6	\$1,540.0	\$7,858.2	
24. Visalia	JUL	\$844.8	\$896.4	\$1,741.2	\$198.0	\$10.2	\$65.1	\$273.2	
	AUG	\$844.8	\$881.0	\$1,725.9	\$194.1	\$9.1	\$63.8	\$267.0	
31.5% MCBA Non-WRAM	SEP	\$844.8	\$903.3	\$1,748.1	\$183.4	\$9.1	\$60.3	\$252.9	
68.5% MCBA WRAM	OCT	\$844.8	\$717.5	\$1,562.4	\$145.6	\$7.8	\$47.9	\$201.3	
	NOV	\$844.8	\$581.5	\$1,426.3	\$110.0	\$6.8	\$36.2	\$153.0	
Revenue Split Reference	DEC	\$844.8	\$469.3	\$1,314.1	\$84.7	\$6.8	\$27.8	\$119.3	
AL 1923 * June 1, 2009	JAN	\$844.8	\$352.6	\$1,197.4	\$65.9	\$6.8	\$21.7	\$94.4	
Total Rev and MCBA Reference	FEB	\$844.8	\$311.7	\$1,156.5	\$60.6	\$6.8	\$19.9	\$87.3	
AL 1864 * July 10, 2008	MAR	\$844.8	\$362.3	\$1,207.1	\$83.2	\$7.2	\$27.3	\$117.7	
	APR	\$844.8	\$402.9	\$1,247.8	\$81.5	\$7.6	\$26.8	\$115.9	
	MAY	\$605.9	\$524.3	\$1,130.2	\$118.0	\$8.9	\$38.8	\$165.6	
	JUN	\$844.8	\$775.1	\$1,620.0	\$166.7	\$10.2	\$58.9	\$235.8	
	12 Month Total	\$9,899.1	\$7,178.0	\$17,077.0	\$1,491.6	\$97.4	\$494.4	\$2,083.4	

\*Step or Offset - Adopted Quantities Advice Letter Number

(To be inserted by utility)

Issued by

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

Advice Letter No. 1928

THOMAS F. SMEGAL

Date Filed May 21, 2009

Decision No. -

Vice President

Effective July 1, 2009

TITLE

Resolution No. -

SUMMARY OF EARNINGS  
(DOLLARS IN THOUSANDS)

ITEM	NEW ADOPTED AFTER AL 1894 8.58% ROR	AT RATES REQUESTED BY ADVICE LETTER 1928			Total
		Water Increase Changes	After Changes	Revenue Increase Changes	
<b>OPERATING REVENUES</b>					
METERED	13,975.9	0.0	13,975.9	826.5	14,802.4
	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0
TOTAL	13,975.9	0.0	13,975.9	826.5	14,802.4
<b>OPERATING EXPENSES</b>					
PURCHASED POWER	76.9	0.0	76.9	0.0	76.9
PURCHASED WATER	6,243.8	825.4	7,069.2	0.0	7,069.2
PUMP TAXES	0.0	0.0	0.0	0.0	0.0
PURCHASED CHEMICALS	0.9	0.0	0.9	0.0	0.9
PAYROLL -- DISTRICT	875.5	0.0	875.5	0.0	875.5
OTHER OPER. and MAINT.	747.4	0.0	747.4	0.0	747.4
OTHER A. & G. and MISC.	74.2	0.0	74.2	0.0	74.2
AD VALOREM TAXES -- DISTRICT	184.8	0.0	184.8	0.0	184.8
BUSINESS LICENSE	2.1	0.0	2.1	0.0	2.1
PAYROLL TAXES -- DISTRICT	75.7	0.0	75.7	0.0	75.7
DEPRECIATION	843.9	0.0	843.9	0.0	843.9
PAYROLL AND BENEFITS -- G.O.	1,676.7	0.0	1,676.7	0.0	1,676.7
AD VALOREM TAXES -- G.O.	13.0	0.0	13.0	0.0	13.0
PAYROLL TAXES -- G.O.	58.2	0.0	58.2	0.0	58.2
OTHER PRORATES -- G.O.	579.0	0.0	579.0	0.0	579.0
SUBTOTAL	11,452.1	825.4	12,277.5	0.0	12,277.5
UNCOLLECTIBLES	18.0	0.0	18.0	1.1	19.1
LOCAL FRANCHISE & BUSINESS LICENSE	0.0	0.0	0.0	0.0	0.0
INCOME TAXES before I.T.C.	811.5	(361.8)	449.7	361.9	811.6
INVESTMENT TAX CREDIT	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	12,281.6	463.6	12,745.2	363.0	13,108.2
NET OPERATING REVENUE	1,694.3	(463.6)	1,230.7	463.5	1,694.2
RATE BASE	19,747.7	0.0	19,747.7	0.0	19,747.7
RATE of RETURN	8.58%				8.58%

# SOUTH SAN FRANCISCO D I S T R I C T

## Offset Calculation For Advice Letter 1928

### A) PURCHASED POWER

1	PURCHASED POWER Adopted in A.L. 1894	\$76.9
2	kWh ADOPTED (From D.07-12-055 Appendix D, pg. 2 of 5)	479,972.8
3	CHANGES IN COST per kWh	\$0.00000
4	PURCHASED POWER INCREASE or ( DECREASE ) (2) * (3)	\$0.0
5	PURCHASED POWER COSTS (1) + (4)	\$76.9

### B) PURCHASED WATER

1	PURCHASED WATER ADOPTED IN A.L. 1894	\$6,243.8
2	KCcf ADOPTED (From D.07-12-055 Appendix E-2, pg. 2)	4,149.6
3	CHANGE IN S.F.W.D. WATER RATES FROM ADOPTED TO CURRENT	13.22%
4	\$ - AMT OF CHANGE - PURCHASED WATER (3) * (1) including service charge and fees	\$825.4
5	COST OF PURCHASED WATER AT 7/09 RATES WITH SERVICE CHARGES AND FEES	\$7,069.2

### C) INCOME TAX ADJUSTMENT

1	REVENUE INCREASE or ( DECREASE )	0.0
2	EXPENSE INCREASE or ( DECREASE )	825.4
3	TAXIBLE EARNINGS INCREASE or ( DECREASE ) (1) - (2)	(825.4)
4	COMPOSITE TAX RATE (See Net-to-Gross)	43.84%
5	INCOME TAXES (3) * (4)	(361.8)

### D) UNCOLLECTIBLES

1	REVENUE INCREASE or (DECREASE)	0.0
2	ADOPTED EFFECTIVE RATE (From D.07-12-055 Appendix D Pg. 2 of 5)	0.12878%
3	UNCOLLECTIBLES (1) * (2)	0.0

### E) LOCAL FRANCHISE TAXES & BUS.LIC.

1	REVENUE INCREASE or ( DECREASE )	0.0
2	ADOPTED EFFECTIVE RATE (From D.07-12-055 Appendix D Pg. 2 of 5)	0.0000%
3	LOCAL TAXES (1) * (2)	0.0

## SOUTH SAN FRANCISCO D I S T R I C T

### F) REVENUE REQUIREMENT

1	NET REVENUE INCREASE or ( DECREASE ) REQUIRED.	463.6
2	ADOPTED NET-TO-GROSS MULTIPLIER (From D.07-12-055 Appendix D, Pg. 2 of 5)	1.78292
3	GROSS REVENUE INCREASE or ( DECREASE ) REQUIRED. (1) * (2)	826.5
4	ADJUSTMENT TO REVENUE REQUIREMENT TO MATCH THE ADOPTED RATE OF RETURN	0.0
5	ADJUSTED GROSS REVENUE INCREASE or ( DECREASE ) REQUIRED. (3) + (4)	826.5

### G) UNCOLLECTIBLES

1	REVENUE INCREASE or ( DECREASE )	826.5
2	ADOPTED EFFECTIVE RATE	0.12878%
3	UNCOLLECTIBLES (1) * (2)	1.1

### H) LOCAL FRANCHISE TAXES & BUS.LIC.

1	REVENUE INCREASE or ( DECREASE )	826.5
2	ADOPTED EFFECTIVE RATE	0.0000%
3	LOCAL TAXES (1) * (2)	0.0

### I) INCOME TAX ADJUSTMENT

1	REVENUE INCREASE or ( DECREASE )	826.5
2	EXPENSE INCREASE or ( DECREASE )	1.1
3	TAXABLE EARNINGS INCREASE or ( DECREASE ) (1) - (2)	825.4
4	COMPOSITE TAX RATE	43.84%
5	INCOME TAXES (3) * (4)	361.9

So. San Francisco District  
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	\$ 492,839.34						\$ 492,839.34
	\$ 492,839.34						\$ 492,839.34

  

Residential Metered Services	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
5/8 x 3/4	\$ 1,728,761.42	\$ 10.77	\$ 10.77	\$ -	13,376	\$ -	\$ 1,728,761.42
3/4	\$ -	\$ 16.16	\$ 16.16	\$ -	-	\$ -	\$ -
1	\$ 215,104.59	\$ 26.92	\$ 26.92	\$ -	666	\$ -	\$ 215,104.59
1 1/2	\$ 4,002.69	\$ 53.85	\$ 53.85	\$ -	6	\$ -	\$ 4,002.69
2	\$ 2,043.34	\$ 82.47	\$ 82.47	\$ -	2	\$ -	\$ 2,043.34
3	\$ -	\$ 158.96	\$ 158.96	\$ -	-	\$ -	\$ -
4	\$ -	\$ 197.95	\$ 197.95	\$ -	-	\$ -	\$ -
6	\$ -	\$ 326.92	\$ 326.92	\$ -	-	\$ -	\$ -
8	\$ -	\$ 479.89	\$ 479.89	\$ -	-	\$ -	\$ -
10	\$ -	\$ 628.40	\$ 628.40	\$ -	-	\$ -	\$ -
12	\$ -	\$ 1,777.54	\$ 1,777.54	\$ -	-	\$ -	\$ -
14	\$ -	\$ 2,423.40	\$ 2,423.40	\$ -	-	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
	\$ 1,949,912.04				14,051	\$ -	\$ 1,949,912.04

  

Quantity Rate	Present Revenue	Current	Proposed	Difference	Quantity (Ccf.)	Revenue	Revenue
Tier 1	\$ 1,842,034.3	\$ 2,3420	\$ 2,4977	\$ 0.1557	786,522	\$ 122,495.28	\$ 1,964,529.54
Tier 2	\$ 2,302,983.0	\$ 2,8104	\$ 2,9973	\$ 0.1869	819,450	\$ 153,148.37	\$ 2,456,131.39
Tier 3	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
	\$ 4,145,017.3				1,605,972.2	\$ 275,643.65	\$ 4,420,660.93

  

Total Residential Metered Revenue	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
	\$ 6,094,929.3					\$ 275,643.65	\$ 6,370,572.96

  

Non-Residential Metered Services	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
5/8 x 3/4	\$ 78,688.8	\$ 9.19	\$ 9.19	\$ -	714	\$ -	\$ 78,688.83
3/4	\$ -	\$ 13.79	\$ 13.79	\$ -	-	\$ -	\$ -
1	\$ 177,562.0	\$ 22.98	\$ 22.98	\$ -	644	\$ -	\$ 177,561.97
1 1/2	\$ 197,411.0	\$ 45.97	\$ 45.97	\$ -	358	\$ -	\$ 197,410.98
2	\$ 418,994.5	\$ 70.39	\$ 70.39	\$ -	496	\$ -	\$ 418,994.51
3	\$ 158,946.1	\$ 135.66	\$ 135.66	\$ -	98	\$ -	\$ 158,946.09
4	\$ 91,419.6	\$ 168.94	\$ 168.94	\$ -	45	\$ -	\$ 91,419.59
6	\$ 29,771.9	\$ 279.01	\$ 279.01	\$ -	9	\$ -	\$ 29,771.89
8	\$ 4,982.4	\$ 409.56	\$ 409.56	\$ -	1	\$ -	\$ 4,982.35
10	\$ -	\$ 536.32	\$ 536.32	\$ -	-	\$ -	\$ -
12	\$ -	\$ 1,517.06	\$ 1,517.06	\$ -	-	\$ -	\$ -
14	\$ -	\$ 2,068.28	\$ 2,068.28	\$ -	-	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
	\$ 1,157,776.22				2,364	\$ -	\$ 1,157,776.22

  

Quantity Rate	Present Revenue	Current	Proposed	Difference	Quantity (Ccf.)	Revenue	Revenue
Less Than 8"	\$ 6,300,377.03	\$ 2,6054	\$ 2,8330	\$ 0.2276	2,418,200	\$ 550,463.94	\$ 6,850,840.97
Greater than 8"	\$ 2,458.24	\$ 2,6154	\$ 2,8439	\$ 0.2285	940	\$ 214.78	\$ 2,673.01
	\$ 6,302,835.26				2,419,139	\$ 550,678.72	\$ 6,853,513.98

  

Total Non-Residential Metered Revenue	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
	\$ 7,460,611.5					\$ 550,678.72	\$ 8,011,290.20

  

TOTAL	Present Revenue	Current	Proposed	Difference	Services	Revenue	Revenue
	\$ 14,048,380.14					\$ 826,322.37	\$ 14,874,702.50

  

Revenue Increase Requested	Revenue	%
\$ 826,500.00	\$ 14,874,702.50	5.88%

	Total Present Revenue	Grate	Service	%Q	QSVcs
0.0% %Flat	\$ -		0.0%	0.00%	0.0%
44.96% %Res	\$ 371,616.24		6.7%	\$ -	100.0%
55.04% %NR	\$ 454,883.76		8.74%	\$ -	100.0%
	\$ (177.63)				



**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><b>Summary of Proposed Commission Action:</b></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><b>Background:</b></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><b>Result of Inaction:</b></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>

<b>Description of Scope of Services:</b>	<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>
<b>Recommendation:</b>	SFPUC staff recommends that the Commission adopt the attached resolution.
<b>Attachments:</b>	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

Deleted: to the nearest whole cent

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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.

**SOUTH SAN FRANCISCO DISTRICT**

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

**Municipalities and Governmental Agencies**

City of South San Francisco  
400 Grand Avenue  
South San Francisco, CA 94080

Attn: Barry Nagel

**Adjacent Private and Public Utilities**

San Bruno Water Dept.  
567 El Camino Real  
San Bruno, CA 94066

City of Daly City  
Attn: Patrick Sweetland  
153 Lake Merced Blvd.  
Daly City, CA 94015

City of Brisbane  
Attn: Betsy Cooper  
50 Park Place  
Brisbane, CA 94005  
Email: bcooper@ci.brisbane.ca.us

Westborough Water District  
P.O. Box 2747  
South San Francisco, CA 94083

**Service Area Maps Only**

LAFCO (Local Agency Formation Commission)  
Executive Officer, San Mateo LAFCO  
County Government Center, Redwood City, CA 94063

Fire Department Servicing  
Affected Area