



FILED

11-19-10
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Jose Water Company (U168W) for an Order Authorizing an increase in Annual Revenue Requirement of \$80,041 or 0.03% and a Proportionate Increase in Rates to Support an Increased Budget for Meter Replacement Sufficient to Comply with General Order 103-A.

Application 10-04-005
(Filed April 2, 2010)

**ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S
RULING AND SCOPING MEMO**

1. Summary

In this application, San Jose Water Company (SJWC) requests an increase in its annual revenue requirement of \$80,041 or 0.03% and a proportionate increase in rates, in order to support an increased budget for meter replacement sufficient to comply with the requirements of General Order 103-A (GO 103-A).

The Division of Ratepayer Advocates (DRA) timely filed a protest of SJWC's application, asserting that SJWC had not adequately documented or justified its proposed budget, nor how its proposed budget met the requirements of GO 103-A. In its reply to DRA's protest, SJWC suggested that a discussion might resolve DRA's concerns and a settlement might be reached.

Pursuant to Rule 7.3 of the Commission's Rules of Practice, this scoping memo determines the category of the proceeding, the procedural schedule, the issues to be addressed, the designated presiding officer, and the need for hearing.

2. Procedural Background

SJWC filed its application on April 2, 2010. DRA timely filed its protest on May 5, 2010. SJWC filed its reply on May 12, 2010. A prehearing conference (PHC) was held on July 15, 2010. At the PHC, the parties asserted they would like to meet and try to reach an agreement on the issues in dispute and submit a joint filing that would offer resolution to the Application. Following this discussion, parties agreed to a procedural schedule for submission of a settlement and evidentiary hearings.

The parties filed a settlement on August 25, 2010, and an evidentiary hearing was held on September 14, 2010.

3. Categorization, Need for Hearings, *Ex Parte* Communication Rules, and Designation of Presiding Officer

This proceeding has been preliminarily categorized as ratemaking, as that term is defined in Rule 1.3(e). No party objects to the Commission's preliminary categorization or to its preliminary determination that evidentiary hearings are necessary. We affirm the categorization and need for hearings in this scoping memo.¹

Assigned Commissioner John A. Bohn designates Administrative Law Judge (ALJ) Christine M. Walwyn as the presiding officer in this proceeding. The Commission's *ex parte* communications rules applicable to this proceeding are set forth in Rules 8.1 – 8.5. These *ex parte* rules apply to all parties of record and, more broadly, to all persons with an interest in any substantive matter; the

¹ This scoping memo, only as to the category, is appealable under the procedures set forth in Rule 7.6.

broad category of individuals subject to our *ex parte* rules is defined in Public Utilities Code Section 1701.1.(c)(4) and Rule 8.1(d).

4. Scope of the Proceeding

The scope of this proceeding is to determine if SJWC is authorized to increase its annual revenue requirement by \$80,041 or 0.03% and increase its rates proportionately, in order to support an increased budget for meter replacement sufficient to comply with GO 103-A. SJWC contends that the meter replacement budgets that the Commission authorized in Decision (D.) 09-11-032 are below the budget level necessary to comply with the small meter replacement requirements established in GO 103-A. In its application, SJWC requested capital budgets of \$870,000 for 2010 and \$875,000 for 2011. SJWC proposes to implement a slight increase in monthly service charges for all customers.

DRA protested that SJWC did not give any evidence that their proposed rate increase complied with D.09-11-032.

In addressing DRA's protest, the Commission needs to examine the Application in light of the direction given in D.09-11-032 and to see if SJWC's request complies with the requirements of GO 103-A.

5. Procedural Schedule

We adopt here the procedural schedule agreed to by the parties at the PHC. This schedule provided for parties to meet and discuss potential settlement and to serve a status report on their progress on August 9, 2010. Dates for testimony were set and an evidentiary hearing was scheduled for September 14, 2010. A proposed decision is scheduled to be mailed in 2010.

This proceeding is scheduled to be completed within 18 months of this scoping memo, as required by Public Utilities Code Section 1701.5.

6. Party Status and Service List

The official service list for this proceeding is attached to this ruling and updates are maintained by the Commission's Process Office and accessible on our website at www.cpuc.ca.gov. Parties must file and serve all pleadings as set forth in Article 1 of the Commission's Rules of Practice and Procedure.

Therefore, **IT IS RULED** that:

1. This proceeding is categorized as ratesetting and that category determination is appealable under the procedures set forth in Rule 7.6 of the Commission's Rules of Practice and Procedure. *Ex parte* communications are permitted with restrictions, as set forth in Rules 8.2, 8.4, and 8.5, and are subject to the reporting requirements of Rule 8.3.
2. Evidentiary hearings are required.
3. Administrative Law Judge Christine M. Walwyn is the presiding officer.
4. The issues to be addressed and the procedural process for this proceeding are as set forth in the body of this ruling.

Dated November 19, 2010, at San Francisco, California.

 /s/ JOHN A. BOHN
John A. Bohn
Assigned Commissioner

 /s/ CHRISTINE M. WALWYN
Christine M. Walwyn
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a hard copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the hard copy of the filed document is current as of today's date.

Dated November 19, 2010, at San Francisco, California.

/s/ LILLIAN LI

Lillian Li

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

***** SERVICE LIST *****
Last Updated on 19-NOV-2010 by: JVG
A1004005 LIST

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