



FILED

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

04-27-11
04:59 PM

Application Of CALIFORNIA-AMERICAN WATER COMPANY (U-210-W), CALIFORNIA WATER SERVICE COMPANY (U-60-W), GOLDEN STATE WATER COMPANY (U-133-W), PARK WATER COMPANY (U-314-W) AND APPLE VALLEY RANCHOS WATER COMPANY (U-346-W) to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-Related Accounts.

Application 10-09-017

**SUPPLEMENT TO COMPLIANCE FILING
OF CALIFORNIA WATER SERVICE COMPANY (U-60-W)**

THOMAS F. SMEGAL
1720 North First Street
San Jose, California 95112
Phone: (408) 367-8219
Fax: (408) 367-8436
tsmegal@calwater.com

**Vice President, Regulatory Matters
California Water Service Company**

Dated: April 27, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of California-American Water Company (U210W), California Water Service Company (U60W), Golden State Water Company (U133W), Park Water Company (U314W) and Apple Valley Ranchos Water Company (U346W) to Modify D.08-02-036, D.08-06-002, D.08-08-030, D.08-09-026, D.08-11-023, D.09-05-005, D.09-07-021, and D.10-06-038 regarding the Amortization of WRAM-related Accounts.

APPLICATION 10-09-017
(Filed September 20, 2010)

**SUPPLEMENT TO COMPLIANCE FILING
OF CALIFORNIA WATER SERVICE COMPANY (U-60-W)**

California Water Service Company ("Cal Water") submits the following documents requested by ALJ Walwyn during the Pre-hearing Conference held on April 25, 2011.

- 1) San Francisco Public Utilities Commission rate increase news publication.¹
- 2) San Luis Obispo rate increase news publication.²

Respectfully Submitted,

/s/ THOMAS F. SMEGAL

THOMAS F. SMEGAL
1720 North First Street
San Jose, California 95112
Telephone: (408) 367-8219
E-mail: tsmegal@calwater.com
Vice President, Regulatory Matters
California Water Service Company

Dated: April 27, 2011

¹ April 25, 2011 PHC, page 129 (lines 16-24), page 130 (lines 16-24), and page 130 (lines 6-13).

² April 25, 2011 PHC, page 145 (lines 9-13).

CERTIFICATE OF SERVICE

I hereby certify that on this date I served the foregoing **SUPPLEMENT TO COMPLIANCE FILING OF CALIFORNIA WATER SERVICE COMPANY (U-60-W)** by electronic mail or U.S.

Mail delivery on the Service List for **A.10-09-017** below:

By Electronic Mail:

leigh@parkwater.com
ed@parkwater.com
kswitzer@gswater.com
aly@cpuc.ca.gov
tsmegal@calwater.com
dstephen@amwater.com
gmilleman@valenciawater.com
dadelloso@sgvwater.com
jgaron@gswater.com
nancitran@gswater.com
robert.maclean@amwater.com
tom@alcowater.com
jhawks_cwa@comcast.net
mlane@nossaman.com

mmattes@nossaman.com
tguster@greatoakswater.com
palle_jensen@sjwater.com
davidmorse9@gmail.com
cmw@cpuc.ca.gov
lwa@cpuc.ca.gov
mfg@cpuc.ca.gov

By U.S. Mail Delivery:

Christine M. Walwyn
California Public Utilities Commission
Division of Administrative Law Judges
505 Van Ness Avenue
San Francisco, CA 94102-3214

Executed this **27th day of April 2011**, at San Jose, California.

/s/ THOMAS F. SMEGAL

Thomas F. Smegal

The Mercury News

MercuryNews.com

Bay Area water customers may pay price for conservation

By Julia Scott
julia.scott@bayareanewsgroup.com

Posted: 04/20/2011 06:39:17 PM PDT

Updated: 04/21/2011 08:10:21 AM PDT

California's water woes have compelled East Bay and Peninsula residents to conserve more water than they have at almost any time since the drought of 1992. Their reward? The biggest water-rate increase they've ever seen.

On May 10, the San Francisco Public Utilities Commission will consider tacking on a 47 percent rate increase for the water it pumps to Bay Area customers from the Hetch Hetchy Reservoir in the lower Sierra Nevada. The agency needs to fill an unexpected revenue gap of \$65 million, which it attributes to the fact that water customers outside San Francisco have been using less water and saving money on their bills.

The changes affect all wholesale water-buyers, including Hayward -- the largest single buyer outside of San Francisco -- Fremont, Newark, Union City, most of the Peninsula and some South Bay cities.

Hayward gets all its water from Hetch Hetchy through the SFPUC, and has since the 1960s, said Public Works Director Bob Bauman. He said they knew a rate hike was due, but didn't expect it to be 47 percent.

Bauman said the increased charge to water users would be "smoothed out" over a number of years, and the matter will be the subject of a May 3 meeting.

The water charge that cities pay SFPUC is only part of a ratepayer's bill.

The water-rate increase will add up to only 16 percent or so on average, according to Todd Rydstrom, assistant general manager of the SFPUC.

Typically, about one-third of a

customer's water bill reflects the SFPUC's own wholesale water rates. The rest consists of each's city's delivery service fees and other add-ons.

"There's the raw water, then there's our fixed costs," Bauman said. "Distributing it, and making sure all our pipes are maintained. But the cost of the water itself is becoming a bigger and bigger chunk of our rates."

The Alameda County Water District, which serves Fremont, gets nearly 20 percent of its supply from Hetch Hetchy.

If the 47 percent cost increase is approved, it would cost the district about \$3.3 million, translating into a little more than a 3 percent rate hike for a typical household bill, General Manager Walt Wadlow said.

But he said district officials would try to minimize the increase by getting more of their supply from local and state sources.

"We will work very hard to try not to pass all that cost through," he said.

Rydstrom said that while water consumption has dropped, his agency's expenses have not -- especially the bond payments on its \$4.6 billion Water System Improvement Program to repair, replace and upgrade pipelines and reservoirs most at risk in a major earthquake.

"You have to pay your rent, whether you spend 30

Get a **FREE ADT-Monitored Home Security System.***

(With \$99 customer installation and purchase of ADT alarm monitoring services. See important terms and conditions below.)

Call Now! 1-877-835-8373




*\$99.00 Customer Installation Charge. 36-Month Monitoring Agreement required at \$35.98 per month (\$1,295.64). Form of payment must be by credit card or electronic charge to your checking or savings account. Offer applies to homeowners only. Local permit fees may be required. Satisfactory credit history required. Certain restrictions apply. Offer valid for new Security Choice - An ADT Authorized Dealer customers only and not on purchases from ADT Security Services, Inc. Other rate plans available. Cannot be combined with any other offer. **\$100 VISA® Gift Card Offer: \$100 VISA Gift Card is provided by Security Choice and is not sponsored by ADT Security Services. Requires mail-in redemption. Call 1-888-407-2338 for complete restrictions and redemption requirements.

Print Powered By  FormatDynamics™

The Mercury News

MercuryNews.com

nights of the month there or whether you're on vacation," Rydstrom said. "For us, the debt is a fixed cost and we have to pay that, regardless of what the water usage is."

Under the proposal, the commission will begin charging \$2.80 per "unit" of water, roughly 750 gallons -- up from \$1.90. Those charges will be passed on to customers based on the amount of water their city receives from the SFPUC. Some, like Santa Clara or the Alameda County Water District, also use Delta water or groundwater.

Rydstrom said the increased rates aren't that high if you consider it on a per-gallon basis.

"We're talking about a third of a penny. That's one of the best deals you're going to find in the Bay Area," Rydstrom said. "This is a fraction of a fraction of what someone would pay for a cup of coffee at a Starbucks."

Conservation plans aren't the only reason water use has dropped recently. It's been a wet year, which means lawn sprinklers haven't been called into action much. And the economic downturn has lowered water consumption in office buildings and employee bathrooms.

Bauman, of Hayward, said the city understands the need to make the pipeline seismically safe, and also supports lower water consumption by Hayward inhabitants. He said that across the East Bay, there's been about an 8 percent drop in water consumption.

"It's a good thing that people are using less water," Bauman said, "but it's also bad because it brings in less revenue. The water company has the same expenses, but is selling less water -- that's a problem that every water company has right now."

The East Bay Municipal Utility District imposed severe mandatory water cutbacks during the worst of the drought in 2008 but lifted the measures in 2009.

Get a **FREE ADT-Monitored Home Security System.***

(With \$99 customer installation and purchase of ADT alarm monitoring services. See important terms and conditions below.)

Call Now! 1-877-835-8373




*\$99.00 Customer Installation Charge. 36-Month Monitoring Agreement required at \$35.99 per month (\$1,295.64). Form of payment must be by credit card or electronic charge to your checking or savings account. Offer applies to homeowners only. Local permit fees may be required. Satisfactory credit history required. Certain restrictions apply. Offer valid for new Security Choice - An ADT Authorized Dealer customers only and not on purchases from ADT Security Services, Inc. Other rate plans available. Cannot be combined with any other offer. **\$100 VISA® Gift Card Offer: \$100 VISA Gift Card is provided by Security Choice and is not sponsored by ADT Security Services. Requires mail-in redemption. Call 1-888-407-2338 for complete restrictions and redemption requirements.

Print Powered By  FormatDynamics™



Tuesday, Apr 26, 2011

Posted on Thu, Apr. 21, 2011

SLO raises its water rates to offset city's lower usage

AnnMarie Cornejo

San Luis Obispo residents are using less water, and will now be asked to pay more for it.

A 10 percent increase in water rates is being proposed for July, followed by a 9 percent increase in 2012 — which totals nearly 20 percent because of compounding.

That increase is to be used to help offset what the city calls an “unprecedented” drop in water use that has created a more than \$1 million revenue decline, Utilities Director Carrie Mattingly said.

“The amount of water used by the community dropped off a cliff this last year,” Mattingly said.

She added that for the past decade water use citywide has averaged about 6,000 acre-feet and is now averaging about 5,500 acre-feet. That's a reduction of about 8.3 percent.

An acre-foot of water is nearly 326,000 gallons, enough to cover 1 acre of land a foot deep.

San Luis Obispo ratepayers only pay for water that they use. The city does not charge a base fee, Mattingly said.

“What happens because of that is a conundrum — when people conserve, they have to pay more for every unit of water,” she said.

An average local household now uses about 6,732 gallons, or nine billing units, of water a month, according to city figures.

The water bill for that household, 2.3 people on average, is \$52.13 a month. It would go up to \$57.33 in July and to \$62.53 in 2012.

Sewer rates will also increase. A 7 percent rate increase is being proposed to begin in July and a 6 percent increase is proposed for 2012. Because of compounding, the total increase will be 13.4 percent.

Water and sewer rates have increased by every year since 2006. Rates last increased in July 2010 with an 11 percent increase in water rates and a 9 percent increase in sewer rates.

The increases are intended to pay for improvements to San Luis Obispo's water system and for the city's share of the Nacimiento Water Project. The city is now using Nacimiento Lake, north of Paso Robles, as its main water source. In January, San Luis Obispo became the first city to treat and use the water after completion of the 45-mile, \$176 million pipeline.

The city treats about 2.2 billion gallons of water annually, according to city staff. About 1.1 billion gallons of water from Nacimiento Lake will be used each year, and supplemented mainly from Santa Margarita Lake to meet the city's needs.

The drop in water use is attributed to various factors, including more rain than normal, people removing grass in their yards and watering other landscaping less to save money because of the slowed economy, Mattingly said.

Because of the decrease in revenue, capital improvement projects, such as replacing the city's aging water pipes, will be delayed.

Reach AnnMarie Cornejo at 781-7939. Stay updated by following @a_cornejo on Twitter.

© 2011 San Luis Obispo Tribune and wire service sources. All Rights Reserved.
<http://www.sanluisobispo.com>