

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

10-15-09
10:21 AM

Aldercroft Heights County Water District,

Complainant

vs.

San Jose Water Company (U168W),

Defendant

CASE (C.) _____ C0910017

Complaint for Reasonable Water Rates
(Rule 4.2)

Aldercroft Heights County Water District,
Attn: Deirdre Daur, President
20895 Panorama Drive
Los Gatos CA 95033
Telephone (408) 353-4255

Complainant

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

(A) Aldercroft Heights County Water District

COMPLAINANT(S)

vs.

(B) San Jose Water Company

U-168-W

DEFENDANT(S)

(Include Utility "U-Number", if known)

Case Number _____
(for Commission use only)

(C)

Have you tried to resolve this matter informally with the Commission's Consumer Affairs staff?

YES NO

Has staff responded to your complaint?

YES NO

Did you appeal to the Consumer Affairs Manager?

YES NO

Do you have money on deposit with the Commission?

YES NO

Amount \$ _____

Is your service now disconnected?

YES NO

COMPLAINT

(D)

The complaint of (Provide name, address and phone number for each complainant)

Name of Complainant(s)	Address	Daytime Phone Number
Aldercroft Heights Co. Water District	20895 Panorama Dr., Los Gatos, CA 95033	(408) 353-4255

respectfully shows that:

(E)

Defendant(s) (Provide name, address and phone number for each defendant)

Name of Defendant(s)	Address	Daytime Phone Number
San Jose Water Company	110 W. Taylor St., San Jose, CA 95110	(408) 279-7900

(F)

Explain fully and clearly the details of your complaint. (Attach additional pages if necessary and any supporting documentation)

See attached letter.

(G) Scoping Memo Information (Rule 4.2(a))

(1) The proposed category for the Complaint is (check one):

adjudicatory (most complaints are adjudicatory unless they challenge the reasonableness of rates)

ratesetting (check this box if your complaint challenges the reasonableness of a rates)

(2) Are hearings needed, (are there facts in dispute)? YES NO

(3) Regular Complaint Expedited Complaint

(4) The issues to be considered are (Example: The utility should refund the overbilled amount of \$78.00):

The fairness of the rate being charged a water-reseller for raw water using very few capital assets.

(5) The proposed schedule for resolving the complaint within 12 months (if categorized as adjudicatory)

or 18 months (if categorized as ratesetting) is as follows:

Prehearing Conference: Approximately 30 to 40 days from the date of filing of the Complaint.

Hearing: Approximately 50 to 70 days from the date of filing of the Complaint.

Prehearing Conference (Example: 6/1/09):	
Hearing (Example: 7/1/09)	

Explain here if you propose a schedule different from the above guidelines.

(H)

Wherefore, complainant(s) request(s) an order: State clearly the exact relief desired. (Attach additional pages if necessary)

Request an rate that more fairly reflects the costs of providing raw water, not treated water.

(I)

OPTIONAL: I/we would like to receive the answer and other filings of the defendant(s) and information and notices from the Commission by electronic mail (e-mail). My/our e-mail address(es) is/are:

(J)

Dated Los Gatos, California, this 18th day of August, 2009
(City) (date) (month) (year)


Signature of each complainant

(MUST ALSO SIGN VERIFICATION)

(K)

REPRESENTATIVE'S INFORMATION:

Provide name, address, telephone number, e-mail address (if consents to notifications by email), and signature of representative, if any.

Name of Representative:	
Address:	
Telephone Number:	
Email:	
Signature	

VERIFICATION
(For Individual or Partnerships)

I am (one of) the complainant(s) in the above-entitled matter; the statements in the foregoing document are true of my knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

(L)

Executed on _____, at _____, California
(date) (City)

(Complainant Signature)

VERIFICATION
(For a Corporation)

I am an officer of the complaining corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

(M)

Executed on 18 August 2009, at Los Gatos, California
(date) (City)



Signature of Officer

President, Aldercroft Heights County Water District

Title

(N) **NUMBER OF COPIES NEEDED FOR FILING:**

FILE the original complaint plus 6 copies, plus 1 copy for each named defendant, with the Commission. Total of eight (8) copies altogether for one defendant.

(O) MAIL TO: California Public Utilities Commission
Attn: Docket Office
505 Van Ness Avenue, Room 2001
San Francisco, CA 94102

Aldercroft Heights County Water District
20895 Panorama Dr.
Los Gatos, CA 95033
(408)353-4255

27 July 2009

Public Utilities Commission, Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102

Dear Sir or Madam:

Re: San Jose Water Company's rate structure as applied to Aldercroft Heights County Water District

As of October 2004, Aldercroft Heights County Water District, which is a small non-profit Special District operating independently in the Santa Cruz Mountains, was notified the rate tier we were currently billed at was no longer part of the rate structure supported by San Jose Water Company. Our recollection is that this was a reseller's rate. (There is no indication on any of the bills what rate structure we were being charged under in 2004). From November 2004, San Jose Water Company began charging us at the consumer rate for treated water. Yet the water we receive is raw water pumped by us, from our own sump, out of Los Gatos Creek. After much discussion with San Jose Water Company about what kind of water we receive (they believed at first they were delivering us treated water) we were informed there was another rate structure available to us, the raw water rate. We were charged at that rate, \$1.1820 per CCF, from November 2004 (retroactive) until January 2007. In January 2007 that raw water rate *increased by 75%*, to \$1.9550 per CCF. San Jose Water Company's rate for treated water rate is \$2.1616 per CCF. When this topic was discussed with Ann Lindal of San Jose Water Company she explained that SJWC are now charging us the same per unit cost (including overhead) charged to a regular residential consumer minus the per unit cost SJWC spends to treat their water (not to be confused with what it costs AHCWD to treat raw water).

This increase has been extremely difficult for us to handle and has precipitated a rate increase to our customers. Our rates were already very high due to our small size, our mountain topography, and our own overhead costs. We have approximately 117 hookups, with 15% of those being at a reduced rate for seniors and the disabled. Our monthly rates before this water rate increase were \$93.00 for regular base rate and \$75.00 for senior/ disabled base rate, both of which included 4 CCF of water. Our new base rates, still including 4 CCF of water, are \$100 for regular base rate and \$80 for seniors/disabled. We have also been forced to increase our overage rate from \$11 to \$14 per CCF.

There are two levels upon which we consider San Jose Water Company's rate increase to be misapplied. First, it is inappropriate for San Jose Water Company to charge their overhead costs to another water system that has its own overhead costs and is not burdening the majority of San Jose Water Company's infrastructure. For instance,

Aldercroft Heights County Water District
20895 Panorama Dr.
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Aldercroft Heights County Water District does not utilize any of San Jose Water Company's pipes or pumps or treatment plants, nor do we ever require emergency repairs

from San Jose Water Company; instead of reading 117 meters, mailing 117 invoices and processing 117 payments, SJWC only has to their two meters.

The second issue is the amount of the increase itself. San Jose Water Company has stated it did not raise the rate for 10 years. While this may be true, a 75% increase in a single increment is in any case punitive.

Our customers are being unfairly burdened with having to pay an unmerited share of San Jose Water Company's overhead costs in addition to their own. Given our responsibility to our customers, Aldercroft Heights County Water District is hereby asking the Public Utilities Commission for a solution which addresses the disproportionately high rate we are currently being charged by San Jose Water Company for our raw water.

Thank you for your consideration. We look forward to hearing from you regarding this matter.

Cordially,


Deirdre Daur
President,
Aldercroft Heights County Water District