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PRESS RELEASE

Docket #: I.

CPUC TO INVESTIGATE SAN JOSE WATER'S BILLING PRACTICES

SAN FRANCISCO, Sept. 14, 2018 - The California Public Utilities Commission (CPUC) yesterday opened a formal investigation into San Jose Water Company's billing practices.

An informal staff investigation alleges that for at least 30 years, San Jose Water has failed to pro-rate its customer bills when a change to its service charge went into effect in the middle of a customer billing cycle. Rather, the company's apparent practice for more than three decades was to bill its customers the new, increased service charge for the entire billing cycle instead of pro-rating the bill so that customers were only charged the new, increased service charge for the period of time it became effective. In addition, San Jose Water is alleged to have double-billed its customers when it converted from billing its service charge in advance to billing in arrears.

The formal investigation provides a forum to consider evidence and argument on these issues from CPUC staff, San Jose Water, and other parties to the proceeding. Evidence taken in the proceeding will be the basis for findings, conclusions, and CPUC orders, including whether San Jose Water should provide refunds to customers as well as whether the company should face additional financial penalties.

The informal staff investigation began when a San Jose Water customer filed an informal complaint with the CPUC and then a formal complaint (C.17-06-009) in April and June 2017, respectively. Based on the complaint, San Jose Water reviewed its practices and determined that it will change its billing practices to begin to pro-rate its service charge when a rate change goes into effect during the middle of a billing cycle (starting in January 2017). Additionally, San Jose Water filed Advice Letter 510, which requested CPUC authorization to implement a credit to its customers totaling approximately \$1.8 million to reflect service charge amounts that it had not prorated from January 1, 2014 to December 31, 2016.

The informal staff investigative report recommends that San Jose Water implement a credit to its customers of approximately \$2 million for the January 1, 2014 to December 31, 2016, time period, as well as another \$1.9 million to reflect the 1987-2013 time period. Additionally, staff calculated that the total amount of double billing when San Jose Water converted from billing in advance to billing in arrears amounts to nearly \$5 million in overcharges.

The staff report and the proposal voted on are available at <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=224273517>.

You can subscribe to documents related to this proceeding at <http://subscribecpuc.cpuc.ca.gov/> using proceeding number I.18-09-003.

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