

March 28, 2019

WRATES Update #48 - Protest SJWC's Advice Letter 532

Although it has been a while since my last update, WRATES has been very busy advocating for fair and just water rates. Unfortunately, the CPUC is the regulatory agency overseeing SJWC's rate increases. CPUC has a very constructive, positive, enabling and friendly relationship with the utilities which makes our volunteer advocacy work extremely difficult. WRATES has been fighting for reasonable and sustainable rates for 3 years now. We have had some small victories but we continue to see our rates increase.

Beginning January 1, 2019, CPUC authorized:

1. SJWC to increase its 2019 revenue requirements by \$16.4M and change the rate structure so 60% of its revenue is from the Service Charge and 40% is from Water Usage. SJWC stated that our bills would only increase by 1.48%. This is inaccurate and misleading.
2. SJWC to collect 2019 Surcharges for 12 months
3. And if you blinked you may have missed the \$6.36 partial refund for the 30+ years SJWC has overbilled its customers. (Some customers will not see this refund until the next billing cycle.) WRATES is very involved in the Overbilling Investigation and hope the CPUC will render a judgement in favor of a much more robust refund and penalties against SJWC.
4. You probably received a Public Notice in the mail from SJWC on March 27, 2019 announcing that SJWC filed Advice Letter 532 on March 29, 2019 (2 days in the future) for another rate increase to recover \$9M. This is where ALL WRATES members can get involved...

CALL TO ACTION - Send Protest email to:

(Personalize your email for greater impact)

water.division@cpuc.ca.gov

raminder.kahlon@cpuc.ca.gov

richard.rauschmeier@cpuc.ca.gov

karl.bemesderfer@cpuc.ca.gov

michael.picker@cpuc.ca.gov

martha.guzman-aceves@cpuc.ca.gov

clifford.rechtschaffen@cpuc.ca.gov

liane.randolph@cpuc.ca.gov

genevieve.shiroma@cpuc.ca.gov

john.baker@cpuc.ca.gov

cc: regulatoryaffairs@sjwater.com

Subject: Protest Advice Letter 532

Dear Water Division, Commissioners, and ALJ Bemesderfer,

I respectfully request that Advice Letter 532 be rejected as the relief requested in Advice Letter 532 is unjust, unreasonable, or discriminatory!

The customers of SJWC have once again seen our rates **INCREASE**, not decrease. The partial approval of GRC A1801004 has allowed SJWC to increase its 2019 revenue by \$16M effective January 1, 2019. This translates to much more than the 1.48% increase SJWC claims. SJWC is now collecting 2019 Balancing Account Surcharge, 2019 Memorandum Account Surcharge and the Service Charge has increased more than 60%. And now, SJWC

wants to increase our rates again with Advice Letter 532 claiming that they need to recover \$9M of under-collection due to water conservation measures established by the State of California and the SCVWD.

The customers of SJWC were NOT on mandated drought conservation in 2018. We understand that conservation is the new way of life in California. Does SJWC understand this? If SJWC cannot manage their revenue numbers and operating costs by now, when will they? Why is the CPUC encouraging and condoning this behavior with all of these obscene memorandum recovery accounts?

I strongly request that CPUC revisit all safety net memorandum accounts as these accounts provide no incentive for SJWC to curb hiring employees, curb executive bonuses, reduce operating expenses, etc. CPUC allows SJWC to recover all of its excessive costs from the ratepayers.

With D.1811025 approval, the General Rate Case allowed SJWC to increase customer rates at an unsustainable rate. With misinformation presented by SJWC that customer rates would only increase 1.48% and that SJWC's model of "a typical residential customer using 11 ccf" is an atypical customer and therefore a misrepresentation of fact. I also request that the Commission overrule decision D.1811025 because of legal and technical errors with SJWC's assertion that ratepayer bills would only increase by 1.48%.

I respectfully request that Advice Letter 532 be rejected as the relief requested in Advice Letter 532 is unjust, unreasonable, or discriminatory!

Respectfully,

WRATES

SJW Acquisition of Connecticut Water - PURA, Connecticut Regulatory Agency, after a lengthy review, has DENIED SJWC's application to acquire Connecticut Water. The CPUC, on the other hand, had chosen to NOT require SJW to file an application but instead would perform an investigation as to whether or not an application is necessary. CPUC has since suspended their investigation and will follow PURA's lead. SJW is expected to refile an application with PURA in April or May. WRATES will provide documentation to PURA supporting another denial.

Rita Benton
WRATES, Water Rate Advocates for Transparency, Equity, and Sustainability

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." Margaret Meade