

Nov. Dec. water bill

From: Rita Benton
To: John Tang
Jan 15 at 1:58 PM

Hello John,

Please explain my latest water bill to me. The new tier rate and service charge increases went into effect 1/1/17. My water bill is from 10/28/16 - 1/4/17.

We were charged the new higher service charge rate of \$25.02 per month for both the month of November and December yet the rate increase did not go into effect until 1/1/17. We should have been charged \$23.97 per month. I have checked with other customers and they, too, have been charged the higher service charge rate. Please explain how SJWC justifies this.

The PUC Surcharge should also be charged at the previous rate of 1.17%. Only 4 days are in the new rate of 1.44%.

SJWC San Jose Water Company
110 W. Taylor St.
San Jose, CA 95110-2121
(408) 279-7900
Office Hours: 8:00AM-6:30PM Mon.-Fri.
www.sjwater.com

Customer Name: [REDACTED]
Account Number: [REDACTED]
Bill Date: 01/09/2017
Amount Due: \$119.55
Payment Due By: 01/30/2017

BILLING INFORMATION			CURRENT CHARGES	
Service Address:	[REDACTED]		Service Charge	\$50.03
Billing Period:	10/28/2016 - 01/04/2017		Quantity Charges	
Rate Code / Service Size:	RES_T_B 3/4 Inch		3.61765 X \$4.0581	14.68
Meter Reading			2.02941 X \$4.0581	8.23
Previous	Current	Total CCF (748 Gal/CCF)	0.35294 X \$4.221	1.48
2240	2252	12	3.61764 X \$4.509	16.31
			2.02941 X \$4.509	9.15
			0.35294 X \$4.69	1.65
			Safe Drinking Wr Ln 2006-B	0.06
			Safe Drinking Wr Ln 2008-B	0.03
			Rate Assist Prog Surcharge-B	2.89
			SCVWD Purchased Water - 2016	3.02
			SCVWD Ground Water - 2016	2.01
			2013 Interim Rate True-up Surcharge	3.45
			VCMA-2014	0.57
			VCMA-2015	1.72
			2016 Balancing Account Surcharge	1.12
			2016 Memo Acct Credit	0.72CR
			2016 Interim Rate True-up Surcharge	2.18
			PUC Surcharge 1.44%	1.69
			Current Charges	119.55
			Previous Balance	204.39
			Payments Received 11/17/2016	204.39CR
			Total Due	\$119.55

INFORMATION & ANNOUNCEMENTS

Your water use allocation this period is 28.516124 ccf. You used 12.000000 ccf. Thank you for your conservation efforts.

Comprehensive drought information available at www.sjwater.com.

See enclosed bill insert for more information on the cost of water, water supply, and fluoridation.

Effective January 1, 2017, SJWC has implemented a general step rate increase as allowed by the California Public Utility Commission. The monthly bill for the average customer using 15 ccf per month will increase approximately \$3.70, or 3.8%. Your current bill is prorated using the old and new rates.

Effective January 1st the PUC Surcharge has increased to 1.44% as approved in CPUC Resolution M-4830.

Please reimburse all SJWC customers the overcharged amounts plus interest. In the spirit of honesty, transparency, and good customer relations, we will expect to see the reimbursement on our next statement.

Thank you,
Rita Benton

Nov. Dec. water bill

From: Tang, John
To: Rita Benton
Jan 17 at 10:32 AM

Rita,
I am having our Customer Service and Billing folks look over your inquiries and will get back to you.
Best,
John

Nov. Dec. water bill

From: Rita Benton
To: Tang, John
Jan 26 at 1:30 PM

John,
It has been over a week and I have not heard back regarding the overcharges for November and December customer bills. This did not just happen to my bill. SJWC needs to credit the accounts of all customers that were overcharged. Please respond.
Rita Benton

Nov. Dec. water bill

From: Tang, John
To: Rita Benton
Jan 26 at 1:56 PM

Rita,
We are working on it and I should have an answer for you soon. Thanks for your patience.
Best,
John

Nov. Dec. water bill

From: Tang, John
To: Rita Benton
Feb 1 at 10:08 AM

Good morning Rita,

I appreciate your patience as we focused on the work to eliminate the drought allocations and surcharges in our system effective today.

You will see a credit of approximately \$1 on your next bill for the service charge. Other customers can expect to see the same. With regards to the CPUC surcharge, the new rate of 1.44% applies to revenue collected in 2017. Since your bill will be paid in 2017, it counts as 2017 revenue and thus the 1.44% is correctly applied.

Best,
John

Nov. Dec. water bill

From: Rita Benton
To: Tang, John
Feb 1 at 10:22 AM

John,

Thank you for getting back to me. To clarify, customers with 3/4" meter will see a credit amount of \$2.10 on their next bill (\$1.05 for each month November and December). And customers with 1" or greater meter will see a larger credit for the 2 months in question.

I request that SJW review previous service charge increases and credit the customers the overcharges from those increases as well.

Thank you,
Rita Benton

Nov. Dec. water bill

From: Tang, John
To: Rita Benton
Feb 1 at 10:28 AM

Yes. That is correct, Rita. It was a typo. Thank you.

SJW Service Charge Overcharges to Ratepayers Since 2007

From: Rita Benton
To: John Tang Raminder Kahlon Richard Rauschmeier
CC: water_division@cpuc.ca.gov rra@cpuc.ca.gov
Feb 4 at 3:29 PM

John,

Thank you for acknowledging that SJW overcharged the ratepayers on Service Charge rates for the November and December 2016 billing cycle due to incorrect implementation of CPUC's Authorization to increase the Service Charge rate Effective 1/1/17. I am pleased to hear that SJW customers will see this reimbursement on our Jan/Feb statements.

In my follow up email with you, I requested that SJW review previous Service Charge rate increases and credit customers the overcharges from those increases as well. Because you did not respond to my request in your follow up email to me, I have reviewed my SJW statements from 2007 to present and created a spreadsheet illustrating overcharges on Service Charge rates. I request that SJW review Service Charge rate increases prior to 2007 for additional overcharges.

My calculations indicate that SJW customers on a billing cycle of Jan/Feb, Mar/Apr, May/Jun, Jul/Aug, Sep/Oct, Nov/Dec. have been overcharged by a minimum of \$14.97 since 2007. See attached chart. The total amount of monies received by SJW in overcharges is in excess of \$1.7M. I request that SJW also review customers on the alternate billing cycle for Service Charge rate overcharges and reimburse accordingly.

In the spirit of honesty, transparency, and good customer relations, the customers of SJW will expect to see reimbursement of all over charges in a timely manner.

San Jose Water Service Charge Increases and Over Charges

Bill Date	Billing Period	Billing Cycle Months	Effective Date of CPUC Authorization	Previous Service Charge Rate	New Service Charge Rate	Amount Over Charged per 2 Month Billing Cycle	Amount Over Charged per Month	Month(s) Over Charged	Reimbursement Owed to Ratepayer
1/9/17	10/28/16 - 1/4/17	Nov. - Dec.	1/1/17	\$47.94	\$50.03	\$2.09	\$1.05	Nov. Dec.	\$2.09
5/6/16	3/4/16 - 5/3/16	Mar. - Apr.	3/30/16	\$42.13	\$42.40	\$0.27	\$0.13	Mar.	\$0.13
1/13/15	10/31/14 - 1/9/15	Nov. - Dec.	1/1/15	\$40.73	\$42.10	\$1.37	\$0.69	Nov. Dec.	\$1.37
11/5/14	9/3/14 - 10/31/14	Sep. - Oct.	9/29/14	\$38.46	\$40.73	\$2.27	\$1.14	Sep.	\$1.14
9/8/14	7/7/14 - 9/3/14	Jul. - Aug.	7/21/14	\$35.40	\$38.46	\$3.06	\$1.53	Jul.	\$1.53
7/10/12	5/7/12 - 7/6/12	May - Jun.	6/14/12	\$35.72	\$35.80	\$0.08	\$0.04	May Jun.	\$0.08
1/12/12	11/1/11 - 1/6/12	Nov. - Dec.	1/1/12	\$33.86	\$35.70	\$1.84	\$0.92	Nov. Dec.	\$1.84
1/13/11	11/4/10 - 1/11/11	Nov. - Dec.	1/1/11	\$32.62	\$33.78	\$1.16	\$0.58	Nov. Dec.	\$1.16
1/14/10	11/5/09 - 1/11/10	Nov. - Dec.	1/1/10	\$30.52	\$32.62	\$2.10	\$1.05	Nov. Dec.	\$2.10
7/13/09	5/7/09 - 7/9/09	May - Jun.	6/1/09	\$30.14	\$30.52	\$0.38	\$0.19	May	\$0.19
1/14/09	11/3/08 - 1/9/09	Nov. - Dec.	1/1/09	\$28.71	\$30.14	\$1.43	\$0.72	Nov. Dec.	\$1.43
1/14/08	11/1/07 - 1/10/08	Nov. - Dec.	1/1/08	\$26.36	\$28.04	\$1.68	\$0.84	Nov. Dec.	\$1.68
5/10/07	3/9/07 - 5/4/07	Mar. - Apr.	4/12/07	\$25.90	\$26.36	\$0.46	\$0.23	Mar.	\$0.23
									\$14.97

I also request that the CPUC oversee and audit SJW to verify that their billing system is corrected and future overcharges do not occur.

Your immediate attention in this matter is appreciated.

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

SJW Service Charge Overcharges to Ratepayers Since 2007
 From: Rita Benton
 To: John Tang Raminder Kahlon Richard Rauschmeier
 CC: water_division@cpuc.ca.gov rra@cpuc.ca.gov
 Feb 17 at 5:36 PM

John,

It has been 2 weeks since I requested your attention in the matter of Service Charge overcharges. I have not heard from you. Please provide a status update.

Also, Richard and Raminder,
Please advise if the CPUC will be conducting a thorough audit on SJW's billing system.

Thank you for your time and attention in this important matter.
Rita Benton
WRATES
Water Rate Advocates for Transparency, Equity, and Sustainability

SJW Service Charge Overcharges to Ratepayers Since 2007

From: Tang, John
To: Rita Benton Raminder Kahlon Richard Rauschmeier
CC: water_division@cpuc.ca.gov rra@cpuc.ca.gov
Feb 21 at 4:38 PM

Rita,

SJWC's past practice was to bill the service charge (also called a "readiness-to-serve charge") in advance. That practice started before the implementation of electronic billing systems available today and also reflected customers incurring an "opening bill" upon initiation of service per our Tariff Rule No. 9. Since the opening bill included a service charge billed in advance, it followed that subsequent bills would continue this practice.

SJWC recently modified its practice in order to treat the service charge, like the quantity charge, as billed in arrears. This makes a difference when there is an intervening rate change, as occurred January 1, 2017. As we discussed, you will receive a credit on your next bill to reflect the difference between billing the higher service charge for your entire billing period, which began in early November 2016, and billing the higher service charge only from January 1, 2017 forward. Other customers will receive similar credits depending on their billing cycles.

John

SJW Service Charge Overcharges to Ratepayers Since 2007 & Advice Letter Suspension

From: Rita Benton
To: Raminder Kahlon Richard Rauschmeier water_division@cpuc.ca.gov
Feb 21 at 5:57 PM

Hello Richard and Raminder,

I am concerned with the response given by SJWC. I respectfully request that a full audit be performed on SJW Group, SJW Company and SJW Land. Their unfair, discriminatory and questionable billing practices need your full attention. The customers deserve reimbursement and full and honest transparency from SJW. I would also like to make you aware of the over 6400 people who have signed the SJWC Unfair Billing Practices petition on change.org. Click on link:

https://www.change.org/p/outrageous-water-bills-let-cpuc-know-that-sjwc-s-unfair-billing-practices-need-to-stop?recruiter=45774845&utm_source=share_petition&utm_medium=copylink

In light of the Advice Letters SJW has been filing requesting tier rate and service charge increases, it is vital that all Advice Letters be denied until an audit is performed to determine if implementation of CPUC's authorization to increase rates are being performed properly and their billing system is accurate. CPUC should also review the number of advice letters that SJWC has filed over the years

and reevaluate the advice letter process. The ratepayers are inundated with relentless and unsustainable rate increases throughout the year.

The most recent Advice Letter 506 should also be denied on the basis of Protest ground No. 6, The relief requested in the advice letter is unjust, unreasonable, or discriminatory. There are many reasons AL506 is unjust and unreasonable, but on a basic fundamental level, why is SJWC being allowed to roll a “temporary” charge into a permanent rate increase for which any future GRC and AL will be based upon?

Please advise if CPUC will be conducting a thorough audit and denying future Advice Letters requesting rate increases.

Thank you in advance for your prompt response in this matter.

Sincerely,
Rita Benton
WRATES

SJW Service Charge Overcharges to Ratepayers Since 2007 & Advice Letter Suspension

From: Kahlon, Raminder
To: Rita Benton
Feb 24 at 4:49 PM

Rita:

I reviewed the note which you forwarded to Richard Rauschmeier and me on February 21, 2017, regarding your questions and concerns with San Jose Water Company billing practices, as well as Commission advice letter processes and increases in rates. I understand that on March 10, 2017, you, Mary Robertson and members of your group will be meeting with Richard and members of the Office of Ratepayer Advocates to better understand the ratemaking process which sets rates and service, as well as establishes the advice letter procedure. I also see that Richard sent both you and Mary Robertson an e-mail on February 21, 2017, explaining the basis for the rate increase as a result of Advice Letter 506 which upgrades the Montevina Project. Hopefully your meeting with Richard will explain, and provide sufficient opportunity for questions to give you a better understanding of both ratemaking and more specifically the rate increase tied to Advice Letter 506, the Montevina Project upgrades.

With regard to SJWC’s billing practices, referenced by a note from John Tang at SJWC, we are reviewing the tariffs which guide the service and billing practices to determine whether the correct procedures were followed. We will let you know our findings after this review. Should your meeting on March 10 with ORA not resolve all of your questions please let me know and we will try to provide answers to these questions.

Rami

Rami Kahlon, Director
Water Division

SJW Service Charge Overcharges to Ratepayers Since 2007

From: Rita Benton
To; Tang, John Raminder Kahlon Richard Rauschmeier
CC; water_division@cpuc.ca.gov rra@cpuc.ca.gov

Feb 28 at 2:17 PM

John,

It does not make sense nor does it seem legal that SJWC could bill a service charge before its effective date. I am challenging your explanation and I am, once again, going to request that all SJWC customers be reimbursed for all overcharges dating as far back as necessary to rectify this problem.

I would also like a response from the CPUC with a definitive answer as to whether or not the CPUC will be conducting a formal audit on SJW. Overcharging customers, excessive rate increases and record earnings warrants a thorough audit.

Please advise,
Rita Benton
WRATES

SJW Service Charge Overcharges to Ratepayers Since 2007

From: Rita Benton
To: Jim Boothe
Mar 1 at 2:10 PM

Jim,

Thank you for taking the time to speak with me today. I appreciate it very much. I am forwarding the latest thread of emails regarding SJW service charge overcharges as we discussed.

Thank you,
Rita Benton

SJW Service Charge Overcharges to Ratepayers Since 2007

From: Tang, John
To: Rita Benton Raminder Kahlon Richard Rauschmeier
CC: water_division@cpuc.ca.gov rra@cpuc.ca.gov
Mar 1 at 7:42 PM

Rita,

Please see attached SJWC's response to the Water Division. (Service Charge Proration Respense.pdf)

Best,
John



March 1, 2017

Water Division
California Public Utilities Commission

505 Van Ness Avenue, 3rd Floor
San Francisco, CA 94102

Attention: Tayeb K. Mogri

Re: Proration of Readiness to Serve Charges Upon Changes in Rates

Dear Mr. Mogri:

By your e-message of February 23, 2017, you requested that San Jose Water Company ("SJWC") provide information relevant to a complaint submitted earlier this month by Ms. Rita Benton, a SJWC customer, about SJWC's billing practice regarding the readiness to serve charge and any possible refunds. Specifically, you asked that we inform the Water Division about SJWC's past and current practice, when and why the practice was modified, when the Commission was informed of the changes, and whether Rule 9 has to be modified to reflect the current practice.

When a change in rates becomes effective during a customer's billing period, the question is presented as to how the new rates should be applied to the next bill rendered to the customer and whether the bill should be prorated in some manner between the application of the former rates and the new rates.

It has been SJWC's longstanding practice to prorate quantity charges by applying the new rates to a fraction of the customer's recorded usage equal to the number of days during the billing period beginning with the date on which the new rates became effective and ending with the date on which the meter was read divided by the total number of days during the billing period, while applying the former rates to the remaining fraction of the customer's recorded usage.

Past practice: Until recently, SJWC has not prorated its monthly readiness-to-serve charges under the circumstances described above, but instead has applied the new readiness to serve charges for the entire bi-monthly billing period.

Current practice: SJWC's current practice in billing quantity charges is unchanged. However, effective January 1, 2017, SJWC changed its practice for billing readiness to serve charges. The new policy is to prorate monthly readiness to serve charges in a manner similar to the manner in which SJWC prorates quantity charges – by applying the new rate to a fraction of the customer's billing period beginning with the date on which the new rates became effective and ending with the date of which the meter was

Mr. Tayeb K. Mogri March 1, 2017 Page 2

read divided by the total number of days during the billing period, while applying the former rates to the remaining fraction of the customer's billing period.

When and why the practice was modified: In response to a customer inquiry, SJWC modified its billing practice, as noted above, effective January 1, 2017. The modification was made after SJWC evaluated its existing practice in the context of Rule No. 9, determined common practice of other Class A water companies regarding their

practices in applying their own tariff rules, which were similar to SJWC's Rule No. 9, and particularly considered changes in customer billing and payment practices that have occurred over the many years that the current terms of Rule No. 9 have been in effect.

Whether proration of charges is appropriate upon the occurrence of a change of rates during the billing period depends upon whether charges are imposed in advance or in arrears. **If charges are imposed in advance of the provision of service, then the new rates should be applied without proration. If charges are imposed in arrears, then the new rates should be applied only to the portion of the billing period during which the new rates were effective.** Since quantity charges are based on recorded usage, they clearly are imposed in arrears, which is why SJWC's practice – both past and current – has been to prorate quantity charges affected by a change of rates. The fundamental question relevant to Ms. Benton's inquiry was whether readiness to serve charges are billed in advance or in arrears.

Section A.1 of SJWC's Tariff Rule No. 9 provides for the rendering of bills for Metered Service. Section A.1.b provides as follows:

The opening bill for monthly service will not be less than the established monthly minimum or readiness to serve charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that no such credit shall accrue if the total period of service is less than one month.

This provision was added to SJWC's Rule No. 9 in 1997 pursuant to SJWC Advice Letter No. 294 and CPUC Resolution W-4060, which authorized SJWC to eliminate monthly billing and to bill on a bi-monthly basis in synchronization with the previously established practice of bi-monthly meter reading. Neither Advice Letter No. 294 nor Resolution W-4060 explained why Section A.1.b was added to the Rule at that time, but it is worth noting that Section A.1.b, applicable to Metered Service, closely tracks the language of Section A.2.b, applicable to Flat Rate Service,¹ which had been included in Rule No. 9 since at least 1972, providing as follows:

The opening bill for flat rate service will be the established monthly charge for the service. Any amount paid in excess of the prorated charges otherwise applicable to the opening period will be credited against the charge for the succeeding regular billing period, except that

¹ SJWC does not currently provide any flat rate service.

no such credit shall accrue if the total period of service is less than one month.

Section A.2.a of Rule No. 9, unchanged since at least 1972, provides that “[b]ills for flat rate service are payable in advance.” Reading Sections A.2.a and A.2.b together indicates that no proration may be applied to the “opening bill” for flat rate service but, if the next bill follows after less than a full billing period, a credit will be applied to that next bill to reflect the fraction of a billing period to which the opening bill applied. The same interpretation can be applied to Section A.1.as it applies to the “opening bill” for metered service. Thus, the structure and interpretation of Sections A and B of Rule No. 9 are consistent with an understanding of SJWC’s readiness to serve charges as being “payable in advance.”

Inclusion of the term “opening bill” in Rule No. 9 pre-dates the electronic billing systems that are in use today and reflects an earlier time, when customer service was often initiated by an in-person visit to the water company’s office. Upon initiation of service, a deposit was charged (an “opening bill”) reflecting, at a minimum, the monthly readiness to serve charge, in advance of providing service.

If the opening bill included a readiness to serve charge billed in advance, it follows that subsequent bills would continue that practice. Therefore, the tariff language describing opening bills as consisting of at least the readiness to serve charge supports an understanding that **SJWC’s prior practice was to bill such charges in advance.** Moreover, Rule 9’s reference to the monthly charge as the “readiness to serve” charge is consistent with billing the charge in advance, since SJWC is demonstrating that it is “ready to serve” its customers when service is initiated, even before any water has been provided. The provision of Rule No. 9.A.1.b for crediting a portion of the initial “readiness to serve charge” against the charge for the succeeding regular billing period, reinforces the implication that this charge is billed in advance.

However, the practice of issuing an opening bill has waned over time. As customers commonly sign up for service by telephone or via e-mail, SJWC no longer issues an opening bill when service is initiated. SJWC’s current practice – and its practice for several years – is and has been to render a bill for service (as distinguished from receipt of a deposit to establish credit pursuant to Rule No. 7) only after service has been provided for some period of time. This current practice provides support for treating the readiness to serve charge as billed in arrears. The language of Rule No. 9.A.1.b for crediting a portion of the initial “readiness to serve charge” against the charge for the succeeding regular billing period is consistent with billing either in advance or in arrears.

Upon inquiry of other Class A water companies, SJWC has learned that several of those companies make a practice of prorating readiness to serve charges as well as

quantity charges in the context of rate changes during customers' billing periods. Considering SJWC's change of practice with respect to issuance of opening bills to new customers, noted above, the common practice of other water companies, and the circumstances of Ms. Benton's inquiry, SJWC determined that Rule No. 9 allows flexibility for SJWC to

Mr. Tayeb K. Mogri March 1, 2017 Page 4

treat its readiness to serve charges as billed either in advance or in arrears and that treatment of such charges as billed in arrears is more consistent with current water utility practice. Accordingly, SJWC determined that it is also appropriate, on a forward-looking basis beginning with the most recent rate changes that were effective January 1, 2017, to prorate readiness to serve charges along with quantity charges on customer bills for billing periods during which rate changes have become effective.

Informing the Commission: SJWC is informing the Commission of its changed practice by the present letter. Because this change of practice is consistent with the present terms of its Rule No. 9, SJWC does not believe any formal request for Commission authorization to make this change is required.

Whether Rule No. 9 needs to be modified: Because Rule No. 9 can be interpreted to provide for billing readiness to serve charges for metered service either in advance or in arrears, the Rule can, likewise, be interpreted to allow SJWC discretion whether or not to prorate readiness to serve charges on customer bills for billing periods during which rate changes have become effective, so long as SJWC follows a consistent practice that does not unreasonably discriminate among customers. Having chosen to adopt the practice of prorating readiness to serve charges for all metered customers effective January 1, 2017, avoids any unreasonable discrimination and is consistent with the present terms of SJWC's Rule No. 9. Accordingly, no modification of the Rule is required.

Very truly yours,

John B. Tang, P.E.

Vice President of Government Relations & Corporate Communications

Response to SJWC's letter re: Service Charge Overcharges

From: Rita Benton

To: Tayeb Mogri

CC Raminder Kahlon Richard Rauschmeier John Tang michael.picker@cpuc.ca.gov Carla J.

Peterman martha.guzman-aceves@cpuc.ca.gov clifford.rechtschaffen@cpuc.ca.gov

liane.randolph@cpuc.ca.gov Timothy J. Sullivan

Mar 7 at 8:11 PM

Dear Mr. Mogri,

Thank you for requiring San Jose Water Company (SJWC) to explain their questionable billing practices. I would like to make sure that my complaint and all emails and letters related to this complaint be part of the public record. Please inform me if a formal complaint needs to be filed in order for this to happen.

After reading John Tang's response to your inquiries (see attachment), I am confident that you also concluded that there is a flaw in his explanation. John Tang states that SJWC, prior to January 1, 2017, billed in advance without proration, and effective January 1, 2017, SJWC changed their billing practices, due to my inquiry and not on their own accord, to billing in arrears with proration. If we are to accept John Tang's explanation for the service charge overcharges, then the conclusion is that, effective January 1, 2017, all SJWC customers were double billed for a two month period. Customers were already billed in advance, and with the billing practice modification were also billed again in arrears.

For example, on my November 1, 2016 bill, my service charge was \$47.96. On that date, SJWC's billing practice was to bill in advance without proration, so my service charge was paid in full up to my next billing period which began January 4, 2017. On January 1, 2017, SJWC increased its bimonthly service charge to \$50.04, and per John's letter, the company also changed its billing practice to bill in arrears with proration. On my January 9, 2017 bill, my service charge was \$50.03 and, due to now being billed in arrears, this charge covered the period of October 28, 2016 through January 4, 2017, a period for which I had already paid the service charge. I was therefore double-charged for November and December. The correct implementation of SJWC's change from billing in advance to billing in arrears would have been to charge no service charge on the January bill and to bill in arrears on the March bill for the period of January-February.

All SJWC customers require full reimbursement for the double-charged service charge. Reimbursement for customers with 3/4" meters for two months is \$50.04, 1" meters is \$83.32, etc. This reimbursement should stand and SJWC should not be allowed to recoup/recover this money through any future General Rate Cases or Advice Letters.

The CPUC has been approving excessive rate increases to SJWC for years, (the majority enacted through Advice Letters), and to discover that, along with all of the CPUC approved rate increases, SJWC has improperly implemented the CPUC's authorization to increase service charge rates adds to our frustration.

SJWC has increased its water rates an average of 20% per year since 2013. SJWC implemented a draconian drought surcharge that the ORA described as unjust, unreasonable and discriminatory. Over 1,000 people sent the CPUC protest letters yet the drought surcharge was still enacted. Over 7800 people have signed the SJWC Unfair Billing Practices petition on change.org (https://www.change.org/p/outrageous-water-bills-let-cpuc-know-that-sjwc-s-unfair-billing-practices-need-to-stop?recruiter=45774845&utm_source=share_petition&utm_medium=copylink) requesting that the CPUC and SJWC address SJWC's unfair billing practices. SJWC had record earnings in 2016, a drought year. SJWC awards their executives with exorbitant salaries and bonuses. The customer/ratepayer is unfairly footing the bill for the excesses and our voices need to be heard. It is time for change.

I am formally requesting that the CPUC begin a thorough investigation and conduct a formal audit on SJW Group. Overcharging customers, excessive rate increases and record earnings warrant a thorough investigation.

Thank you for taking the first step toward justice for the customers of SJWC. We look forward to working with you in the future to establish reasonable and sustainable rates from a more transparent San Jose Water Company.

Sincerely,

Rita Benton
WRATES
Water Rate Advocates for Transparency, Equity and Sustainability
Service Charge Proration Response

Response to SJWC's letter re: Service Charge Overcharges

From: Rita Benton
To: Tayeb Mogri
CC: Raminder Kahlon Richard Rauschmeier John Tang michael.picker@cpuc.ca.gov Carla J. Peterman martha.guzman-aceves@cpuc.ca.gov clifford.rechtschaffen@cpuc.ca.gov liane.randolph@cpuc.ca.gov Timothy J. Sullivan
Mar 14 at 2:14 PM

Dear Mr. Mogri,

It has been a week since I sent you an email regarding SJWC's Service Charge Overcharges. Please provide a status update and also indicate whether or not a formal complaint needs to be filed so as to become part of the public record.

Thank you for your prompt attention in this matter.

Sincerely,
Rita Benton
WRATES

From: Rita Benton
To: Raminder Kahlon
CC: Richard Rauschmeier John Tang michael.picker@cpuc.ca.gov Carla J. Peterman martha.guzman-aceves@cpuc.ca.gov clifford.rechtschaffen@cpuc.ca.gov liane.randolph@cpuc.ca.gov Timothy J. Sullivan tayeb.mogri@cpuc.ca.gov
Mar 16 at 2:21 PM

Rami,

I have not received any information from Tayeb regarding SJWC's service charge overcharges. Please provide a status update and also indicate whether or not a formal complaint needs to be filed so as to become part of the public record.

Again, thank you for your prompt attention.

Rita Benton
WRATES

From: Tang, John
To: Rita Benton Raminder Kahlon
CC: Raminder Kahlon Richard Rauschmeier michael.picker@cpuc.ca.gov Carla J. Peterman martha.guzman-aceves@cpuc.ca.gov clifford.rechtschaffen@cpuc.ca.gov liane.randolph@cpuc.ca.gov Timothy J. Sullivan tayeb.mogri@cpuc.ca.gov
Mar 16 at 3:11 PM

Tayeb/Rami,

As explained in our March 1 letter to the CPUC Water Division, SJWC believes that Rule 9 provides flexibility to treat the readiness to serve charge as collected in arrears or in advance. As also stated in that letter, **it has been SJWC's practice for several years (actually, at least a decade)** not to issue an opening bill when service is initiated, but to render a first bill for service only after service has been provided for some portion of a full billing cycle, charging quantity charges for the volume of water used plus a prorated portion of the readiness to serve charge for the portion of a billing cycle during which service has been provided. Thus, in practical terms, our practice has been **to bill the readiness to serve charge in arrears**. It also has been our longstanding practice to prorate the readiness to serve charge on the first bill and also on the closing bill.

Another longstanding practice of SJWC, pursuant to Rule No. 7, has been to require new customers to pay a deposit to secure credit in the amount of two monthly readiness to serve charges plus quantity charges for an average volume of usage. In past periods, when new customers tended to initiate service in person, this deposit requirement comprised the opening bill. **According to current practice, the deposit is included in the first bimonthly bill along with the quantity charges and prorated readiness to serve charge as noted above. Whether paid pursuant to an opening bill or a first bimonthly bill, the deposit is ultimately returned to the customer, within 12 months of payments in good standing or when the customer discontinues service,** whichever occurs earlier. A customer is not considered "doubled billed" because the deposit is refunded.

Accordingly, Ms. Rita Benton's assertion that, effective January 1, 2017, SJWC has "double billed" Ms. Benton the readiness to serve charge for a two-month period is incorrect. **No change has occurred on January 1, 2017 in SJWC's established practice of billing both quantity charges and the readiness to serve charge in arrears.** When a customer terminates SJWC's water service, the closing bill includes only a prorated portion of the current bimonthly readiness to serve charge reflecting the portion of the bimonthly billing cycle during which service was provided.

We believe the only issue presented at this time involves the billing practice to address rate changes that become effective during a customer's billing cycle. As indicated in our March 1 letter, SJWC has modified its billing practice, effective January 1, 2017, to prorate both quantity charges and the readiness to serve charge on its bills for such billing cycles. Accordingly, a credit of approximately \$2 will be applied to Ms. Benton's next bill, representing the amount that is the difference between applying the new, higher readiness to serve charge for the entire billing period and applying the new charge only to the portion of the billing period beginning January 1. Other customers will see similar credits not-to-exceed approximately \$2 that will be prorated based on their respective billing dates.

Best,
John

From: Tayeb Mogri
To: Rita Benton
Mar 24 at 9:25 AM

Dear Ms. Benton,

I was out of the office for couple of weeks. I have been informed by my supervisors that there is an informal internal investigation in progress and your concerns are being given due consideration. However it is your right to file a formal complaint with the Commission.

Thank You

Tayeb Mogri

From: Rita Benton
To: Mogri, Tayeb K.
CC: Raminder Kahlon
Mar 24 at 9:46 AM

Dear Mr. Mogri,

Thank you for your response. Is this informal internal investigation part of the public record?

Sincerely,
Rita Benton

From: Tayeb Mogri
To: Rita Benton
CC: Kahlon, Raminder
Mar 24 at 10:30 AM

Dear Ms. Benton

It is my understanding that evidence presented in formal proceedings becomes part of public record.

Sincerely
Tayeb Mogri

From: Rita Benton
To: Mogri, Tayeb K.
CC: Kahlon, Raminder Richard Rauschmeier
Mar 24 at 11:10 AM

Dear Mr. Mogri,

I would like verification that this informal internal investigation will NOT be part of the public record as you understand it.

I respectfully request the following:

1. A list of all CPUC staff involved in this investigation
2. The Administrative Law Judge assigned to this investigation (include case number)
3. All emails, letters, etc. and documents related to this investigation (including Rule No. 7 & 9)
4. Any and all information related to this investigation

Thank you for your prompt attention to this matter.

Rita Benton
WRATES

Subject: **Response to SJWC's letters re: Service Charge Overcharges**

From: Rita Benton

To: Tayeb K. Mogri Raminder Kahlon

CC: John Tang, Richard Rauschmeier, Michael Picker, Carla J. Peterman, Martha Guzman-Aceves, Clifford Rechtschaffen, Liane Randolph, Timothy J. Sullivan

Mar 30 at 9:57 PM

Dear Tayeb Mogri and Rami Kahlon,

After comparing John Tang's March 16, 2017 email response and his original March 1, 2017 response addressing the issue of service charge overcharges, it is apparent that there are contradictions and inconsistencies in his explanations. This should illicit concern from the CPUC staff that is investigating SJWC's questionable billing practices. SJWC has shown a lack of transparency, lack of honesty, and lack of coherency while attempting to justify the company's billing practices.

John Tang has written three letters/emails in 2017 attempting to clarify the SJWC billing practice related to its service charge, sometimes referred to as its readiness to serve charge. These communications are listed below and will be referred to by their numbers throughout the remainder of this letter. Additionally, please find copies of these letters attached to this email.

- **Letter 1**, dated February 21, 2017, addressed to Rita Benton, Raminder Kahlon and Richard Rauschmeier
- **Letter 2**, dated March 1, 2017, addressed to Tayeb K. Mogri
- **Letter 3**, dated March 16, 2017, addressed to Tayeb Mogri , Raminder Kahlon and Rita Benton

In Letter 1, John states that "SJWC recently modified its practice in order to treat the service charge, like the quantity charge, as billed in arrears."

John further clarified SJWC's decision in Letter 2, stating that "SJWC determined that Rule No. 9 allows flexibility for SJWC to treat its readiness to serve charges as billed either in advance or in arrears and that treatment of such charges as billed in arrears is more consistent with current water utility practice." This statement also referenced my initial inquiry about service charge rates dated January 15, 2017.

- The wording of Letters 1 and 2 clearly indicates that SJWC *recently* changed its billing practice to bill the service charge in arrears.
- The correct implementation of SJWC's change from billing in advance to billing arrears would have been to charge the service charge in advance on the billing cycle prior to the effective date of the change, to charge no service charge on the bill following the effective date of the change, and to bill the service charge in arrears on the subsequent billing cycle. This implementation schedule insures that customers are billed the service charge for all billing periods, without double-charging.

- To charge the service charge in advance on one billing cycle and then to charge the service charge in arrears on the very next billing cycle causes the customer to be double-billed for the service charge for a two month period.
- There is no evidence on recent bills that SJWC suspended its service charge for one billing cycle in order to change its billing practice for the service charge from in advance to in arrears. A service charge has been charged on each of my water bills since 2006.
- Therefore, San Jose Water Company has double-charged its customers for the service charge at least once following the effective date of the change to its billing practice, whenever that change occurred.
- I further contend that the decision to change the billing practice to charge the service charge in arrears occurred only after my January 15, 2017 inquiry regarding why the service charge on my January 9th bill had been billed entirely at the new, higher rate. Most likely this change occurred as of January 1, 2017. If true, all customers should be credited with the erroneous service charge billed on their first bill of 2017. For single residence customers with a ¾" line, the amount to be credited would be \$50.03.

In Letter 3 John Tang attempts to rebut my conclusion that customers were double-billed. In that email he states that "No change has occurred on January 1, 2017 in SJWC's established practice of billing both quantity charges and the readiness to serve charge in arrears."

He also states in Letter 3 that "it has been SJWC's practice for several years (actually, at least a decade)to bill the readiness to serve charge in arrears."

However, in Letter 2 he described that past practice was to include a "readiness to serve charge billed in advance" on a customer's opening bill.

- John has contradicted himself. In Letter 1 he claims that SJWC *recently* modified its practice to billing the service charge in arrears, and in Letter 3 he claims that SJWC has been effectively billing the service charge in arrears for *at least a decade!*
- If we believe Letter 1, then SJWC has double-billed its customers recently. If we believe Letter 3, then at some point in the past there was a crossover from billing in advance to billing in arrears. When, specifically, did that change in billing practice occur? Were customers double-billed at that time, or was the transition managed correctly? Does San Jose Water Company have concrete records that document a decision to change its billing practice and the subsequent implementation of that decision?
- It certainly feels that John Tang is scrambling to explain why my service charge on my January 9, 2017 bill was not prorated. His statements are contradictory, and the company either made a costly mistake in double-billing customers on their first bill of 2017, or the company morphed its billing practice over time without intention and without regard to a specific and correct implementation, also resulting in customers being double-billed.

Returning to Letter 2, John stated, “If charges are imposed in advance of the provision of service, then the new rates should be applied without proration. If charges are imposed in arrears, then the new rates should be applied only to the portion of the billing period during which the new rates were effective.”

- Since John is now claiming that SJWC has been effectively billing its service charge in arrears for at least a decade, then by his own statement above each service charge rate increase during that decade should have been prorated on customer bills. My analysis of service charges, which dates back ten years, shows that, in fact, service charges were *never* prorated when there was a rate increase. See chart below illustrating overcharges from 2007 to 2017.
- John’s assertion that SJWC will give customers a \$2 credit to compensate them for the proration that did not occur on their January bills, due to a service charge increase implemented on January 1, 2017, is inadequate. San Jose Water Company should be crediting customers for the missing proration of each instance of a service charge rate increase since the date that San Jose Water Company began billing the service charge in arrears.

Bill Date	Billing Period	Billing Cycle Months	Effective Date of CPUC Authorization	Previous Service Charge Rate	New Service Charge Rate	Proration or No Proration
5/10/07	3/9/07 - 5/4/07	Mar. - Apr.	4/12/07	\$25.90	\$26.36	No Proration
1/14/08	11/1/07 - 1/10/08	Nov. - Dec.	1/1/08	\$26.36	\$28.04	No Proration
11/7/08	9/5/08 - 11/3/08	Sep. - Oct.	Varies	\$28.04	\$28.71	No Proration
1/14/09	11/3/08 - 1/9/09	Nov. - Dec.	1/1/09	\$28.71	\$30.14	No Proration
7/13/09	5/7/09 - 7/9/09	May - Jun.	6/1/09	\$30.14	\$30.52	No Proration
1/14/10	11/5/09 - 1/11/10	Nov. - Dec.	1/1/10	\$30.52	\$32.62	No Proration
1/13/11	11/4/10 - 1/11/11	Nov. - Dec.	1/1/11	\$32.62	\$33.78	No Proration
3/10/11	1/11/11 - 3/4/11	Jan. - Feb.	1/26/11	\$33.78	\$33.85	No Proration
1/12/12	11/1/11 - 1/6/12	Nov. - Dec.	1/1/12	\$33.85	\$35.70	No Proration
7/10/12	5/7/12 - 7/6/12	May - Jun.	6/14/12	\$35.72	\$35.80	No Proration
11/5/12	9/4/12 - 11/1/12	Sep. - Oct.	9/1/12	\$35.80	\$35.40	No Proration
9/8/14	7/7/14 - 9/3/14	Jul. - Aug.	7/21/14	\$35.40	\$38.46	No Proration
11/5/14	9/3/14 - 10/31/14	Sep. - Oct.	9/29/14	\$38.46	\$40.73	No Proration
1/13/15	10/31/14 - 1/9/15	Nov. - Dec.	1/1/15	\$40.73	\$42.10	No Proration
11/5/15	9/1/15 - 11/3/15	Sep. - Oct.	9/20/15	\$42.10	\$42.13	No Proration
5/6/16	3/4/16 - 5/3/16	Mar. - Apr.	3/30/16	\$42.13	\$42.40	No Proration
7/6/16	5/3/16 - 6/30/16	May - Jun.	6/14/16	\$42.40	\$47.94	No Proration
1/9/17	10/28/16 - 1/4/17	Nov. - Dec.	1/1/17	\$47.94	\$50.03	No Proration

- Furthermore, the \$2 credit reflects only the missed proration for customers with $\frac{3}{4}$ inch meters. Customers with $\frac{3}{4}$ inch meters on a different billing cycle than mine may be owed more than \$2. Customers with 1 inch meters (or larger) pay greater service charges, and therefore, those customers should receive a credit greater than \$2.

John also states in Letter 3 that “According to current practice, the deposit is included in the first bimonthly bill along with the quantity charges and prorated readiness to serve charge” and that “the deposit is ultimately returned to the customer, within 12 months of payments in good standing or when the customer discontinues service.”

- I have not found these statements to be true. The attached opening bills do not show a deposit at all. I believe that an investigation on this point should be straight-forward. Does SJWC have a liability account which tracks customer deposits and subsequent refunds?

In summary, San Jose Water Company modified its billing practice at some point in the past from billing the service charge in advance to billing the service charge in arrears. For the billing period that included the effective date of that change, San Jose Water Company double-billed its customers. From the effective date forward, San Jose Water Company failed to prorate the service charge when a service charge rate increase occurred. The CPUC must ascertain the *specific* date that this modification to the billing practice was implemented. The CPUC must then require San Jose Water Company to compensate its ratepayers not only for the double-billing charged during the billing period of transition, but also for the cumulative total of the difference between the new service charge and the appropriate prorated service charge for each service charge rate increase that occurred from the modification date until now.

I am finding the process of reimbursement painstakingly difficult. With every letter that I write, John Tang responds with obfuscating explanations that contradict themselves. If SJWC were concerned with public relations, the company would have reimbursed its customers and considered it a cost of honest business practices. Instead, SJWC is spending its time trying to convince the CPUC and its customers that the company did little to nothing wrong.

Again, I am formally requesting that the CPUC begin a thorough investigation and conduct a formal audit on SJW Group and all of its subsidiaries. Overcharging customers, excessive rate increases, record earnings during a drought year, and contradictions and inconsistencies in SJWC’s billing practice explanations warrant a thorough investigation. This investigation should not be limited to an “informal internal investigation”. There is enough information presented to warrant a full forensic audit. The CPUC has the obligation to protect the ratepayer. It is long overdue for the CPUC to return to its mission statement and align itself with the taxpayer/ratepayer and not with the utilities and the shareholders. Your concern should not be with the possibility of a strained relationship with SJWC, but with serving the public interest.

Thank you for understanding the seriousness of these issues and taking prompt and immediate action. We look forward to working with you in the future to establish reasonable and sustainable rates from a more transparent San Jose Water Company.

Sincerely,

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

From: Rita Benton
Sent: Friday, April 07, 2017 6:14 PM
To: Rauschmeier, Richard
Subject: RoR vs Net Profit

Hi Richard,

I was hoping you could clear this up for me.

1. Why is SJWC's Net Profit so much more than the guaranteed Rate of Return? SJWC's Rate of Return is 8.09% yet their Net Profit for 2016 was 25.4%.
2. Why is the CPUC only interested in the Rate of Return. Shouldn't the CPUC be more concerned about the profits SJWC is making?

The ratepayer sees a great disconnect with the CPUC when our rates have skyrocketed and SJWC's Net Profits have also skyrocketed.

Thanks for your help.
Rita Benton

PS - Rami and Tayeb have not responded to my latest email (or requests for updates) regarding SJWC's service charge overcharges. Please forward any information you may have or any help on how I can get them to respond to me. Thanks

On Monday, April 10, 2017 8:44 AM, "Rauschmeier, Richard" wrote:

Hi Rita,

Can you point me to where the 25.4% figure is coming from?

It may be that figure represents SJWC's combined regulated and non-regulated operations, but I'd want to verify. The authorized rate of return is the primary means by which the CPUC calculates the profit that will be included in rates for the regulated business.

I thought that at one point you had mentioned filing a complaint, however, I haven't seen anything appear on the CPUC's docket or daily calendar. If that has happened and I missed it, could you forward me the proceeding number (i.e. C.###-##-###)? At that point there is a formal process for CPUC action.

Thanks,

Richard

From: Rita Benton
Sent: Monday, April 10, 2017 5:49 PM
To: Rauschmeier, Richard
Subject: Re: RoR vs Net Profit

Hi Richard,

I got the information from the 5 year Financial and Statistical Review.
Income Before Income Taxes divided by Operating Revenue is 25.4%.

This is SJW Group, which is all we have to work with because SJWC doesn't file separately (the CPUC should require SJWC to be a sole entity and file separately). SJW Group and its subsidiaries muddy the water for transparency.

SJWC represents 91.6% of SJW Group's operating revenue as shown in the attachments. So when SJW Group has Net Profits of 25.4%, 91.6% of that is from SJWC.
2013 Operating Revenue of SJWC was \$253,840,239.
2013 Consolidated Operating Revenue of SJW Group \$276,869,000.
SJWC represents 73.5% of operating expense. It looks like SJWC subsidizes SJW Group and the other subsidiaries which means the ratepayers are subsidizing the other companies.

Regarding SJWC's Service Charge Overcharges. I was hoping to avoid the tedious and complicated process of filing and participating in a formal complaint but it looks like I will have to put more energy into this problem. In reading through the complaint process, it looks like it could take over a year for a resolution. As if the whole process wasn't discouraging enough. You would think that bringing this problem to the attention of the CPUC would be enough and our tax dollars would be working for us. Is the CPUC not obligated to take action until a formal complaint is filed? The CPUC knows that SJWC overcharged its customers and knows that SJWC is trying to explain its way out of the overcharges (and poorly at that). Why is the CPUC not willing to keep me in the loop of what is happening? I'm sure SJWC is in the loop and there have been many correspondence that I have not been privy to. For a company who's mission statement it is to serve the public interest by protecting consumers, we are feeling anything but protected. Please do what you can to protect us. Please talk to Rami.

Thank you,
Rita

From: Rauschmeier, Richard
To: Rita Benton
Apr 12 at 10:17 AM

Hi Rita,

I just wanted to point out that there is both an income statement and balance sheet in SJWC's Annual Report to the CPUC that excludes non-regulated activities (page 8 & 9 of the 2015 Annual Report). This should be helpful when examining operations separately.

I can't speak for what Water Division is currently doing or planning to do regarding the service charges. As you probably know, ORA frequently makes recommendations and takes positions contrary to those of Water Division. However, this is done in the context of filings (applications, rulemakings, advice letters) where there is an established process and official record.

I completely appreciate the desire to avoid unnecessary tedium and complication, but the formal complaint procedure is the only way that I know of to initiate an official record and process to investigate and resolve a problem that a customer is having with a regulated utility. This is the remedy that is available after other attempts to resolve have been unsuccessful.

Pertaining to assistance in navigating the complexity of the formal proceeding process, the Public Advisor's Office is staffed to assist the public with procedural information in order to effectively participate. Here is the link to their info: <http://www.cpuc.ca.gov/pao/>

Hope this helps,

Richard

Rita Benton

To: Richard Rauschmeier

CC: lisa.bilir@cpuc.ca.gov sel@cpuc.ca.gov

Subject: **SJWC formal complaint, Water Division issues**

May 21 at 6:53 AM

Dear Richard,

We need your help. I am very concerned as to how the Water Division, specifically Rami, is handling the complaint I filed against SJWC regarding Service Charge overcharges.

The conclusion I came to after my phone conversation with Rami on May 19, 2017 is that Rami put the formal complaint on hold to buy time to "resolve" the service charge overcharge issues with SJWC without formal proceeding and involving an Administrative Law Judge. When Rami and SJWC decide what is "best for the customer", he will take the complaint off hold and no formal investigation will be needed because the problem has been resolved.

Background:

On April 17, 2017 I filed a formal complaint with the CPUC on behalf of all SJWC customers regarding the many years of Service Charge overcharges SJWC has been charging its customers. The complaint has yet to be assigned a docket number. I received confirmation number 0000107386 the day I filed electronically and was informed a docket number would soon follow.

On April 28, 2017 Tayeb called me and said Rami had put the formal complaint on his desk. Tayeb was calling to give me good news that they received the formal complaint and things would be moving along much faster now. I took no further action until May, 19 2017 as it appeared the CPUC was now handling the problem.

On May 19, 2017 I called the Docket Office to find out if a docket number had been assigned to the formal complaint as a month had passed and I had not received a docket number. George Lau from the docket office said the complaint had been put on hold by Raminder Kahlon on April 18, 2017 stating there were "issues with the complaint" but he did not have any specifics. He also said that there was a notation on the complaint of "still pending" on April 28, 2017 (the day Tayeb called me).

After I got off the phone with the docket office, I called Rami. When I asked Rami the status of the formal complaint, Rami originally said he had no idea of the status of the complaint. When I said the docket office told me he put it on hold, he said he didn't put it on hold and knows nothing about that. He was very reluctant to share any information about the case.

I pressed for more information but was given little to none. I asked:

- what is the latest status
- what has transpired to date
- Who Rami was having meetings with at SJWC
- Who else from CPUC was attending these meetings
- How many meetings have been held
- Why am I not in the loop of what is going on

After much back and forth, Rami did say that he met with the "regulatory folks" at SJWC. I pressed harder and he said that he has been meeting with Palle Jensen and John Tang but he would not say how often, where or who else attended the meetings.

Rami did finally say that "A resolution is close at hand." I questioned him multiple times as to how a resolution could be close at hand if the formal complaint was on hold, didn't have a docket number and had not been assigned an Administrative Law Judge yet. He said it is being worked on in two avenues. One with the Water Division and one with the formal complaint process. I stated the obvious waste of resources for the CPUC to be working two avenues to solve this problem and he said that is how the CPUC is set up. I also stated that the formal complaint process avenue wasn't being working on yet because he put it on hold.

I do not know the nature of Rami's relationship with SJWC but my conversation with him was very unsettling. I am left with NO confidence that the ratepayer will be justly compensated by SJWC. Given that SJWC put a lot of effort into trying to convince the CPUC and the ratepayer that they did nothing wrong, these Service Charge overcharges need a formal investigation and that is what I requested on April 17, 2017.

Proper oversight is essential and this formal complaint needs to be active before Rami and SJWC decide what is just and fair for the ratepayer.

Please look into this matter and get back to me.

Rita Benton
WRATES

From: Rauschmeier, Richard
To: Rita Benton
Subject: **SJWC formal complaint, Water Division issues**

May 22 at 9:46 AM

Rita,

Can you email me a copy of your complaint filing?

The only way that I am normally informed of complaints is when they appear on the CPUC's docket.

Thanks,

Richard

Subject: **SJWC formal complaint, Water Division issues**

From: Rita Benton

To: Rauschmeier, Richard

May 22 at 10:22 AM

Hi Richard,

I don't have access to my hard drive or hard copy until this evening. I am sending a link to my website with the formal complaint and a supporting document file I just created with hopefully all the information I sent with the original formal complaint.

http://sjwfacts.weebly.com/uploads/9/0/4/4/90449161/formal_complaint_041717.pdf

Thank you,

Don't hesitate to contact me with questions.

Rita Benton

From: Rita Benton

To: Richard Rauschmeier May 22 at 3:14 PM

Hi Richard,

Do you have a status update for me on the formal complaint. Rami said he would get back to me today and I have not received anything from him yet.

Thank you,

Rita

Subject: **Formal Complaint**

From: Kahlon, Raminder

To; Rita Benton

May 22 at 4:38 PM

Rita:

I reviewed the complaint you filed with our Docket Office and I requested them to assign your complaint a docket number.

Rami

Subject: **Formal Complaint**

From: Rita Benton

To: Kahlon, Raminder

CC: Richard Rauschmeier

May 23 at 1:49 PM

Rami,

Thank you. Please let me know when a docket number has been assigned.

Please clarify:

1. Why the formal complaint was put on hold in the first place one day after I submitted it on April 17, 2017?
2. What changed with the complaint between April 18 and now that it no longer needs to be on hold?

I expect your response in a timely manner.

Thank you,

Rita Benton

WRATES

Subject: **Formal Complaint**

From: Kahlon, Raminder

To: Rita Benton

CC: Rauschmeier, Richard

May 25 at 12:34 PM

Rita:

After evaluating your formal complaint, our Docket Office believes that your filing falls under The Commission's Rules of Practice and Procedure, Rule 4.1 (b) which states:

No complaint shall be entertained by the Commission, except upon its own motion, as to the reasonableness of any rates or charges of any gas, electrical, water, or telephone corporation, unless it be signed by the mayor or the president or chairman of the board of trustees or a majority of the council, commission, or other legislative body of the city or city and county within which the alleged violation occurred, or by not less than 25 actual or prospective consumers or purchasers of such gas, electric, water, or telephone service.

You will need to supplement your complaint with the above signatures so it can be docketed.

Rami

Subject: **Formal Complaint**

From: Rita Benton

To: Kahlon, Raminder
CC: Rauschmeier,
May 25 at 12:41 PM

Rami,

After speaking with Martin Nakahara in the Docket office yesterday, he informed me that the formal complaint needs 25 signatures to move forward.

That still does not explain why you put the formal complaint on hold on April 18, 2017, without notifying me, and why you were able to take it off hold on May 22, 2017. What changed? Please explain.

Thank you,
Rita Benton

From: Rita Benton
Sent: Thursday, May 25, 2017 12:52 PM
To: Sullivan, Timothy J.
Cc: Rauschmeier, Richard; Nakahara, Martin M.
Subject: **SJWC formal complaint, Water Division issues**

Dear Mr. Sullivan,
I am increasingly concerned and frustrated with the handling by the Water Division of the Service Charge overcharges that SJWC has been charging its customers for many, many years. Please read the string of emails below and the formal complaint and provide the answers to the questions I am asking. Rami does not appear to be forthcoming with his responses.

Thank you for your attention in this matter,
Rita Benton
WRATES
Water Rate Advocates for Transparency, Equity and Sustainability

Subject: **SJWC formal complaint, Water Division issues**
Sullivan, Timothy J.
To Rita Benton
CC Rauschmeier, Richard; Nakahara, Martin M.
May 25 at 4:23 PM

Rita,

I have forwarded your note to Allison Brown, our public advisor. Her office assists the public in inquiries such as yours.

Tim Sullivan
Executive Director

Subject: **Formal Complaint**

From: Rita Benton

To: Kahlon, Raminder

May 29 at 7:18 PM

Rami,

Your explanation still does not explain why you put the formal complaint on hold on April 18, 2017 without notifying me, and why you were able to take it off hold on May 22, 2017. What changed, other than my inquires?

Please explain and clarify:

1. Why the formal complaint was put on hold in the first place one day after I submitted it on April 17, 2017?
2. What changed with the complaint between April 18 and now that it no longer needs to be on hold?

I expect your response in a timely manner.

Thank you,

Rita Benton

WRATES