



110 W. Taylor St.  
San Jose, CA 95110  
Phone 408 279-7800  
Fax 408 279-7934

January 9, 2017

Public Utilities Commission  
of the State of California  
505 Van Ness Avenue  
San Francisco, CA 94102

Advice Letter No. 501

The San Jose Water Company (U-168-W) (SJWC) hereby transmits for filing the following changes in tariff schedules applicable to its service area and which are attached hereto:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
1813-W	Schedule No. 1 General Metered Service	1802-W
1814-W	Schedule No. 1B General Metered Service With Automatic Fire Sprinkler System	1803-W
1815-W	Schedule No. 1C General Metered Service Mountain District	1804-W
1816-W	Schedule No. RW Raw Water Service	1806-W
1817-W	Table of Contents	1812-W

These tariffs are submitted pursuant to General Orders Nos. 96-B and pursuant to the authority established by the California Public Utilities Commission (Commission) in Decision No. (D) 16-12-026, issued on December 9, 2016 (Ordering Paragraphs included as Attachment A). With this advice letter SJWC seeks authorization to implement a Sales Reconciliation Mechanism (SRM) to conform water forecasts authorized in the last General Rate Case (GRC) to recorded consumption for the period October 2015 through September 2016. This advice letter is designated a Tier 2 Advice Letter. SJWC requests that the rates submitted herein become effective March 15, 2017.

#### Background

This request is made pursuant to Ordering Paragraph No. 3 of D.16-12-026 (Attachment A), which states that:

*“3. Class A and B Water Investor-Owned Utilities that have a five percent or greater divergence (higher or lower) between authorized and actual revenue during a drought period in their current General Rate Case cycle, shall consider filing for an individual district or several districts a Tier 2 Advice Letter requesting a Sales Reconciliation Method to conform water forecasts authorized in the current General Rate Case to actual consumption, in light of the drought and circumstances faced in their district(s).”*

SJWC’s last GRC Decision (16-06-004) provided an authorized sales forecast of 49,861 thousand one-hundred cubic feet (Kccf) (excerpt from Decision tables provided as Attachment B).<sup>1</sup> During the 12-month period of October 1, 2015 through September 30, 2016 total actual sales were 40,173 Kccf.<sup>2</sup> This creates a total divergence of 19.4%, which exceeds the five percent trigger authorized in D.16-06-004. This sales differential triggered the SRM and necessitates this filing to conform authorized sales to actual sales with an associated rate adjustment. Per the description of the SRM provided in D.16-06-004, rates are recalculated so that 50 percent of the divergence between authorized and actual sales is accounted for. This adjusted authorized sales forecast is 45,017 Kccf. All sales divergence and adjusted authorized sales are provided in Attachment C.

#### Rate Calculation and Average Bill Comparison

The present revenue requirement and rates for SJWC became effective January 1, 2017 by AL 501.

Present total revenue requirement is \$353,398,300 and revised revenue requirement with the SRM adjustment is \$339,529,200, for a total \$13,869,100 reduction, or about 3.9%, to authorized revenue requirement. This reduction to revenue requirement is due to reductions to various water production costs resulting from reduced sales. Although the revenue requirement decreases, quantity rates increase due to the reduced authorized sales forecast. SJWC’s current authorized rate design allows for recovery of 50% of fixed costs through service charges. Since fixed costs do not change as part of this filing there is no change to fixed cost and thus no change to authorized service charges. Revenue and rate comparisons are provided in Attachment D. As a result of this rate change, the bill for the typical residential customer using 15 ccf per month will increase by \$3.66, or 3.65% per month (Attachment E).

#### Customer Notice

---

<sup>1</sup> Total authorized sales = Total Potable Metered Sales + Raw Water Sales = 49,847 Kccf + 14 Kccf = 49,861 Kccf

<sup>2</sup> Rate changes due to triggering of the SRM are typically performed simultaneous with escalation rate increases and thus usage for the previous 12-month period from October through September are used for determination of divergence from authorized sales.

CPUC General Order 96B – General Rule 4.2 provides that a utility shall give affected customers at least 30 days’ notice before the effective date of an advice letter requesting higher rates or charges, or more restrictive terms or conditions, than those currently in effect. This notice requirement may be satisfied through separate notices sent by first class mail. A public notice mailing to individual customers will occur in mid-January so that the required notification can be completed prior to the 30 day’s notice deadline. A copy of the public notice is provided as Attachment F.

### Protests and Responses

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may include the following:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission).

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue  
San Francisco, CA 94102  
water\_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to us, addressed to:

Regulatory Affairs  
San Jose Water Company  
110 West Taylor Street  
San Jose, California 95196  
Fax 408.279.7934  
regulatoryaffairs@sjwater.com.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in Attachment G.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Very truly yours,  
/S/ ANN LINDAHL  
ANN LINDAHL  
Supervisor  
Regulatory Affairs

Enclosure

A copy of Advice Letter No. 501 has been sent to the following municipalities, water companies and interested parties:

City of San Jose  
Municipal Water Dept.  
Attn: Mansour Nasser  
3025 Tuers Road  
San Jose, CA 95121

San Jose Mercury News  
Attn: Paul Rogers  
4 N. Second Street, Suite 800  
San Jose, CA 95113

California Water Service Co.  
Attn: Regulatory Affairs  
1720 North First Street  
San Jose, CA 95112

Town of Los Gatos  
Attn: Director of Public Works  
110 E. Main Street  
Los Gatos, CA 95032

City of Cupertino  
10300 Torre Avenue  
Cupertino, CA 95014

City of Monte Sereno  
Attn: Director of Public Works  
18014 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030

City of Campbell  
70 North First Street  
Campbell, CA 95008

City of Saratoga  
Attn: Director of Public Works  
13777 Fruitvale Avenue  
Saratoga, CA 95070

City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

County of Santa Clara  
70 W. Hedding Street  
San Jose, CA 95110

Great Oaks Water Company  
P.O. Box 23490  
San Jose, CA 95153

Department of Water Resources  
Safe Drinking Water Office,  
Room 804  
1416 9<sup>TH</sup> Street  
Sacramento, CA 95814

City of Milpitas  
Attn: Utilities Engineering  
455 East Calaveras Blvd.  
Milpitas, CA 95035

Santa Clara Valley Water  
District  
5750 Almaden Expressway  
San Jose, CA 95118

James M. Fiedler P.E., D.WRE  
Chief Operating Officer  
Water Utility Enterprises  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, CA 95118

Gillette Mutual Water Company  
21976 Gillette Drive  
Los Gatos, CA 95033

Stagecoach Mutual Water Co  
21825 Stagecoach Road  
Los Gatos, CA 95033

Bob Burke  
Regulatory Liaison For The Six  
Mutual Water Companies  
420 Alberto Way, Unit 49  
Los Gatos, Ca 95032

Summit Mutual Water Co  
P.O. Box 3416  
Saratoga, CA 95070

Mountain Springs Mutual Water Co.  
17956 Greenwood Road  
Los Gatos, CA 95033

Brush & Old Well Mutual  
Water Company  
21105 Brush Road  
Los Gatos, CA 95033

Raineri Mutual Water Company  
P.O. Box 11  
Los Gatos, CA 95031

Oakmount Mutual Water Company  
P.O. Box 31536  
Stockton, CA 95213

James Hunter  
6475 Dwyer Street  
San Jose, CA 95120

Summitt West Mutual Water Company  
P.O. Box 974  
Los Gatos, CA 95031

Saratoga Heights Mutual Water Company  
P.O. Box 337  
Saratoga, CA 95071

Ridge Mutual Water Company  
22316 Citation Drive  
Los Gatos, CA 95033

Villa Del Monte Mutual Water Company  
P.O. Box 862  
Los Gatos, CA 95031

Big Redwood Park Water  
& Improvement Assoc.  
18522 Mt. View Avenue  
Los Gatos, CA 95033

Redwood Estates Services Association  
PO Box 591  
Redwood Estates, CA 95044-0591

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

**Quantity Rate Per 100 cu. ft. (Ccf):**

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.4453	(I)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.9392	I
For Total Monthly Usage over 18 Ccf.	\$5.4331	(I)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.9392	(I)
--	----------	-----

**Service Charges:**

Per Meter Per Month

**All Customers:**

For 5/8 x 3/4-inch meter .....	\$ 25.02
For 3/4-inch meter .....	\$ 25.02
For 1-inch meter .....	\$ 41.66
For 1-1/2-inch meter .....	\$ 83.36
For 2-inch meter .....	\$ 133.41
For 3-inch meter .....	\$ 250.12
For 4-inch meter .....	\$ 416.87
For 6-inch meter .....	\$ 833.73
For 8-inch meter .....	\$ 1333.98
For 10-inch meter .....	\$ 1917.62

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 501

PALLE JENSEN

Date Filed \_\_\_\_\_

Senior Vice President,

Effective \_\_\_\_\_

Dec. No. D.16-12-026

Regulatory Affairs

Resolution No. \_\_\_\_\_

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH  
AUTOMATIC FIRE SPRINKLER SYSTEM

APPLICABILITY

Applicable to all detached single family structures whose automatic fire sprinkler system is served through the meter providing residential water service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.4453	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.9392	l
For Total Monthly Usage over 18 Ccf.	\$5.4331	(l)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.9392	(l)
--	----------	-----

Service Charges:

Per Meter Per Month

**All Customers:**

For 5/8 x 3/4-inch meter .....	\$ 25.02
For 3/4-inch meter .....	\$ 25.02
For 1-inch meter .....	\$ 41.66
For 1-1/2-inch meter .....	\$ 83.36
For 2-inch meter .....	\$ 133.41
For 3-inch meter .....	\$ 250.12

Upsize Charges:

For 1/4-inch meter upsize .....	\$ 1.51
or 1/2-inch meter upsize .....	\$ 3.01
For 3/4-inch meter upsize .....	\$ 4.52
For 1-inch meter upsize .....	\$ 6.03
For 1-1/2-inch meter upsize .....	\$ 9.05

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 501

PALLE JENSEN

Date Filed \_\_\_\_\_

Senior Vice President,

Effective \_\_\_\_\_

Dec. No. D.16-12-026

Regulatory Affairs

Resolution No. \_\_\_\_\_

TITLE



Schedule No. 1C

GENERAL METERED SERVICE  
Mountain District

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Los Gatos and in contiguous territory in the County of Santa Clara.

RATES

**Quantity Rate Per 100 cu. ft. (Ccf)**

**Overuse Rates beyond 500 gallons per day limit**

**Residential Customers with 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter**

For Total Monthly Usage from 0 to 3 Ccf.	\$4.4453	(I)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.9392	I
For Total Monthly Usage for 19 to 20 Ccf.	\$5.4331	(I)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

**All Other Customers(subject to Special Condition 5)**

For Total Monthly Usage from 0 to 20 Ccf.	\$4.9392	(I)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

**Service Charges:**

Per Meter Per Month

For 3/4-inch meter .....	\$ 25.02
For 1-inch meter .....	\$ 41.66
For 1-1/2-inch meter .....	\$ 83.36
For 2-inch meter .....	\$ 133.41
For 3-inch meter .....	\$ 250.12
For 4-inch meter .....	\$ 416.87
For 6-inch meter .....	\$ 833.73
For 8-inch meter .....	\$ 1333.98
For 10-inch meter .....	\$1917.62

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$2.0033 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 501

PALLE JENSEN

Date Filed \_\_\_\_\_

Dec. No. D.16-12-026

Senior Vice President,  
Regulatory Affairs

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

TITLE

Schedule No. RW

RAW WATER SERVICE

APPLICABILITY

Applicable to raw water metered service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate:  
Per 100 cu. ft. .... \$4.7096 (I)

Service Charges: Per Meter Per Month

For 5/8 x 3/4-inch meter .....	\$ 25.02
For 3/4-inch meter .....	\$ 25.02
For 1-inch meter .....	\$ 41.66
For 1-1/2-inch meter .....	\$ 83.36
For 2-inch meter .....	\$ 133.41
For 3-inch meter .....	\$ 250.12
For 4-inch meter .....	\$ 416.87
For 6-inch meter .....	\$ 833.73
For 8-inch meter .....	\$ 1333.98
For 10-inch meter .....	\$ 1917.62

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. The customer is responsible for notice of and compliance with all local, state, and federal rules and regulations that apply from time to time to the use of raw water, as defined in San Jose Water Company's Rule 1.
2. The customer must provide and/or contribute all facilities needed to transport the water from its source to the customer's point of service in accordance with the utility's Rule 15.

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 501

PALLE JENSEN

Date Filed \_\_\_\_\_

Senior Vice President,

Effective \_\_\_\_\_

Dec. No. D.16-12-026

Regulatory Affairs

Resolution No. \_\_\_\_\_

TITLE

## TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates, rules and regulations affecting the rates and service of the Utility, together with information relating thereto:

Subject Matter of Sheet	C.P.U.C. Sheet No.	
Title	1495-W	
Table of Contents	1817-W, 1795-W, 848-W and 1725-W	(T)
Preliminary Statement	919-W, 1303-W, 1699-W, 1700-W, 1702-W, 1420-W, 1423-W, 1427-W, 1469-W, 1492-W, 1508-W, 1542-W, 1799-W and 1800-W	
Service Area Map Locator	1266-W	
Service Area Map Locator, Index	1589-W	
Map of Areas With Special Pressure and Fire Flow Conditions	1590-W	
Index to Map of Areas With Special Pressure and Fire Flow Conditions	1079-W, 1591-W 1082-W, 1087-W and 1404-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	1813-W, 1756-W and 1785-W	(C)
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	1814-W, 1741-W, 1786-W and 1787-W	(C)
Schedule No. 1C, General Metered Service Mountain District	1815-W, 1744-W, 1789-W and 1790-W	(C)
Schedule No. 4, Private Fire Service	1805-W and 1621-W	
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
Schedule No. 10R, Service to Employees	152-W	
Schedule No. 14.1 Water Shortage Contingency Plan With	1668-W, 1669-W, 1780-W, 1671-W, 1672-W, 1673-W, 1766-W, and 1767-W	
Staged Mandatory Reductions And Drought Surcharges		
Schedule No. RW, Raw Water Metered Service	1816-W, 1791-W and 1792-W	(C)
Schedule No. RCW, Recycled Water Metered Service	1807-W and 1775-W	
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	1811-W	
Schedule No. WRAP, Water Rate Assistance Program	1723-W and 1211-W	
List of Contracts and Deviations	1809-W	
Rules:		
No. 1 - Definitions	764-W and 976-W	
No. 2 - Description of Service	525-W	
No. 3 - Application for Service	351-W and 903-W	
No. 4 - Contracts	352-W	
No. 5 - Special Information Required on Forms	821-W thru 823-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	1054-W and 825-W	
No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 501

PALLE JENSEN

Date Filed                     

Senior Vice President,

Effective                     

Dec. No. D.16-12-026

Regulatory Affairs

Resolution No.                     

TITLE