

CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet				(Date Filed / Received Stamp by CPUC)	
AL # 473		Date Mailed to Service List: 5/11/2015		Requested Effective Date: 06/15/2015	
Replacing AL#:		Authorized by: Res. W-4976 Res. W-5034		Requested Tier: Tier 1 <input type="checkbox"/> Tier 2 <input checked="" type="checkbox"/> Tier 3 <input type="checkbox"/>	
				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">\$</td> <td>Memorandum Account</td> </tr> <tr> <td style="text-align: center;">%</td> <td>None</td> </tr> </table>	
\$	Memorandum Account				
%	None				
<u>If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:</u>				Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102	
<u>and if you have email capability, also email to:</u> regulatoryaffairs@sjwater.com				water_division@cpuc.ca.gov	
<u>Your protest also must be served on the Utility</u>				(see attached advice letter for more information and grounds for protest)	
Company Name: San Jose Water Company					CPUC Utility Number: WTA _____ WTB _____ WTC _____ WTD _____ SWR _____
Address: 110 W. Taylor Street					
City, State, Zip: San Jose, CA 95110					
Contact Name:		Phone No.		Fax No.	
Filer	Wes Owens	408-918-7247		408-279-7934	
Alternate	Ann Lindahl	408-279-7979		ann.lindahl@sjwater.com	
Description: In this space or on the back of this form: 1. Explain justification for requested Tier – Res. W-5034 Ordering Paragraph 6 2. Describe service affected and how it is affected tariffs – Schedule 14.1 3. Describe differences from related Advice Letters (Similar service, replacement filing):					
(FOR CPUC USE ONLY)					
WTS Budget/Activity/Type			Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3		
_____ / _____ / _____			20th Day		30th Day
Project Manager:			Suspended on:		
Analyst:			Extended on:		
Due Date:			Resolution No.:		
Completion Date:			AL/Tariff Effective Date:		



**San Jose
Water
Company**

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

May 11th, 2015

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

Advice Letter No. 473

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:

Cal. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	Canceling Cal. P.U.C. <u>Sheet No.</u>
1668-W	Schedule 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges	
1669-W	Schedule 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges (Continued)	
1670-W	Schedule 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges (Continued)	
1671-W	Schedule 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges (Continued)	
1672-W	Schedule 14.1	

Water Shortage Contingency Plan
With Staged Mandatory Reductions
and Drought Surcharges
(Continued)

1673-W Schedule 14.1
Water Shortage Contingency Plan
With Staged Mandatory Reductions
and Drought Surcharges
(Continued)

1674-W Schedule 14.1
Water Shortage Contingency Plan
With Staged Mandatory Reductions
and Drought Surcharges
(Continued)

1675-W Schedule 14.1
Water Shortage Contingency Plan
With Staged Mandatory Reductions
and Drought Surcharges
(Continued)

1676-W Schedule 14.1
Water Shortage Contingency Plan
With Staged Mandatory Reductions
and Drought Surcharges
(Continued)

1677-W Table of Contents 1667-W

San Jose Water Company (SJWC) requestes authority from the California Public Utilities Commission (CPUC) to add Schedule 14.1: Water Shortage Contingency Plan with Staged Mandatory Reductions and Drought Surcharges to SJWC's authorized tariffs and to implement Stage 3 of that Schedule 14.1 in order to achieve a 30% water use reduction. This request is made in compliance with CPUC Resolution W-5034. This advice letter is designated a Tier II Advice Letter pursuant to Resolution W-4976 and Resolution W-5034. Additionally, with this advice letter SJWC requests authorization to enact Stage 3 – Critical Water Reduction of the proposed Schedule 14.1.

Customer noticing will be provided in compliance with the direction provided in the Commission's Drought Procedures for Water Conservation, Rationing and Service Connection Moratoria. SJWC requests that the advice letter become effective June 15, 2015.

Background

On April 9, 2015, the CPUC adopted Resolution W-5034 (Attachment A). Ordering Paragraph #6 of Res W-5034 provided that "All Class A and B utilities shall add Schedule 14.1 to their tariffs, as soon as practicable, by filing a Tier 2 advice letter." With this advice letter filing SJWC requests authority to add Schedule 14.1 to the utility's tariffs. Additionally, in response to the ongoing drought crisis SJWC requests authorization to implement Stage 3 – Critical Water Reduction of Schedule 14.1 in order to meet a 30% water use reduction goal.

Schedule 14.1

SJWC's proposed Schedule 14.1 provides four separate stages of water usage and mandatory restrictions, which match the stages provided for in SJWC's Rule 14.1¹. SJWC's proposed Schedule 14.1 will be applicable to all potable water customers within SJWC's service territory.

The water usage and mandatory restrictions stages include:

- Stage 1 – Conservation: Stage 1 is a call for voluntary conservation. This stage will be called by SJWC when customers are asked to meet conservation targets. Outdoor irrigation limits may be declared specifying the number of days per week irrigation will be allowed.
- Stage 2 – Water Reduction Needed: Stage 2 occurs when the Commission or SJWC determines that further measures are needed to reduce water consumption. In addition to the unauthorized uses of water listed in Section B, the following restrictions may be imposed.
- Stage 3 – Critical Water Reduction: Stage 3 occurs when the Stage 2 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted.
- Stage 4 – Emergency Water Reduction: Stage 4 occurs when the Stage 3 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities.

Each Stage includes a list of mandatory restrictions against non-essential or unauthorized uses of water that become effective once the Stage is implemented. SJWC can enforce these mandatory restrictions through the use of flow-restricting devices as follows:

¹ On May 11th, 2015, SJWC filed advice letter 472 seeking authorization to revise Rule 14.1 effective June 15th, 2015. All references to Rule 14.1 are based the proposed revisions.

- The utility may, after one written warning, install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in Schedule 14.1.
- A flow restrictor shall be capable of providing the premise with a minimum of 5 gallons per minute. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.
- After the removal of the restricting device, if any non-essential or unauthorized use of water continues, the utility may install another flow-restricting device without written notice. This device shall remain in place until water supply conditions warrant its removal and until the appropriate charge for removal has been paid to the utility.
- Any tampering with flow restricting device by customer can result in discontinuation of water use.
- If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water continues, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.

Additionally, the reduction of water usage is enforceable through additional Drought Surcharges which are applicable to residential customers and to identified landscape services. For residential customers, SJWC determined the average per customer usage for all residential customers for every month in the year 2013 baseline period² to determine the 2013 Average Monthly Residential Usage. A 30% water use reduction is then applied to the 2013 Average Monthly Residential Usage to determine the Monthly Drought Allocation. SJWC has set a minimum monthly allocation based on an assumed minimum 55 gallons per capita per day for a 4 person household. Both the 2013 Average Monthly Residential Usage and the Monthly Drought Allocations are shown below:

² Since the Governor's declaration of a drought emergency on January 17, 2014, both the Governor and the State Water Resources Control Board have consistently referenced water use reductions using a 2013 baseline.

Residential Allocation Plan			
2013 Base Year	2013 Average Monthly Residential Usage (ccf)	Monthly Drought Allocation (ccf)	Monthly Drought Allocation (gallons)
Jan*	10	9	6,732
Feb*	9	9	6,732
Mar*	9	9	6,732
Apr*	11	9	6,732
May	14	10	7,480
Jun	16	11	8,228
Jul	19	13	9,724
Aug	19	13	9,724
Sep	19	13	9,724
Oct	17	12	8,976
Nov	17	12	8,976
Dec	14	10	7,480

* Monthly Drought Allocation based on minimum average usage for a residential household

For identified landscape services the Drought Allocation is based on the individual landscape customer's monthly usage during the base year 2013 less the reduction percentage required. In this case the reduction is 30%. Thus, for identified landscape services the Drought Allocation is essentially 70% of the 2013 usage for that service.

For both the residential customers and the identified landscape services SJWC proposes two levels of Drought Surcharges. Level one would be effective for monthly usage between the Monthly Drought Allocation and the 2013 Monthly Usage. Usage at this level would have a Drought Surcharge of \$3.5634 per ccf, which is equivalent to SJWC's currently effective uniform rate. Level two would be effective for monthly usage over the 2013 Monthly Usage. Usage at this level would have a Drought Surcharge of \$7.1268 per ccf, which is equivalent to two times SJWC's currently effective uniform rate. SJWC chose the uniform rate as the basis for the Drought Surcharge because it has basis within SJWC's existing tariffs and because it is high enough to encourage water use reductions.

The proposed Schedule 14.1 provides an Appeal Procedure wherein any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing. Any customer not satisfied with the utility's response may file an appeal with the Director of the Division of Water & Audits. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission.

Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the voluntary water conservation and rationing plan.

The proposed Schedule 14.1 further provides that all monies collected by the utility through surcharges or fees shall be booked to the WRAM or a similar memorandum account to offset recovery of lost revenues and that all expenses incurred by the utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding shall be recoverable by the utility if determined to be reasonable by Commission. These additional monies shall be accumulated by the utility in a separate memorandum account, for disposition as directed or authorized from time to time by the Commission.

Implementation of Schedule 14.1 Stage 3 – Critical Water Reduction

The Governor's Executive Order No B-29-15 requires a 25% water reduction applicable to the state of California. However, due to local water supply conditions and to alleviate the threat of subsidence, the Santa Clara Valley Water District as well as the City of San Jose have established a 30% reduction goal. Therefore, for similar reasons SJWC is requesting a 30% reduction over 2013 usage as well.

Public Meeting

The Drought Procedures require that "A public hearing shall be held prior to a utility adding Schedule 14.1 to its tariffs." SJWC has planned for a public meeting as shown below:

THURSDAY, MAY 28, 2015
7:00 PM
ROTARY SUMMIT CENTER
88 SOUTH 4TH STREET
SAN JOSE, CA 95112

Customer notification of this public meeting will be provided as discussed below.

Customer Noticing

The CPUC's Drought Procedures require that customer notification of the activation of Schedule 14.1 and the associated public hearing be provided through bill insert or direct mailing. SJWC's direct mailing notification (Attachment B) will be mailed to customers on or about May 19, 2015. California Water Code Section 352 requires that notice of the time and place of the public hearing shall be published at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed. SJWC will publish the required notice in the San Jose Mercury News at least 7 days prior to the hearing.

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, 3rd 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.

Public notice of this request is being provided as discussed under the Customer Noticing section above. 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 C.

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

Very truly yours,

/S/ WES OWENS
WES OWENS
Manager of Regulatory Affairs
Enclosures

A copy of Advice Letter No. 473 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

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

City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

City of Campbell
70 North First Street
Campbell, CA 95008

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

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

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

San Jose Mercury News
Attn: Paul Rogers
750 Ridder Park Drive
San Jose, CA 95190

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

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

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

County of Santa Clara
Attn: Director of Public Works
70 W. Hedding Street
San Jose, CA 95110

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

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

Brush & Old Well Mutual
Water Company
20732 Brush Road
Los Gatos, CA 95033

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

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

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

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

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

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.
18375 Main Blvd
Los Gatos, CA 95033

Redwood Estates Services Association

PO Box 591
Redwood Estates, CA 95044-0591

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

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

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

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