



**San Jose  
Water  
Company**

110 W. Taylor St.  
San Jose, CA 95196  
408 279-7900  
Fax 408 279-7934

May 29, 2015

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

Advice Letter No. 474

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>
1678-W	Schedule No. 1 General Metered Service (Continued)	1652-W
1679-W	Schedule No. 1 General Metered Service (Continued)	New
1680-W	Schedule No. 1B General Metered Service with Automatic Fire Sprinkler System	1653-W
1681-W	Schedule No. 1C General Metered Service Mountain District (Continued)	1654-W
1682-W	Schedule No. RW Raw Water Metered Service (Continued)	1655-W
1683-W	Table of Contents	1677-W

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These tariffs are submitted pursuant to General Orders (GO) No. 96-B Water Industry Rules 7.3.1(7) and 8.4. This advice letter is designated as a Tier I Advice Letter.

With this advice letter SJWC requests authorization to implement surcharges to offset the increases to purchased water and ground water production charge that will be implemented by the Santa Clara Valley Water District (SCVWD) effective July 1, 2015 and to update associated special conditions of Schedules No. 1 and 1C for the agricultural discount.

These tariffs are submitted pursuant to General Orders (GO) No. 96-B Water Industry Rules 7.3.1(7) and 8.4. This advice letter is designated as a Tier I Advice Letter. SJWC requests that the surcharges become effective on July 1, 2015.

The present rates for SJWC became effective January 1, 2015 by Advice Letter No. (AL) 467A. Currently SJWC has Advice Letters Nos. 468 (suspended), 469, 470, 471, 472 and 473 pending before the Commission.

Background

At its May 12, 2015 meeting SCVWD's Board of Directors formally adopted water rate increases for the 2015-2016 fiscal year, raising the purchased water rate for contract treated water by \$147 from \$847 to \$994 per acre ft. (AF) which includes the SCVWD's treated water surcharge of \$100/AF, ( $\$894/\text{AF} + \$100/\text{AF} = \$994/\text{AF}$ ) and the ground water production charge rate by \$147 from \$747 to \$894 per AF (Attachment B). The treated water surcharge remains \$100/AF. These changes are scheduled to become effective July 1, 2014.

SCVWD's ground water charge for agricultural water will increase to \$21.36/AF which affects the agricultural discount provided by SCVWD and passed through in SJWC's tariffs. The current discount is \$1.6709/ccf ( $\$747/\text{AF} - \$19.14/\text{AF} = \$727.86/\text{AF} = \$1.6709/\text{ccf}$ ). The discount effective July 1, 2015 will therefore increase to \$2.0033/ccf ( $\$894/\text{AF} - \$21.36/\text{AF} = \$872.64/\text{AF} = \$2.0033/\text{ccf}$ ) (Attachment C). This updated discount is reflected as Special Condition 1 in SJWC's tariff for Schedule No. 1 General Metered Service and for Schedule No. 1C General Metered Service Mountain District.

The following total increase in costs, as detailed in Attachment C, is requested to be offset in a surcharge:

Increase in Purchased Water	\$ 9,917,862
Increase in Ground Water Charge	\$ 8,362,331
Increase in Taxes	\$ 76,722
Total Increase in Costs	\$18,356,914

As previously directed by the Commission's Water Division, the requested offset rate change will be added as separate surcharges and will not be included into the base quantity rate. These surcharges are calculated in Attachment C and are derived by dividing the increases in costs for Purchased Water and Groundwater Production Charges by the adopted usage. The requested

offset surcharges will result in a total increase of 6.44% in metered revenue, while the bill for the average customer using 15 ccf per month will increase \$5.18 per month, or approximately 6.57%.

Public notice of the offset rate adjustment will be completed by placing a notice (Attachment D) in the San Jose Mercury News as soon as possible. Proof of publication will be submitted to the Commission when the notification has been completed. 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 E.

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

#### 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

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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 95110  
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.

Very truly yours,

/S/ WES OWENS  
WES OWENS  
Manager  
Regulatory Affairs

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Enclosures

A copy of Advice Letter No. 474 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  
70 W. Hedding Street  
San Jose, CA 95110

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