



110 West Taylor Street
San Jose, CA 95110
Phone 408 279-7900
Fax 408 279-7934

January 23, 2017

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

Advice Letter No. 503

The San Jose Water Company (U-168-W) (SJWC) hereby transmits for filing this information only advice letter to provide the outline for SJWC's ongoing Advanced Metering Infrastructure (AMI) pilot program.

In Decision (D.) 16-06-004 the California Public Utilities Commission (Commission) adopted a settlement agreement between SJWC and the Commission's Office of Ratepayer Advocates (ORA) (**Attachment A**). Amongst many other items this settlement agreement included a resolution on SJWC's request to implement AMI technology throughout the utility's service area. The settlement states:

*"SJWC and ORA agree that SJWC should perform a pilot study prior to full scale AMI implementation. The pilot study will include two components, a capital component and a expense component. The capital component will consist of \$225,000 in 2016 for high resolution meters and AMI technology. This capital component will be offset by grant funding of \$100,000 provided by the Santa Clara Valley Water District, thus the amount to be included in utility plant in service is \$125,000. The expense component will consist of \$250,000 amortized over the 3-year GRC cycle (\$83,333 per year in each of the years 2016-2018). This \$250,000 will be used to hire an independent consultant to develop the structure for the pilot, the methodology and data collection necessary for measuring and verifying the net benefits resulting from the pilot, the methodology for estimating the net benefits of full implementation, and the criteria that should be used to determine whether full implementation is financially prudent. Upon completion of the pilot study parameters SJWC and ORA staff will meet to discuss the planned pilot study, at which time ORA will provide input and recommendations regarding the planned study. **Subsequent to this meeting, SJWC will file a Tier 1 Information Only Advice Letter outlining the parameters of the pilot study.** Upon completion of the pilot study, and if results of the study justify, SJWC can file a separate Application seeking CPUC approval for full AMI implementation. A study prepared by the independent consultant would be included in any such Application".*

Per the settlement agreement, representatives of SJWC and ORA met on August 17th, 2016, to discuss the planned pilot study. A follow up telephonic meeting occurred on September 6th,

2016, at which time ORA provided input and recommendations regarding the planned study. In compliance with the settlement agreement SJWC has prepared the document “San Jose Water Company Advanced Metering Infrastructure Pilot Project Parameters” (**Attachment B**). This document provides the parameters of the pilot study as required by the settlement.

This advice letter is filed to meet the requirements of the settlement agreement adopted in D.16-06-004. This advice letter is designated Tier 1 as provided in the settlement agreement.

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. When submitting a response or protest please include the utility name and advice letter number in the subject line. 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.

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**.

SJWC currently has Advice Letter 501 outstanding before the Commission.

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

Enclosures

A copy of Advice Letter No. 503 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 9TH 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