



November 16, 2016

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

RE: San Jose Water Company's Schedule 14.1 Drought Allocations

Dear President Picker & Commissioners:

The five West Valley Cities of Campbell, the Town of Los Gatos, Monte Sereno, Saratoga, and portions of Cupertino are all served by San Jose Water Company (SJWC). The California Public Utilities Commission approved Schedule 14.1 in June 2015 establishing a water shortage contingency plan with drought allocations and surcharges for SJWC customers. The allocations and surcharges were immediately appealed by SJWC customers and the Office of Rate Payer Advocates (ORA) which claimed that SJWC's use of average customer water usage as opposed to a customer-specific allotment was discriminatory and unreasonable. The CPUC concluded that the use of historic average customer usage was neither unreasonable nor unduly discriminatory when combined with customers' ability to request a variance in cases of undue of an unjust or unreasonable result.

Residents from our town and cities have shared with us water bills that exceed \$500 per month yet their household water conservation is greater than the targets established by SJWC. The variance process has not provided any relief to these residents. The Commission may not fully realize the geographic diversity of SJWC's service area which encompasses most of Santa Clara Valley. The diversity of properties range from small condominiums to parcels that house multiple generations.

Our constituents are bearing a disproportionate burden in conserving water and we ask the Commission consider future allocation structures that balance water conservation with other policy goals such as equity and affordability.

Sincerely,

Manny Cappello
Mayor, Saratoga

Lon Allan
Mayor, Monte Sereno

Barbara Spector
Mayor, Los Gatos

Barry Chang
Mayor, Cupertino

Jason Baker
Mayor, Campbell