



110 W. Taylor Street
San Jose, CA 95110-2131

December 6, 2017

California Public Utilities Commission
Division of Water and Audits
505 Van Ness Avenue
San Francisco, CA 94102

Re: Response to Comments - Advice Letter No. 513

To Whom It May Concern:

In compliance with General Order (GO) 96-B, General Rule 7.4.3, San Jose Water Company (SJWC) hereby responds to the customer comments to its Advice Letter No. 513 (AL 513).

On November 15, 2017, SJWC filed AL 513 with the California Public Utilities Commission (Commission) requesting authorization to increase revenue requirement by \$16,425,000 or 4.43 percent via a step rate increase for the second escalation year of 2018. This filing is required as part of Commission Decision No. (D.) 16-06-004, dated June 9, 2016. The Tier II advice letter was submitted pursuant to GO 96-B.

GO 96-B, General Rule 7.4.2, provides that an advice letter may be protested only on the following grounds:

- (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).

SJWC notes that these specific grounds for protest were provided in the utility's original AL 513 filing.

Comments Addressing GO 96-B Allowable Grounds for Protest

The comments received raised largely the following points:

- The commissioners need to finally follow the CPUC mission statement and align themselves with the ratepayer and not the utilities.
- The increase cannot be granted until a new Cost of Capital is authorized.
- There is no reason to approve any more rate increases.

The points raised do not fall within any of the grounds for protest as listed above. The Cost of Capital application is being processed separately and is independent from any other filing by the Commission. Once a Commission decision is reached, SJWC will adjust rates, up or down, in accordance with the requirements of such decision.

Closing

As required under GO 96-B General Rule 7.4.3, SJWC has filed this response within 5 business days of the after the end of the protest period and served this response on each person who provided comments. SJWC hereby requests that the Commission disregard the comments to AL 513 and authorize the step rate increase for the second escalation year of 2018 in accordance with D.16-06-004.

Sincerely,



John B. Tang, P.E.
Vice President of Regulatory Affairs

bcc: AL 513 Correspondents