

A SHORT LIVED VICTORY. The CPUC has FAILED us again! After the suspension of AL513, SJWC filed AL513A. This supplemental had "revised work papers" which the CPUC found acceptable and has authorized a rate increase of \$15,670,000 or 4.22% or \$3.49/month for the "typical residential customer" with a 3/4" meter using 10.75ccf/month. (The "typical customer" used to use 15ccf/month.) This increase will become effective January 1, 2018. They are NOT hearing us.

I sent the below email to the 5 commissioners and their staffers, the executive director, and members of the Water Division. Feel free to send your own email version of disapproval. Email addresses are listed at the end of this email.

Rita Benton
WRATES, Water Rate Advocates for Transparency, Equity, and Sustainability

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." Margaret Meade

Dear Mr. DeBerry, CPUC Commissioners, and Water Division,

The customers of SJWC were hopeful that the CPUC was finally acting in the best interest of the ratepayer and protecting us when the Water Division suspended AL513. This false hope was quickly squashed with the speedy approval of AL513A.

The ratepayers have unsuccessfully tried for over a year to work within the parameters of the broken CPUC system. We, the ratepayers, are utterly dismayed with the lack of urgency and progress the CPUC has taken in the unsustainable water rates it has created in our communities by not properly regulating the utilities.

The Water Division's disposition of SJWC's AL513/513A states that the protests indicated the relief requested in the advice letter is unjust, unreasonable, or discriminatory because SJWC's new cost of capital is expected and SJWC is earning more than their current authorized rate of return 8.09%. The disposition also states that SJWC has filed revised work papers in which the pro-forma earnings test show SJWC is earning below the authorized rate of return and hence entitled to the escalation step rate increase.

The Water Division has failed to address the many issues raised in our protests. The only way to properly regulate SJWC is to suspend all rate increases until a full forensic audit is administered. The regulator should be in charge of the utilities, not the other way around. Allowing SJWC to file "revised" work papers until the numbers align with a rate increase is a complete regulatory failure. Our rates have skyrocketed and SJWC's earnings have skyrocketed. This alone should be an immediate red flag that the CPUC has made a mistake and the CPUC needs to take immediate corrective action.

It clearly states in the CPUC Values statement, "Accountability: Operating with transparency and accepting responsibility for our actions....Admit our mistakes and learn from them"

- Why is the Water Division satisfied with the "revised" work papers filed by SJWC?

- Why is the Water Division not requiring SJWC to refund its customers the rate of return in excess of 8.09% they earned in previous years?

- Why is the Water Division not concerned with the excess earnings SJWC has achieved in previous years and making it SJWC's priority to return the monies back to the ratepayer?

- If 2016 was the GRC "test" year for SJWC and SJWC had record earnings during this test year, why did the Water Division allow additional increases in the step rate increase years of 2017 and 2018? SJWC's annual reports indicate that in 2015 and 2016 their ROE was 10.45% and 11.43% respectively. The CPUC should not have authorized additional rate increases for SJWC and the CPUC should have authorized refunds of all excess earnings. Why is this not happening?

- Why is the CPUC not protecting the ratepayer?

A healthy functioning regulatory system would NOT authorize this rate increase. A full forensic audit of SJW is imperative for the CPUC to make sound decisions regarding SJWC.

We are asking, once again, for the CPUC to be accountable, admit mistakes, and take corrective action towards SJWC and suspend all rate increases including this step rate increase.

Thank you in advance for your timely response.

Sincerely,

Rita Benton

WRATES, Water Rate Advocates for Transparency, Equity and Sustainability

Michael Picker, President

Liz Podolinsky, Telecommunications and Water Advisor for President Picker

Commissioner Carla J. Peterman

Shannon O'Rourke, Peterman Energy, Safety and Water Issues

Commissioner Liane M. Randolph

Rachel Peterson, Chief of Staff for Randolph

Lester Wong, Randolph Advisor for Communications, Safety, and Water

Commissioner Martha Guzman Aceves

Michael Minkus, Chief of Staff for Guzman

Commissioner Clifford Rechtschaffen

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