



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

June 6, 2017

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

Advice Letter No. 510

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>Cancelling Cal. P.U.C. Sheet No.</u>
1850-W	Schedule No. 1 General Metered Service (Continued)	New
1851-W	Schedule No. 1B General Metered Service with Automatic Fire Sprinkler System (Continued)	1843-W
1852-W	Schedule No. 1C General Metered Service Mountain District (Continued)	1845-W
1853-W	Schedule 4 Private Fire Service (Continued)	1621-W
1854-W	Schedule RW Raw Water Metered Service (Continued)	1847-W
1855-E	Schedule No. RCW Recycled Water Metered Service (Continued)	New
1856-W	Table of Contents	1849-W

With this advice letter SJWC requests authorization to implement a surcredit to refund readiness to serve charge rate changes as a result of a change in billing practice effective January 1, 2017.

The refund period covers readiness to serve charge rate changes that occurred from January 1, 2014, through December 31, 2016.

These tariffs are submitted pursuant to General Orders (GO) No. 96-B Water Industry Rules 7.3.2. This advice letter is designated as a Tier II Advice Letter. SJWC requests that the surcredit become effective on July 6, 2017.

The present rates for SJWC became effective March 20, 2017, by Advice Letter No. (AL) 506. Currently SJWC has AL Nos. 509 and 509A pending before the Commission.

Background

On January 15, 2017, SJWC received a customer inquiry regarding how readiness to serve charges are billed. At issue was whether or not the readiness to serve charge is prorated when a rate change occurs within a billing cycle.

Upon further review of the inquiry, on January 30, 2017, SJWC modified its billing practice retroactively to January 1, 2017, to prorate readiness to serve charge rate changes going forward. As a result of the change in billing practice, the readiness to serve charge rate changes approved in AL Nos. 498 and 506 were prorated for all customers.

Purpose

SJWC is filing AL 510 requesting permission to implement a surcredit to refund readiness to serve charge rate changes for the 3-year period starting January 1, 2014, and ending December 31, 2016. The total amount of the refund is \$1,794,439. A residential customer with a 3/4-inch meter will receive a one-time surcredit of \$5.70. All other customers will receive credits according to their meter size (see Attachment A).

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

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- (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, 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 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. 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 B.

Very truly yours,

/S/ JOHN TANG
JOHN TANG
Vice President of Regulatory Affairs
& Government Relations

Attachments

A copy of Advice Letter No. 510 has been sent to the following municipalities, water companies and interested parties:

City of San Jose
Municipal Water Dept.
Attn: Jeffrey Provenzano
3025 Tuers Road
San Jose, CA 95121

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

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

Santa Clara Valley Water
District
5750 Almaden Expressway
San Jose, CA 95118

Gillette Mutual Water Company
21976 Gillette Drive
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

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.
18522 Mt. View Avenue
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

James Hunter
6475 Dwyer Street
San Jose, CA 95120

Saratoga Heights Mutual Water Company
P.O. Box 337
Saratoga, CA 95071

WRATES
Rita Benton
18555 Ravenwood Drive
Saratoga, CA 95070

Saratoga City Council Member
Rishi Kumar
13777 Fruitvale Avenue
Saratoga, CA 95070

Schedule No. 1

GENERAL METERED SERVICE
 (Continued)

14. To refund prorated service charge rate changes for the period of January 1, 2014, through December 31, 2016, a one-time surcredit will be added to the bill as follows: (N)

	Surcredit:	
For 5/8 x 3/4-inch meter	\$5.70	
For 3/4-inch meter	5.70	
For 1-inch meter	9.49	
For 1-1/2-inch meter	18.99	
For 2-inch meter	30.38	
For 3-inch meter	56.97	
For 4-inch meter	94.95	
For 6-inch meter	189.90	
For 8-inch meter	303.84	
For 10-inch meter	436.77	(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 510

PALLE JENSEN

Date Filed _____

Executive Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH
 AUTOMATIC FIRE SPRINKLER SYSTEM
 (Continued)

10. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$2.6398 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
11. To offset the July 2016 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an increase in ground water charges of \$178.00 /acre-foot, relative to the purchase water costs adopted by D.16-06-004, and associated revenue increase of \$0.1699 per 100 cu.ft.
12. To amortize the under-collection in the 2016 GRC Interim Rates Memorandum Account and the remaining balance of the under-collection in the 2013 GRC Interim Rates Memorandum Account (Rehearing), a surcharge of \$0.1832 per 100 cu.ft is to be added to the Quantity rate shown over the balance of the rate case cycle beginning with the effective date of Advice Letter 492A
13. To amortize the remaining under-collection in the Mandatory Conservation Revenue Adjustment Memorandum Account from 2014 and the remaining under-collection in the Water Conservation Memorandum Account from 2015, a surcharge of \$0.0648 per 100 cu.ft. is to be added to the Quantity Rate shown for a 12 month period beginning with the effective date of Advice Letter 508A.
14. To offset the July 2017 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in purchased water costs of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.1464 per 100 cu.ft.
15. To offset the July 2017 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in ground water charges of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.0983 per 100 cu.ft.
16. To refund prorated service charge rate changes for the period of January 1, 2014, through December 31, 2016, a one-time surcredit will be added to the bill as follows:

	Surcredit:	(N)
For 5/8 x 3/4-inch meter	\$5.70	
For 3/4-inch meter	5.70	
For 1-inch meter	9.49	
For 1-1/2-inch meter	18.99	
For 2-inch meter	30.38	
For 3-inch meter	56.97	(N)

(To be inserted by utility)

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Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District
(Continued)

9. To amortize the under-collection in the Mandatory Conservation Revenue Adjustment Memorandum Account, a surcharge of \$0.08 per 100 cu.ft. is to be added to the Quantity Rate shown until collected beginning with the effective date of Advice Letter 508B.

10. To amortize the under-collection in the Water Conservation Memorandum Account from 2015, a surcharge of \$0.1441 per 100 cu.ft. is to be added to the Quantity Rate shown until collected beginning with the effective date of Advice Letter 508B.

11. To offset the July 2016 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an increase in purchased water costs of \$178.00 /acre-foot, relative to the purchase water costs adopted by D.16-06-004, and associated revenue increase of \$0.2530 per 100 cu.ft.

12. To offset the July 2016 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an increase in ground water charges of \$178.00 /acre-foot, relative to the purchase water costs adopted by D.16-06-004, and associated revenue increase of \$0.1699 per 100 cu.ft.

13. To amortize the under-collection in the 2016 GRC Interim Rates Memorandum Account and the remaining balance of the under-collection in the 2013 GRC Interim Rates Memorandum Account (Rehearing), a surcharge of \$0.1832 per 100 cu.ft is to be added to the Quantity rate shown over the balance of the rate case cycle beginning with the effective date of Advice Letter 492A

14. To offset the July 2017 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in purchased water costs of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.1464 per 100 cu.ft.

15. To offset the July 2017 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in ground water charges of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.0983 per 100 cu.ft.

16. To refund prorated service charge rate changes for the period of January 1, 2014, through			(N)
December 31, 2016, a one-time surcredit will be added to the bill as follows:			
		Surcredit:	
For	3/4-inch meter	\$5.70	
For	1-inch meter	9.49	
For	1-1/2-inch meter	18.99	
For	2-inch meter	30.38	
For	3-inch meter	56.97	
For	4-inch meter	94.95	
For	6-inch meter	189.90	
For	8-inch meter	303.84	
For	10-inch meter	436.77	(N)

(To be inserted by utility)

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TITLE

Schedule No. 4

PRIVATE FIRE SERVICE
 (Continued)

SPECIAL CONDITIONS

4. For water delivered for other than fire protection purposes, charges shall be made under Schedule No. 1, General Metered Service.
5. The utility undertakes to supply only such water at such pressure as may be available any time through the normal operation of its system. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding the provision or maintenance of an adequate water supply, water pressure, equipment or other fire protection facility or service. Acceptance of service under this tariff is acknowledgment of notice of the provisions of Section 774 of the Public Utilities Code.
6. The minimum diameter for fire protection service shall be two inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
8. To refund prorated service charge rate changes for the period of January 1, 2014, through December 31, 2016, a one-time surcredit will be added to the bill as follows: (N)

		Surcredit:	
For	2-inch meter	5.77	
For	3-inch meter	8.65	
For	4-inch meter	11.53	
For	6-inch meter	17.30	
For	8-inch meter	23.06	
For	10-inch meter	28.83	
For	12-inch meter	34.60	(N)

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	TITLE	

Schedule No. RW

RAW WATER METERED SERVICE

(Continued)

10. To offset the July 2016 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an increase in purchased water costs of \$178.00 /acre-foot, relative to the purchase water costs adopted by D.16-06-004, and associated revenue increase of \$0.2530 per 100 cu.ft.

11. To offset the July 2016 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an increase in ground water charges of \$178.00 /acre-foot, relative to the purchase water costs adopted by D.16-06-004, and associated revenue increase of \$0.1699 per 100 cu.ft.

12. To amortize the under-collection in the 2016 GRC Interim Rates Memorandum Account and the remaining balance of the under-collection in the 2013 GRC Interim Rates Memorandum Account (Rehearing), a surcharge of \$0.1832 per 100 cu.ft is to be added to the Quantity rate shown over the balance of the rate case cycle beginning with the effective date of Advice Letter 492A

13. To offset the July 2017 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in purchased water costs of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.1464 per 100 cu.ft.

14. To offset the July 2017 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in ground water charges of \$103.00 /acre-foot, relative to the purchase water costs authorized by Advice Letter 490 and associated revenue increase of \$0.0983 per 100 cu.ft.

15. To refund prorated service charge rate changes for the period of January 1, 2014, through December 31, 2016, a one-time surcredit will be added to the bill as follows: (N)

		Surcredit:	
For	3/4-inch meter	\$5.70	
For	1-inch meter	9.49	
For	1-1/2-inch meter	18.99	
For	2-inch meter	30.38	
For	3-inch meter	56.97	
For	4-inch meter	94.95	
For	6-inch meter	189.90	
For	8-inch meter	303.84	
For	10-inch meter	436.77	(N)

(To be inserted by utility)

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TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE
 (Continued)

11. To refund prorated service charge rate changes for the period of January 1, 2014, through (N)
 December 31, 2016, a one-time surcredit will be added to the bill as follows: |

<u>Piped Supply</u>		Surcredit:	
For	3/4-inch meter	\$5.70	
For	1-inch meter	9.49	
For	1-1/2-inch meter	18.99	
For	2-inch meter	30.38	
For	3-inch meter	56.97	
For	4-inch meter	94.95	
For	6-inch meter	189.90	
For	8-inch meter	303.84	
For	10-inch meter	436.77	
<u>Well Supply</u>		Surcredit:	
For	2-inch meter	\$7.08	
For	3-inch meter	9.44	
For	4-inch meter	10.62	
For	6-inch meter	17.71	
For	8-inch meter	21.25	
For	10-inch meter	33.05	(N)

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Regulatory Affairs

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TITLE

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The following listed tariff sheets contain all effective rates, rules and regulations affecting the rates and service of the Utility, together with information relating thereto:

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Schedule No. 1, General Metered Service	1822-W, 1840-W, 1841-W and 1850-W	(C)(N)
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	1823-W, 1741-W, 1842-W and 1851-W	(C)
Schedule No. 1C, General Metered Service Mountain District	1844-W, 1744-W, 1789-W and 1852-W	(C)
Schedule No. 4, Private Fire Service	1825-W and 1853-W	(C)
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
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No. 4 - Contracts	352-W	
No. 5 - Special Information Required on Forms	821-W thru 823-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
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No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

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