

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 7, 2017

David Brandt
City Manager
City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014-3255

SUBJECT: Response to Concerns About San Jose Water Company's Advice Letter No. 510

Dear Mr. Brandt:

I am in receipt of your letter of July 26, 2017 regarding concerns the City of Cupertino has with San Jose Water Company's (SJWC) Advice Letter No. 510. Your letter notes that "it is critical that [Water Division] ensure SJWC applies only the correct rate at the correct time." It was as a result of Water Division's investigation into SJWC's implementation of rate changes affecting the monthly service charge that SJWC filed Advice Letter No. 510 on June 6, 2017.

On June 22, 2017, a formal complaint (C.17-06-009) was filed at the Commission by a number of SJWC customers raising similar concerns to those noted by Water Division's investigation. Given the commonality issues between Advice Letter No. 510 and C.17-06-009, on June 28, 2017 Water Division suspended Advice Letter No. 510 pending review, processing and direction from the Commission in C.17-06-009.

Customers may only be charged rates that are authorized and in effect. Questions raised regarding the correctness of the calculation for customer refunds; how many years are to be considered in calculating refunds; and if any penalties or fines that should be imposed on SJWC for its past practices all will be adjudicated by the Commission pursuant to the processing of C.17-06-009. Until the Commission issues a decision in C.17-06-009 or otherwise directs, Advice Letter No. 510 will remain suspended.

Sincerely,

A handwritten signature in black ink, appearing to read "Ramf Kahlon".

Ramf Kahlon, Director
Water Division

cc: Randolph Hom, City Attorney
John Tang, San Jose Water Company