

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: San Jose Water Company

Date Mailed to Service List: 6/10/16

District: N/A

CPUC Utility #: U-168-W

Protest Deadline (20th Day): 6/30/16

Advice Letter #: 489

Review Deadline (30th Day): 7/10/16

Tier ☒ 1 ☐ 2 ☐ 3 ☐ Compliance

Requested Effective Date: 6/14/2016

D.13-07-028

Authorization D.16-06-004

Rate Impact: \$1,659,451
0.52%

Description: Re-implement previously approved rate base offset for plant additions made in 2015 related to the MWTP Upgrade Project (Montevina Project) approved via AL 483 effective March 30, 2016.

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Wes Owens

Utility Contact: Ann Lindahl

Phone: 408-918-7247

Phone: 408-279-7979

Email: wes.owens@sjwater.com

Email: ann.lindahl@sjwater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

[] APPROVED

[] WITHDRAWN

[] REJECTED

Signature: _____

Comments: _____

Date: _____



**San Jose
Water
Company**

110 W. Taylor St.
San Jose, CA 95196
Phone 408 279-7900
Fax 408 279-7934

June 10, 2016

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

Advice Letter No. 489

The 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:

Cal. P.U.C. <u>Sheet No.</u>	<u>Title of Sheet</u>	Canceling Cal. P.U.C. <u>Sheet No.</u>
1751-W	Schedule No. 1 General Metered Service	1737-W
1752-W	Schedule No. 1B General Metered Service With Automatic Fire Sprinkler System	1740-W
1753-W	Schedule No. 1C General Metered Service Mountain District	1743-W
1754-W	Schedule No. RW Raw Water Service	1748-W
1755-W	Table of Contents	1750-W

These tariffs are submitted pursuant to General Order Nos. 96-B, and pursuant to the authority established by the California Public Utilities Commission (Commission) in Decision No. (D) 13-07-028, dated July 25, 2013. This advice letter is designated a Tier I Advice Letter consistent with General Order 96-B. Public notice is not required as notice was completed at the time of SJWC's filing of Application No. (A) 10-09-019: Application of SJWC for Approval of Cost Recovery for Upgrading the Montevina Water Treatment Plant (MWTP). Currently SJWC ALs 487 and 488 are outstanding before the Commission.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ADVICE LETTER NO. 489

Page 2

With this advice letter SJWC re-implements a previously approved rate base offset for plant additions made in 2015 related to the MWTP Upgrade Project (Montevina Project). This rate base offset has been approved by the Commission via AL 483 effective March 30, 2016. In AL 483 the Commission approved the requested revenue increase of \$1,659,451 for recovery of the total recorded construction costs for calendar year 2015 of \$9,053,138. Re-implementation of this March 30, 2016 rate base offset is necessary because it is not included in the rates authorized by Decision (D.)16-06-004 which have an effective date of January 1, 2016,.

Background

On February 29th, 2016, SJWC filed AL 483 seeking Commission approval of a rate base offset for work performed on the Montevina Project in 2015. SJWC requested a rate base offset of \$9,053,138 in improvements with an associated revenue increase of \$1,659,451. The requested rate base offset was approved effective March 30, 2016, after a thorough review by both the Commission's Division of Water and Audits (DWA) and the Commission's Office of Ratepayer Advocates.

On May 26th, 2016, the Commission adopted D.16-06-004 in SJWC's General Rate Case proceeding A.15-01-002. With this Decision the Commission authorized a revenue requirement and rates effective back to January 1, 2016. However, since the approval of AL 483 came on March 30th, three months after the January 1st effective date of rates approved in D.16-05-XXX, the AL 483 rate base offset improvements were therefore not included in the rates authorized in D.16-06-004. Thus, if the rate base offset is not re-implemented, as requested in this advice letter, SJWC would not receive recovery of Commission approved improvements.

On June 10th SJWC filed AL 488 to implement rates approved in D.16-06-004. These rates will become effective on June 14th, 2016. SJWC seeks to have AL 489 rates also become effective, and in fact supercede the AL 488 rates, effective June 14th.

Rate Calculation and Average Bill Comparison¹

Current authorized rates for 2016 become effective on June 14th, 2016 by AL 488.

The total revenue requirement impact for this capital addition is \$1,659,451, the same as that previously approved by the Commission via AL 483, or about 0.48% of SJWC's currently authorized revenue for 2016. SJWC seeks to recover 30%, or \$497,835, of the revenue through the service charge component and the remaining 70%, or \$1,161,616, through the quantity rate component pursuant to SJWC's rate design approved in D.14-08-006 and continued in D.16-06-

¹ Rate and bill comparisons are based on interim rates effective as of the date of this advice letter filing. SJWC anticipates a final Decision in the ongoing General Rate Case proceeding (A.15-01-002) sometime in the near future. If a final GRC Decision is approved before approval of this ratebase offset then the base rates will be revised and the rate and bill comparisons shown below and outlined in the attachments will be revised accordingly.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ADVICE LETTER NO. 489

Page 3

004. As a result of this rate calculation, the service charge for a standard ¾-inch meter will increase by \$0.14 per month from \$23.84 to \$23.98. The uniform quantity charge will increase from \$4.4873 per ccf to \$4.5090 per ccf. SJWC's residential conservation rates have been calculated using the methodology adopted in D.14-08-006, applying 90% of the uniform quantity rate to Tier I, 100% of the uniform rate to Tier II and 110% of the uniform quantity rate to Tier III. The Tier I rate charge will increase from \$4.0386 per ccf to \$4.0581 per ccf. The Tier II rate charge will increase from \$4.4873 per ccf to \$4.5090 per ccf. The Tier III rate charge will increase from \$4.9360 per ccf to \$4.9599 per ccf. The rate calculations are set forth in **Attachment A**. As a result of this rate change, the bill for a residential customer using 15 ccf per month will increase by \$0.46, or 0.51% per month (**Attachment B**).

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
- (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. When submitting a response or protest please include the utility name and advice letter number in the subject line. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ADVICE LETTER NO. 489

Page 4

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 95196
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.

Public notice of this filing is not required as notice was provided upon the filing of A.10-09-019. In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to interested and affected parties as detailed in **Attachment C**.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Very truly yours,

/S/ WES OWENS
WES OWENS
Director, Regulatory Affairs

WO:ael
Enclosure

A copy of Advice Letter No. 489 has been sent to the following municipalities, water companies and interested parties:

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

Town of Los Gatos
Attn: Director of Public Works
110 E. Main Street
Los Gatos, CA 95032

California Water Service Co.
Attn: Regulatory Affairs
1720 North First Street
San Jose, CA 95112

City of Monte Sereno
Attn: Director of Public Works
18014 Saratoga-Los Gatos Road
Monte Sereno, CA 95030

City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

City of Saratoga
Attn: Director of Public Works
13777 Fruitvale Avenue
Saratoga, CA 95070

City of Campbell
70 North First Street
Campbell, CA 95008

County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Department of Water Resources
Safe Drinking Water Office,
Room 804
1416 9TH Street
Sacramento, CA 95814

Great Oaks Water Company
P.O. Box 23490
San Jose, CA 95153

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

Brush & Old Well Mutual
Water Company
20732 Brush Road
Los Gatos, CA 95030

San Jose Mercury News
Attn: Paul Rodgers
4 N. Second St., Suite 800
San Jose, CA 95113

Gillette Mutual Water Company
21976 Gillette Drive
Los Gatos, CA 95033

Redwood Estates Services Association
PO Box 591
Redwood Estates, CA 95044-0591

Bob Burke
Regulatory Liaison For The Six
Mutual Water Companies
420 Alberto Way, Unit 49
Los Gatos, Ca 95032

Stagecoach Mutual Water Co
21825 Stagecoach Road
Los Gatos, CA 95033

Brush & Old Well Mutual
Water Company
21105 Brush Road
Los Gatos, CA 95033

Mt. Summit Mutual Water Co
P.O. Box 3416
Saratoga, CA 95070

Oakmount Mutual Water Company
P.O. Box 31536
Stockton, CA 95213

Mountain Springs Mutual Water Co.
17956 Greenwood Road
Los Gatos, CA 95033

Summitt West Mutual Water Company
P.O. Box 974
Los Gatos, CA 95031

Raineri Mutual Water Company
P.O. Box 11
Los Gatos, CA 95031

Ridge Mutual Water Company
22316 Citation Drive
Los Gatos, CA 95033

James Hunter
6475 Dwyer Street
San Jose, CA 95120

Villa Del Monte Mutual Water Company
P.O. Box 862
Los Gatos, CA 95031

Marty Feldman
P.O. Box 537
Los Gatos, CA 95031

Big Redwood Park Water
& Improvement Assoc.
18522 Mt. View Avenue
Los Gatos, CA 95033

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.05810	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.50900	l
For Total Monthly Usage over 18 Ccf.	\$4.95990	(l)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.50900	(l)
--	-----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 23.98	(l)
For 3/4-inch meter	\$ 23.98	l
For 1-inch meter	\$ 39.94	l
For 1-1/2-inch meter	\$ 79.91	l
For 2-inch meter	\$ 127.87	l
For 3-inch meter	\$ 239.75	l
For 4-inch meter	\$ 399.58	l
For 6-inch meter	\$ 799.15	l
For 8-inch meter	\$ 1278.65	l
For 10-inch meter	\$ 1838.07	(l)

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 489 _____

PALLE JENSEN _____

Date Filed _____

Senior Vice President,

Effective _____

Dec. No. D.13-07-028 _____

Regulatory Affairs _____

Resolution No. _____

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH
AUTOMATIC FIRE SPRINKLER SYSTEM

APPLICABILITY

Applicable to all detached single family structures whose automatic fire sprinkler system is served through the meter providing residential water service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.05810	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.50900	l
For Total Monthly Usage over 18 Ccf.	\$4.95990	(l)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.50900	(l)
--	-----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 23.98	(l)
For 3/4-inch meter	\$ 23.98	l
For 1-inch meter	\$ 39.94	l
For 1-1/2-inch meter	\$ 79.91	l
For 2-inch meter	\$ 127.87	l
For 3-inch meter	\$ 239.75	(l)

Upsize Charges:

For 1/4-inch meter upsize	\$ 1.51
or 1/2-inch meter upsize	\$ 3.01
For 3/4-inch meter upsize	\$ 4.52
For 1-inch meter upsize	\$ 6.03
For 1-1/2-inch meter upsize	\$ 9.05

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 489

PALLE JENSEN

Date Filed _____

Senior Vice President,

Effective _____

Dec. No. D.13-07-028

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Los Gatos and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate Per 100 cu. ft. (Ccf)

Overuse Rates beyond 500 gallons per day limit

Residential Customers with 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.05810	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.50900	l
For Total Monthly Usage for 19 to 20 Ccf.	\$4.95990	(l)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

All Other Customers(subject to Special Condition 5)

For Total Monthly Usage from 0 to 20 Ccf.	\$4.50900	(l)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

Service Charges:

Per Meter Per Month

For 3/4-inch meter	\$ 23.98	(l)
For 1-inch meter	\$ 39.94	l
For 1-1/2-inch meter	\$ 79.91	l
For 2-inch meter	\$ 127.87	l
For 3-inch meter	\$ 239.75	l
For 4-inch meter	\$ 399.58	l
For 6-inch meter	\$ 799.15	l
For 8-inch meter	\$ 1278.65	l
For 10-inch meter	\$1838.07	(l)

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. 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 \$2.0033 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 489

PALLE JENSEN

Date Filed _____

Senior Vice President,

Effective _____

Dec. No. D.13-07-028

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. RW

RAW WATER SERVICE

APPLICABILITY

Applicable to raw water metered service.

TERRITORY

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate:			
Per 100 cu. ft.	.....	\$4.2794	(l)

Service Charges:		Per Meter Per Month	
------------------	--	---------------------	--

For 5/8 x 3/4-inch meter	.....	\$ 23.98	(l)
For 3/4-inch meter	.....	\$ 23.98	l
For 1-inch meter	.....	\$ 39.94	l
For 1-1/2-inch meter	.....	\$ 79.91	l
For 2-inch meter	.....	\$ 127.87	l
For 3-inch meter	.....	\$ 239.75	l
For 4-inch meter	.....	\$ 399.58	l
For 6-inch meter	.....	\$ 799.15	l
For 8-inch meter	.....	\$ 1278.65	l
For 10-inch meter	.....	\$ 1838.07	(l)

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. The customer is responsible for notice of and compliance with all local, state, and federal rules and regulations that apply from time to time to the use of raw water, as defined in San Jose Water Company's Rule 1.
2. The customer must provide and/or contribute all facilities needed to transport the water from its source to the customer's point of service in accordance with the utility's Rule 15.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 489

PALLE JENSEN

Date Filed

Senior Vice President,

Effective

Dec. No. D.13-07-028

Regulatory Affairs

Resolution No.

TITLE

TABLE OF CONTENTS

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:

Subject Matter of Sheet	C.P.U.C. Sheet No.	
Title	1495-W	
Table of Contents	1755-W, 1476-W, 848-W and 1725-W	(T)
Preliminary Statement	919-W, 1303-W, 1699-W, 1700-W, 1702-W, 1420-W, 1423-W, 1427-W, 1469-W, 1492-W, 1508-W and 1542-W	
Service Area Map Locator	1266-W	
Service Area Map Locator, Index	1589-W	
Map of Areas With Special Pressure and Fire Flow Conditions	1590-W	
Index to Map of Areas With Special Pressure and Fire Flow Conditions	1079-W, 1591-W 1082-W, 1087-W and 1404-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	1751-W, 1738-W and 1739-W	(C)
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	1752-W, 1741-W and 1742-W	(C)
Schedule No. 1C, General Metered Service Mountain District	1753-W, 1744-W, 1745-W and 1746-W	(C)
Schedule No. 4, Private Fire Service	1747-W and 1621-W	
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
Schedule No. 10R, Service to Employees	152-W	
Schedule No. 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions And Drought Surcharges	1668-W thru 1676-W	
Schedule No. RW, Raw Water Metered Service	1754-W and 1749-W	(C)
Schedule No. RCW, Recycled Water Metered Service	1049-W and 1050-W	
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	1697-W	
Schedule No. WRAP, Water Rate Assistance Program	1723-W and 1211-W	
List of Contracts and Deviations	1636-W	
Rules:		
No. 1 - Definitions	764-W and 976-W	
No. 2 - Description of Service	525-W	
No. 3 - Application for Service	351-W and 903-W	
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	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	1054-W and 825-W	
No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 489

PALLE JENSEN

Date Filed

Senior Vice President,

Effective

Dec. No. D.13-07-028

Regulatory Affairs

Resolution No.

TITLE