



October 12, 2022

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

Advice Letter No. 582

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 Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
2200-W	Schedule No. 1 General Metered Service (Continued)	2182-W
2201-W	Schedule No. 1B General Metered Service w/Automatic Fire Sprinkler System (Continued)	
2202-W	Schedule No. 1C General Metered Service Mountain District (Continued)	
2203-W	Schedule No. RW Raw Water Metered Service (Continued)	2185-W
2204-W	Table of Contents	2191-W

Purpose

Advice Letter (AL) 582 requests the authorization of the California Public Utilities Commission (CPUC) to amortize SJWC’s Mandatory Conservation Memorandum Account (WCMA) and Mandatory Conservation Expense Memorandum Account (WCEMA).

SJWC proposes to amortize an over-collection of \$20,473,693 balance accumulated in the WCMA and an under-collection of \$553,071 accumulated in the WCEMA for the period covering August 1, 2021 through August 31, 2022, by netting these amounts against the under-collection of \$18,173,959 in balancing and memorandum account recoveries approved in D.22-10-005 (Advice Letter 581).

Type of Account	Balance (Over-Collection)/Under-Collection	
WCMA	\$ (20,473,693)	Over-Collection
WCEMA	\$ 553,071	Under-Collection
D.22-10-005 Balancing Account	\$ 6,674,556	Under-Collection
D.22-10-005 Memorandum Account	\$ 11,499,403	Under-Collection
Total	\$ (1,746,663)	Over-Collection

The combined net balance of these accounts results in an over-collection of \$1,746,663. This amount will be refunded to customers via a one-time refund based on meter size. For the typical residential customer with a 3/4-inch meter, the one-time refund is \$5.65. Through the combination, SJWC can minimize the effect of the delayed General Rate Case decision, simplify bills and minimize customer confusion through the elimination of the memorandum and balancing account surcharges, and continue to send a strong conservation message that would otherwise be blunted if the WCMA over-collection was amortized separately as discussed below.

This advice letter is designated as a Tier 3 Advice Letter. These tariffs are submitted pursuant to General Order No. 96-B – Water Industry Rule 7.3.3(7).

Background

WCMA/WCEMA

On June 9, 2021 SJWC's water provider Valley Water issued mandatory water conservation use reductions. On June 9, 2021, Valley Water adopted a resolution calling for mandatory water use reduction of 15% compared to 2019 water usage.

In response to mandatory water reduction from Valley Water, SJWC on June 18, 2021, filed AL 563 to update and activate its Rule No. 14.1 and AL 564 to establish a WCMA and WCEMA. In AL 563, SJWC sought to activate Stage 3 of its Water Shortage Contingency Plan and this filing was approved with an effective date of August 5, 2021.

In AL 564, SJWC requested authorization to establish a WCMA to track lost revenue associated with reduced sales as a result of activating Rule 14.1 and a WCEMA to track incremental operational and administrative costs associated with the implementation of Rule 14.1. The accounts were approved effective July 19, 2021.

On October 15, 2021, SJWC filed AL 569 to activate Stage 3 of Schedule 14.1 to include Drought Allocations and Drought Surcharges. This advice letter was approved and made

effective November 15, 2021. Per the approval, all monies collected through drought surcharges shall be booked to SJWC's WCMA to offset revenue loss from conservation.

Delayed GRC Decision

The WCMA tracks the difference between adopted sales and actual sales and offsetting it against adopted supply expenses. The majority of the period covered in the WCMA account is in 2022; however and due to the delayed GRC, SJWC was not able to calculate the actual revenue impacts because it did not have newly adopted sales, rates, and authorized expense. With the approval of the GRC decision on October 6, 2022, SJWC has the necessary information to calculate the WCMA balance through August 31, 2022. The result is an over-collection of \$20,473,693.

As part of D.22-10-005, SJWC was authorized to amortize its Balancing and Memorandum Account and filed Advice Letter 581 to that effect. This recovery is normally shown on the bills as two different surcharges as they are tracked separately. In addition, SJWC will, in November, file to implement another surcharge to amortize the balance in the Interim Rates Memorandum Account. On top of those three surcharges, a sur-credit for the WCMA and WCEMA amortization will also appear on the bills. To minimize customer confusion with multiply surcharges and sur-credits, SJWC is requesting to net the WCMA and WCEMA with the Balancing and Memorandum Account and apply a one-time refund instead. This approach eliminates the need for multiple surcharges and sur-credits on customers' bills.

Beyond the bill simplification and the minimization of customer confusion, the proposed approach also sends a stronger conservation message. Experts are predicting another La Nina year in 2023 marking the third year in a row of this weather phenomenon. La Nina years are typically marked by lower precipitation and such a situation will further exacerbate California's already extreme drought situation. SJWC has activated Schedule 14.1 includes drought allocations and drought surcharges to encourage conservation. To amortize the WCMA and WCEMA balances as a sur-credit, essentially for conservation, separately on the bills will send mixed signals to customers, particularly those who are consuming the highest amounts of water.

Effective Date

SJWC requests the proposed surcharge become effective November 11, 2022.

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. 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, CA 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 Service List.

SJWC currently has Advice Letters 580 and 581 pending before the Commission.

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

Very truly yours,

/S/ JOHN TANG
JOHN TANG
Vice President of Regulatory Affairs

Enclosure

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District
 (Continued)

11. The amortization the over-collection of the Water Conservation Memorandum Account and the under-collection in the Water Conservation Expense Memorandum Account, these balances will be netted it against the recovery of Memorandum and Balancing Accounts under-collection authorized in D.22-10-005 (AL581) resulting in a one time sur-credit on the effective date of this Advice Letter as follows: (N)

	Surcredit	
For 5/8 x 3/4-inch meter	\$5.65	(N)
For 3/4-inch meter	\$5.65	
For 1-inch meter	\$9.41	
For 1-1/2-inch meter	\$18.82	
For 2-inch meter	\$30.12	
For 3-inch meter	\$56.47	
For 4-inch meter	\$94.12	
For 6-inch meter	\$188.25	
For 8-inch meter	\$301.20	
For 10-inch meter	\$432.97	

(To be inserted by utility)

Issued by

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

Advice No. 582

JOHN TANG

Date Filed _____

Dec. No. _____

Vice President,
Regulatory Affairs

Effective _____
 Resolution No. _____

TITLE

Schedule No. RW

RAW WATER METERED SERVICE
 (Continued)

3. The utility will supply at the point of connection only such raw water at such pressures as may be available from time to time from the Santa Clara Valley Water District. The customer shall indemnify the utility and save it harmless from any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service under this schedule.
4. As a condition for service under this schedule, all customers are required to comply with all San Jose Water Company's tariffs, except for those identified in the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
5. 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 refund of \$3.8732 per 100 cubic feet for the quantities of water used on the effective date of this advice letter. In accordance with Santa Clara Valley Water District procedures customers will be refunded every six months.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. The billing period service charges and all applicable flat rate charges and credit will be

(N) calculated using the Uniform Formula:

$$\left(\frac{\text{Number of Billing Days at Effective Service Charge}}{30.4375} \right) \times (\text{Effective Service Charge}) = \text{Billed Service Charge}$$

8. To amortize the over-collection in the Water Conservation Memorandum Account and the under-collection in the Water Conservation Expense Memorandum Account, these balances will be netted against the recovery of Memorandum and Balancing Accounts under-collection authorized in D.22-10-005 resulting in a one-time sur-credit on the effective date of this Advice Letter as follows:

	Sur-credit
For 5/8 x 3/4-inch meter	\$5.65
For 3/4-inch meter	\$5.65
For 1-inch meter	\$9.41
For 1 1/2-inch meter	\$18.82
For 2-inch meter	\$30.12
For 3-inch meter	\$56.47
For 4-inch meter	\$94.12
For 6-inch meter	\$188.25
For 8-inch meter	\$301.20
For 10-inch meter	\$432.97

(N)
 |
 (N)

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Effective _____

Dec. No. _____

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	2204-W, 2161-W and 2174-W	(N)
Preliminary Statement	919-W, 1303-W, 2032-W, 2033-W, 2034-W, 2035-W, 2058-W, 2037-W 2152-W, 2153-W, 2040-W, 2041-W, 2042-W, 2087-W, 2125-W, 2155-W 2156-W	
Service Area Map Locator	1266-W	
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Rate Schedules:		
Schedule No. 1, General Metered Service	2175-W, 2176-W and 2200-W	(C)
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	2177-W, 1741-W, 2201-W	(C)
Schedule No. 1C, General Metered Service Mountain District	2178-W, 1952-W, 1884-W and 2184- W, 2202-W	(C)
Schedule No. 4, Private Fire Service	2166-W and 2187-W	(C)
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	2131-W, 2132-W, 2133-W 2134-W, 2149-W, 2136-W, 2137-W 2138-W, 2139-W, 2146-W	
Schedule No. RW, Raw Water Metered Service	2179-W and 2203-W	(C)
Schedule No. RCW, Recycled Water Metered Service	2168-W, 2186-W	
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	2090-W	
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No. 2 - Description of Service	525-W	
No. 3 - Application for Service	2143-W, 2144-W	
No. 4 - Contracts	352-W	
No. 5 - Special Information Required on Forms	2066-W, 2067-W and 2068-W-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	2069-W, 2070-W and 2017-W	
No. 9 - Rendering and Payment of Bills	2188-W, 2189-W and 2190-W	(C)

(Continued)

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TITLE

**SAN JOSE WATER COMPANY (U-168-
W) ADVICE LETTER 582 SERVICE LIST**

Big Redwood Park Water	waldburford@gmail.com;
Brush & Old Well Mutual Water Company	BOWMWC@brushroad.com;
Cal Water	cwsrates@calwater.com;
City of Campbell	publicworks@cityofcampbell.com;
City of Cupertino City Attorney	cityattorney@cupertino.org;
City of Cupertino Director of Public Works	rogerl@cupertino.org;
City of Milpitas	tndah@ci.milpitas.ca.gov ;
City of Milpitas	smachida@ci.milpitas.ca.gov;
City of Monte Sereno	steve@cityofmontesereno.org;
City of Monte Sereno	bmekechuk@cityofmontesereno.org;
City of Santa Clara	water@santaclaraca.gov;
City of San Jose	jeffrey.provenzano@sanjoseca.gov;
City of Saratoga	jcherbone@saratoga.ca.us;
County of Santa Clara	county.counsel@cco.sccgov.org;
DB Davis	dbdavis@rockwellcollins.com;
Dept. of Water Resources, Safe Drinking Water Office	sdwo@water.ca.gov;
Valley Water	dtaylor@valleywater.org;
Gillette Mutual Water Company	gapowerz@gmail.com;
Gillette Mutual Water Company	goldiey@pacbell.net;
Gillette Mutual Water Company	keyoung@pacbell.net;
Great Oaks Water	jroeder@greatoakswater.com;
Great Oaks Water	tguster@greatoakswater.com;
Cal Water	jpolanco@calwater.com;
James Hunter	j88hunter882@gmail.com;
City of Cupertino	KirstenS@cupertino.org;
Public Advocates Office	mukunda.dawadi@cpuc.ca.gov;
Public Advocates Office	PublicAdvocatesWater@cpuc.ca.gov;
Mountain Springs Mutual Water Co.	Lorenroy@icloud.com;
Mt. Summit Mutual Water Company	wshoefler@comcast.net;
Oakmount Mutual Water Company	gortiz12@comcast.net;
Patrick Kearns MD	pjk3@comcast.net;
Raineri Mutual Water Company	info@rainerimutual.org;
Ridge Mutual Water Company	pmantey@yahoo.com;
Rishi Kumar	rkumar@saratoga.ca.us;
San Jose Mercury News	progers@bayareanewsgroup.com;
Valley Water	afulcher@valleywater.org;
Valley Water	abaker@valleywater.org;
Saratoga Heights Mutual Water Company	sjw@shmwc.org;
SouthWest Water Company	kcarlson@swwc.com;
Stagecoach Mutual Water Company	stagecoachroadMWC@gmail.com;
Summit West	RJonesPE@aol.com;
Summit West	board@summitwest.org;
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WRATES	rita_benton@ymail.com;
Villa Del Monte	mntmom33@comcast.net;