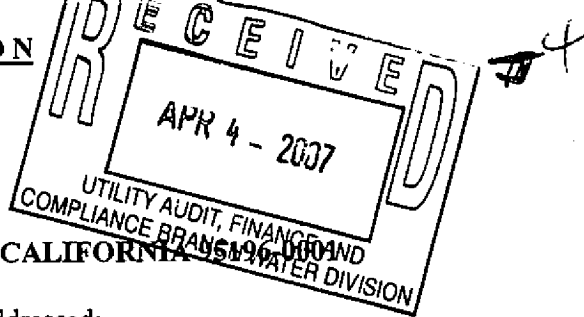


GENERAL INFORMATION



- 1. Name under which utility is doing business:  
**SAN JOSE WATER COMPANY**
- 2. Official mailing address:  
**374 WEST SANTA CLARA STREET, SAN JOSE, CALIFORNIA 95196-0001**
- 3. Name and title of person to whom correspondence should be addressed:  
**PALLE JENSEN, DIRECTOR OF REGULATORY AFFAIRS (408) 279-7970**
- 4. Address where accounting records are maintained:  
**374 WEST SANTA CLARA STREET, SAN JOSE, CALIFORNIA 95196-0001**

5. Service Area: (Refer to district reports if applicable)  
**PORTIONS OF CUPERTINO, SAN JOSE AND SANTA CLARA, AND IN CAMPBELL, LOS GATOS, MONTE SERENO, SARATOGA AND IN CONTIGUOUS TERRITORY IN THE COUNTY OF SANTA CLARA.**

6. Service Manager (If located in or near Service Area). (Refer to district reports if applicable):  
 Name: **ROBERT DAY**  
 Address: **374 W. SANTA CLARA ST., SAN JOSE, CA 95196-001**  
 Telephone: **(408) 279-7922**

7. Ownership (Check and fill in appropriate line):

- Individual (Name of Owner)
- Partnership (Name of Partner)
- Partnership (Name of Partner)
- Partnership (Name of Partner)
- Corporation (Corporate Name)

**SAN JOSE WATER COMPANY  
CALIFORNIA**

Organized under the laws of (State):

Date: **October 24, 1931**

Principal Officers During 2006:

<u>Name</u>	<u>Title</u>
<b>D. GIBSON</b>	<b>CHAIRMAN</b>
<b>W.R. ROTH</b>	<b>PRESIDENT &amp; CHIEF EXECUTIVE OFFICER</b>
<b>R. J. BALOCCO</b>	<b>VICE PRESIDENT</b>
<b>G. J. BELHUMEUR</b>	<b>SENIOR VICE PRESIDENT</b>
<b>R. S. YOO</b>	<b>CHIEF OPERATING OFFICER</b>
<b>R. J. PARDINI</b>	<b>VICE PRESIDENT</b>
<b>A. YIP</b>	<b>SENIOR VICE PRESIDENT &amp; CHIEF FINANCIAL OFFICER</b>
<b>D.R. DRYSDALE</b>	<b>VICE PRESIDENT</b>
<b>S. PAPAIZAN</b>	<b>CORPORATE SECRETARY</b>
<b>A.J. ELLIOTT</b>	<b>CONTROLLER</b>

8. Names of associated companies:  
**SJW CORP., SJW LAND COMPANY, SJW TX WATER, INC.**

9. Names of corporations, firms or individuals whose property have been acquired during the year, together with date of acquisition:  
**REDWOOD MUTUAL WATER COMPANY June 16, 2006**

10. Use the space below for supplementary information or explanations concerning this report:  
**2005 BALANCE SHEET INFORMATION HAS BEEN RESTATED TO REFLECT ASSETS AND LIABILITIES ASSOCIATED WITH CUPERTINO LEASE ACTIVITIES. DEPRECIABLE PLANT ON BALANCE SHEET DATA HAS BEEN RESTATED TO REFLECT CONSTRUCTION COMPLETED NOT OTHERWISE CLASSIFIED THAT WAS INADVERTENTLY EXCLUDED ON PRIOR REPORTS.**

SELECTED FINANCIAL DATA - CLASS A, B, C, AND D WATER COMPANIES

NAME OF UTILITY:

San Jose Water Company

PREPARER OF THIS REPORT:

PALLE JENSEN

Phone: (408) 279-7970

(Source: Information in 2006 ANNUAL REPORT)

BALANCE SHEET DATA	Jan. 1, 2006	Dec. 31, 2006	Annual Average	
1 Intangible Plant	1,040,137	1,040,137	1,040,137	1
2 Land	1,734,751	4,442,771	3,088,761	2
*3 Depreciable Plant	647,571,972	692,915,369	670,243,871	3*
*4 Gross Plant In Service	650,346,860	698,398,277	674,372,569	4*
*5 Less: Accum. Depreciation & Amort	(206,551,235)	(224,016,882)	(215,284,059)	5*
6 Net Water Plant In Service	443,795,625	474,381,395	459,088,510	6
7 Water Plant Held for Future Use	215,370	233,336	224,353	5
8 Construction Work In Progress	5,610,790	9,200,030	7,405,410	8
9 Materials and Supplies	448,205	490,176	469,190	9
10 Less: Advances for Construct.	(69,963,462)	(67,955,257)	(68,959,359)	10
11 Contrib. in Aid of Constr.	(84,271,056)	(95,028,614)	(89,649,835)	11
12 Accum. Deferred Inc. Tax Credits	(1,854,600)	(1,794,600)	(1,824,600)	12
*13 Net Plant Investment	293,980,872	319,526,465	306,753,669	13*
CAPITALIZATION				
14 Common Stock	6	6	6	14
15 Proprietary Capital (Ind. or Part)	0	0	0	15
16 Paid-In Capital	24,838,185	25,599,754	25,218,970	16
17 Retained Earnings	125,296,291	133,156,120	129,226,206	17
*18 Common Equity (14 through 17)	150,134,482	158,755,880	154,445,182	18*
19 Preferred Stock	0	0	0	19
20 Long-Term Debt	131,967,357	131,887,090	131,927,224	20
21 Notes Payable	0	0	0	21
22 Total Capitalization (Lines 18 thru 21)	282,101,839	290,642,971	286,372,405	22
INCOME STATEMENT			Annual Amount	
**23 Unmetered Water Revenue			189,415	23*
24 Fire Protection Revenue			2,024,062	24
25 Irrigation Revenue			0	25
**28 Metered Water Revenue			174,360,904	26*
*27 Total Operating Revenue			176,574,381	27*
*28 Total Operating Expenses			107,885,030	28*
*29 Depreciation Expense (Composite Rate 3.33%)			19,641,971	29*
*30 Amortization and Property Losses			16,339	30
*31 Property Taxes			3,439,091	31*
32 Taxes Other Than Income Taxes			2,043,474	32
33 Regulatory Adjustment			0	
34 Total Operating Rev. Deductions Before Taxes			133,025,905	33
35 Calif. Corp. Franchise Tax			3,155,000	34
36 Fed. Corporate Income Tax			11,268,000	35
*37 Total Operating Revenue Deduction After Taxes			147,448,905	36*
*38 Net Operating Income/(Loss)(Calif. Water Operations)			29,125,476	37*
39 Other Operating and Nonoper. Inc. & Exp. - Net (Exclude Interest Expense)			1,991,455	38
*40 Income Available for Fixed Charges			31,116,931	39*
*41 Interest Expense			8,726,800	40*
42 Net Income/(Loss) Before Dividends			22,390,131	41
43 Preferred Stock Dividends			0	42
*44 Net Income (Loss) Available for Common Stock			22,390,131	43*

## OTHER DATA

*45 Refunds of Advances for Construction	2,026,873	44*
*46 Total Payroll Charged to Operating Expenses	18,164,027	45*
*47 Purchased Water (Account No. 610)	42,851,333	46*
*48 Power (Acct. No. 615)	4,779,076	47*

## 49 CLASS A WATER COMPANIES ONLY:

a. Pre - TRA 1986 Contributions in Aid of Construction	11,361,989	48a
b. Pre - TRA 1986 Advances for Construction	6,863,131	48b
c. Post- TRA 1986 Contributions in Aid of Construction	83,666,624	48c
d. Post- TRA 1986 Advances for Construction	61,092,127	48d

Active Serv. Connections(Excl. Fire Protect.)	Jan. 1	Dec. 31	Annual Average	
50 Metered Service Connections	214,864	216,584	215,724	49
51 Flat Rate Service Connections	3,059	3,198	3,129	50
* 52 Total Active Service Connections	217,923	219,782	218,853	51*

\*Must Be Completed by All Utilities in All Classes in Addition to Other Applicable Lines

\*\* Indicate the following revenue:

Sales to Other Utilities for Resale	887,572
Interdepartmental Sales	0

SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Assets and Other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
I UTILITY PLANT					
1	100	Utility plant	5	707,831,642	656,173,020
2	107	Utility plant adjustments			
3		Total utility plant		707,831,642	656,173,020
4	250	Reserve for depreciation of utility plant	9	223,684,625	206,235,319
5	251	Reserve for amortization of limited term utility investments	9	332,257	315,918
6	252	Reserve for amortization of utility plant acquisition adjustment			
8		Total utility plant reserves		224,016,883	206,551,237
9		Total utility plant less reserves		483,814,759	449,621,783
10					
II INVESTMENT AND FUND ACCOUNTS					
12	110	Other physical property	6	298,416	393,438
13	253	Reserve for depreciation and amortization of other prop.	7		
14		Other physical property less reserve		298,416	393,438
15	111	Investments in associated companies	11		
16	112	Other investments	11	5,566,310	5,801,483
17	113	Sinking funds	11		
18	114	Miscellaneous special funds	11		
19		Total investments and fund accounts		5,864,726	6,194,921
20					
III CURRENT AND ACCRUED ASSETS					
22	120	Cash		1,607,140	4,690,327
23	121	Special deposits	12	191,630	146,024
24	122	Working funds		3,750	3,000
25	123	Temporary cash investments		0	1,000,700
26	124	Notes receivable	12	0	0
27	125	Accounts receivable		10,653,871	11,273,148
28	126	Receivables from associated companies	12	3,810,371	7,062,090
29	131	Materials and supplies		490,176	448,205
30	132	Prepayments - Def. Taxes	12	21,611,530	23,935,884
31	133	Other current and accrued assets	12	11,012,000	8,706,000
32		Total current and accrued assets		49,380,467	57,265,379
33					
IV DEFERRED DEBITS					
35	140	Unamortized debt discount and expense	13	2,980,795	3,131,378
36	141	Extraordinary property losses	14	0	0
37	142	Preliminary survey and investigation charges		228,468	88,513
38	143	Clearing accounts		2	2
39	145	Other work in progress		457,497	1,002,073
40	146	Other deferred debits	14	51,592,344	18,175,216
41		Total deferred debits		55,259,106	22,397,182
42		Total assets and other debits		594,319,058	535,479,265
43					

SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Liabilities and Other Credits

"3"

Line No.	Acct No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I CORPORATE CAPITAL AND SURPLUS			
2	200	Common capital stock	15	6	6
3	201	Preferred capital stock	15	0	0
4	202	Stock liability for conversion			
5	203	Premiums and assessments on capital stock	15	0	0
6	150	Discount on capital stock	14	0	0
7	151	Capital stock expense	14	0	0
8	270	Capital surplus	16	25,599,754	24,838,185
9	271	Eamed Surplus	16	133,156,120	125,296,291
10		Total corporate capital and surplus		158,755,880	150,134,482
17		III LONG-TERM DEBT			
18	210	Bonds	17	0	0
19	211	Receivers' certificates			
20	212	Advances from associated companies	17	0	0
21	213	Miscellaneous long-term debt	17	131,887,090	131,967,357
22		Total long-term debt		131,887,090	131,967,357
24		IV CURRENT AND ACCRUED LIABILITIES			
25	220	Notes payable	18	10,580,267	39,424
26	221	Notes receivable discounted			
27	222	Accounts payable		6,771,464	4,683,622
28	223	Payables to associated companies		8,433,069	5,965,394
29	224	Dividends declared			
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		1,020,971	949,391
33	228	Taxes accrued	19	(636,193)	953,048
34	229	Interest accrued		3,689,343	3,617,708
35	230	Other current and accrued liabilities	18	34,964,066	22,834,346
36		Total current and accrued liabilities		64,822,987	39,042,933
38		V DEFERRED CREDITS			
39	240	Unamortized premium on debt	13		
40	241	Advances for construction	20	67,955,257	69,963,462
41	242	Other deferred credits	20	75,093,884	58,958,413
42		Total deferred credits		143,049,141	128,921,875
44		VI RESERVES			
45	254	Reserve for uncollectible accounts	20	160,000	160,000
46	255	Insurance reserve	20		
47	256	Injuries and damages reserve	20	170,005	542,905
48	257	Employees' provident reserve	20	445,340	438,656
49	258	Other reserves	20	0	0
50		Total reserves		775,345	1,141,561
52		VII CONTRIBUTIONS IN AID OF CONSTRUCTION			
53	265	Contributions in aid of construction	21	95,028,614	84,271,056
54		Total liabilities and other credits		594,319,058	535,479,265

SCHEDULE B  
Income Account for the Year

\*4\*

Line No.	Acct No.	Account (a)	Sched- ule Page No. (b)	Amount (c)
1		I UTILITY OPERATING INCOME		
2	501	Operating revenues	21-23	176,574,381
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	22-24	107,885,030
6	503	Depreciation	9	19,641,971
7	504	Amortization of limited-term utility Investments	9	16,339
8	505	Amortization of unrecoverable prepaid Income tax and acquisition adjustment		5,622
9	506	Property losses chargeable to operations		
10	507	Taxes	25	19,821,261
11		Total operating revenue deductions		147,370,223
12		Net operating revenues		29,204,158
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		
15		Total utility operating income		29,204,158
16				
17		II OTHER INCOME		
18	521	Income (expense) from nonutility operations (net)	25 & 27	(84,304.0)
19	522	Revenues from lease of other physical prop.		
20	523	Dividend revenues		
21	524	Interest revenues		611,035
22	525	Revenues from sinking and other funds		
23	526	Miscellaneous nonoperating revenues	27	2,726,018
24	527	Nonoperating revenue deductions (Dr.)	27	0
25		Total other income		3,252,749
26		Gross income		32,456,907
27				
28		III INCOME DEDUCTIONS		
29	530	Interest on long-term debt		9,183,367
30	531	Amortization of debt discount and expense	13	165,881
31	532	Amortization of premium on debt-Cr.	13	0
32	533	Taxes assumed on interest		
33	534	Interest on debt to associated companies		0
34	535	Other interest charges	27	982,182
35	536	Interest charged to construction-Cr.		(456,567)
37	538	Miscellaneous income deductions	27	191,911
38		Total income deductions		10,066,774
39		Net income		22,390,133
40				
41		IV DISPOSITION OF NET INCOME		
42	540	Miscellaneous reservations of net income		
43				
44		Balance transferred to Earned Surplus or Proprietary		
45		Accounts scheduled on page 16.		22,390,133
46				

(1) The depreciation balance differs from page 9 due to transfers.

SCHEDULE A-1

Account No. 100-Utility Plant

5

Line No.	Acct No.	Account (A)	Balance Beginning of Year	Plant Additions During Year	Plant Retirements During Year	Other Debits or (Credits)	Balance End of Year
1	100-1	Utility plant in service (Schedule A-1a)	650,893,331	54,780,285	5,789,787	0	689,883,829
2	100-2	Utility plant leased to others					
3	100-3	Construction work in progress	5,610,790	0	XXXXXXXX	3,589,240	9,200,030
4	100-4	Util. plant held for future use (Sch. A-1c)	215,370	17,966		0	233,336
5	100-5	Utility plant acquisition adjustments	(546,472)	(1,023,732)		84,852	(1,485,552)
6	100-6	Utility plant in process of reclassification			XXXXXXXX		
7		Total utility plant	656,173,020	53,774,518	5,789,787	3,673,892	707,631,642

SCHEDULE A-1a

Account No. 100-1-Utility Plant in Service

Line No.	Acct No.	Account (a)	Balance Beginning of Year	Plant Additions During Year	Plant Retirements During Year	Other Debits or (Credits)	Balance End of Year
8		I. INTANGIBLE PLANT					
9	301	Organization	68,129				68,129
10	302	Franchise and consents (Schedule A-1b)	2,413				2,413
11	303	Other intangible plant	969,594	0	0	0	969,594
12		Total intangible plant	1,040,137	0	0	0	1,040,137
13		II. LANDED CAPITAL					
14	306	Land and land rights	1,734,751	2,708,020	0	0	4,442,771
15		III. SOURCE OF SUPPLY PLANT					
16	311	Structures and improvements	1,034,358	56,838	67,830		1,023,366
17	312	Collecting and impounding reservoirs	14,077,396	0	5,408		14,071,988
18	313	Lake, river and other intakes	3,365,031	404,964	0		3,769,995
19	314	Springs and tunnels					
20	315	Wells	3,243,308	512,703	89,607	0	3,666,404
21	316	Supply mains	8,365,030	(248)	1,111,664	0	7,253,118
22	317	Other source of supply plant	382,330	(36,248)	0	0	346,082
23		Total source of supply plant	30,467,454	938,009	1,274,509	0	30,130,954
24		IV. PUMPING PLANT					
25	321	Structures and improvements	7,020,291	846,039	25,588		7,840,741
26	322	Boiler plant equipment					
27	323	Other power production equipment					
28	324	Pumping equipment	28,354,693	3,465,519	1,311,658	0	30,508,555
29	325	Other pumping plant	4,288,208	345,343	140,533	0	4,493,018
30		Total pumping plant	39,663,192	4,456,902	1,477,779	0	42,642,314
31		V. WATER TREATMENT PLANT					
32	331	Structures and improvements	7,540,142	105,634	200	0	7,645,577
33	332	Water treatment equipment	19,891,976	1,115,663	386,277	0	20,621,362
34		Total water treatment plant	27,432,118	1,221,297	386,477	0	28,266,938
35		VI. TRANSMISSION AND DIST. PLANT					
36	341	Structures and improvements	8,263,918	403,758	11,444		8,656,232
37	342	Reservoirs and tanks	31,775,115	1,906,269	55,861		33,625,524
38	343	Transmission and distribution mains	323,156,403	29,898,561	548,325	0	352,506,639
39	344	Fire mains					
40	345	Services	94,059,967	7,450,654	134,122	0	101,376,499
41	346	Meters	15,425,142	702,604	403,722	0	15,724,024
42	347	Meter installations	5,678,003	279,922	3,888	0	5,954,036
43	348	Hydrants	33,184,555	2,302,796	75,396	0	35,411,955
44	349	Other transmission and distribution plant	1,042,332	43,694	0	0	1,086,026
45		Total transmission and distribution plant	512,585,434	42,988,258	1,232,758	0	554,340,934

SCHEDULE A-1a  
Account No. 100-1-Utility Plant in Service-Conclusion

\*6\*

Line No.	Acct. No.	Account	Balance Beginning of Year	Plant Additions During Year	Plant Retirements During Year	Other Debits or (Credits)	Balance End of Year
VII. GENERAL PLANT							
1							
2	371	Structures and improvements	11,410,002	80,449	140,385	0	11,350,066
3	372	Office furniture and equipment	17,487,704	1,053,993	608,217	0	17,933,480
4	373	Transportation equipment	5,649,880	1,192,840	467,196	0	6,375,524
5	374	Stores equipment	121,030	6,427	0	0	127,457
6	375	Laboratory equipment					
7	376	Communication equipment	1,109,552	34,459	32,349	0	1,111,661
8	377	Power operated equipment	194,091	25,156	0	0	219,247
9	378	Tools, shop and garage equipment	1,618,063	73,673	28,675	0	1,663,061
10	379	Other general plant	379,924	801	141,441	0	239,284
11		Total general plant	37,970,245	2,467,798	1,418,263	0	39,019,780
VIII. UNDISTRIBUTED ITEMS							
12							
13	390	Other tangible property					
14	391	Utility plant purchased					
15	392	Utility plant sold					
16		Total undistributed items					
17		Total utility plant in serv.	650,893,331	54,780,285	5,789,787	0	699,883,828

SCHEDULE A-1b  
Account No. 302-Franchises and Consents

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Amount at Which Carried in Account (1) (e)
18	Santa Clara County	1952	50	1952	162
19	City of Saratoga	1957	perpetual	1957	383
20	City of Monte Sereno	1957	50	1957	967
21	City of Cupertino	1958	50	1958	902
22	TOTAL				2,414

(1) The total should agree with the balance at the end of the year in account No. 302 Schedule A-1a

SCHEDULE A-1c  
Account No. 100-4 Utility Plant Held for Future Use

Line No.	Description and Location of Property	Date of Acquisition	Balance End of Year
23	Lot #310 Mckean	1993	233,335

SCHEDULE A-2  
Account No. 110-Other Physical Property

Line No.	Name and Description of Property (a)	Book Value End of Year (b)	Line No.	Name and Description of Property (a)	Book Value End of Year (b)
28	Lot #221 Needles	28,106	44	Lot 279 Springfield	2,585
29	Lot #127 Spring	256	45	Lot 181 Doyle Tank	2,852
30	Lot #234 Calle Margarita	3,769	46	Lot 218 McCoy	5,087
31	Lot #247 St. John	10,304	47	Lot 178 Silver Oak	551
32	Lot #248 18th St.	17,394	48	Lot 213 Via Deste	8,673
33	Lot #268 Metcalf	200	49	Lot 174 Story Rd.	1,867
34	Proprietary membership	38,000	50	Lot 173 Sterling	59,279
35	Lot #209A Bryan Ave	16,404	51	Lot 85R Cavaneer	4,626
36	Lot #209B Almaden Rd.	15,584	52	Lot 47R Ryland	9,672
37	Lot #244 Lakewood Station	211	53	Lot 29 Los Gatos Watershed	1,759
38	Lot #150,143,3AB, Los Gatos Creek	48,285	54	Lot 51R Moody Gulch	8,089
39	Lot #61 Beadsley Gulch	555	56	Lot 94 & 105 Beardsley Intake	3,473
40	Lot #34,35,88,91 Beckwith	4,776			
41	Lot #8 Lexington	458			
42	Lot #277 David Avenue	2,585			
43	Lot #280 Merrimac	3,015			
TOTAL					298,416



Schedule A-1d  
Rate Base

"7"

Line No.	Title of Account	Schedule Page No (b)	Balance End-of- Year (c)	Balance Beginning - of -Year (c)
1				
2				
3	Utility Plant	5	699,883,829	650,893,331
4	Plant in Service	5	9,200,030	5,610,790
5	Construction Work in Progress			
6	General Office Prorate			
7	<b>Total Gross Plant (Line 4 + Line 5 +Line 6)</b>		<b>709,083,859</b>	<b>656,504,121</b>
8				
9	Less Accumulated Depreciation and Amortization			
10	Plant in Service	9	223,684,625	206,235,319
11	Amortization	9	332,257	315,918
12	<b>Total Accumulated Depreciation (Line 10 + Line 11)</b>		<b>224,016,882</b>	<b>206,551,237</b>
13				
14	Less Other Reserves			
15	Deferred Income Taxes	20	68,544,000	52,965,200
16	less Prepaid Deferred Income Taxes	12	(20,102,668)	(20,797,883)
17	Deferred Investment Tax Credit	20	1,794,600	1,854,600
18	Other Reserves			
19	<b>Total Other Reserves (Line 15 + 16 + 17)</b>		<b>50,235,932</b>	<b>34,021,917</b>
20				
21	Less Adjustments			
22	Contributions in Aid of Construction	21	95,028,614	84,271,056
23	Advances for Construction	20	67,955,257	69,963,462
24	Other			
25	<b>Total Adjustments (Line 22 + 23 + Line 24)</b>		<b>162,983,871</b>	<b>154,234,518</b>
26				
27	Add Materials and Supplies	2	490,176	448,205
28				
29	Add Working Cash (From Schedule A-1d(2))		16,721,028	16,445,433
30				
31	<b>TOTAL RATE BASE</b>		<b>289,058,377</b>	<b>278,590,087</b>
32	<b>=Line 7 - Line 12 - Line 19 - Line 25 + Line 27 + Line 29</b>			
33				
34	-			
35				
36				
37				
38				
39				

Schedule A-1d (2)  
Rate Base  
Working Cash Calculation

"8"

Line No.	Title of Account	Schedule Page No (b)	Balance End-of- Year (c)	Balance Beginning - of -Year (c)
1	<b>Working Cash</b>			
2				
3	<b>Determination of Operational Cash Requirments</b>			
4	1. Operating Expenses, Excl Taxes, Depr. & Uncoll.	24	107,885,030	105,935,538
5	2. Purchased Power, & Commodity for Resale *	22 & 23	66,355,423	64,847,903
6	3. Metered Revenues: Bimonthly Billing	1 or 21	174,360,904	169,490,014
7	4. Other Revenues: Flat Rate Monthly Billing & Other	1 or 21 & 22	2,213,477	2,143,276
8	5. Total Revenues (3+4)	22	176,574,381	171,633,290
9	6. Ratio - Flat Rate to Total Revenues (4/5)		0.01254	0.01249
10	7. $5/24 \times \text{Line 1} \times (100\% - \text{Line 6})$		22,194,296	21,794,305
11	8. $1/24 \times \text{Line 1} \times \text{Line 6}$		56,350	55,120
12	9. $1/12 \times \text{Line 2}$		5,529,619	5,403,992
13	10. Operational Cash Requirement (7 + 8 -9)		16,721,028	16,445,433
14				
15				
16	* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).			
17				
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SCHEDULE A-3

Accounts Nos. 250 to 253, Inclusive-Depreciation and Amortization Reserves

Line No.	Item (a)	Account 250	Account 251	Account 252	Account 253
		Utility Plant (b)	Limited-Term Utility Investments (c)	Utility Plant Acquisition Adjustments (d)	Other Property (e)
1	Balance in reserves at beginning of year	206,235,319	315,918		
2	Add: Credits to reserves during year				
3	(a) Charged to Account No.503(Footnote1)	19,821,537	16,339		
4	(b) Charged to Account No. 265	2,474,537			
5	(c) Charged to clearing accounts	607,123			
6	(d) Salvage recovered	115,557			
7	(e) All other credits(Footnote2)	1,203,183			
8	Total credits	24,221,917	16,339	0	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	5,648,346			
11	(b) Cost of removal	1,124,265			
12	(b) All other debits	0			
13	Total debits	6,772,611	0	0	0
14	Balance in reserve at end of year	223,684,625	332,257	0	0

(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 3.57%

(2) Redwood Mutual Acquisition \$937,857  
 Depr charged to acct no. 100-3 \$265,309

(3) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:

- (a) STRAIGHT LINE ( )
- (b) Liberalized ( )
  - (1) Sum of year digits ( )
  - (2) Double declining balance ( )
  - (3) Other ( )
- (c) Both straight line and liberalized (x)

Monthly Depreciation Reserve Activity

Starting Month: 01/2006  
Ending Month: 12/2006

SJW PowerPlant System

Set of Books Company	Depr Summary2 Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
<b>SEC</b>									
<b>San Jose Water Company</b>									
<b>311 - Structures &amp; Improvements</b>									
	3111 SS S&I Roads	\$30,882.93	\$584.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,467.33
	3112 SS S&I Frame Buildings	\$13,226.30	\$1,845.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,071.90
	3113 SS S&I Misc & Yard	\$136,031.13	\$38,190.36	(\$67,830.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$106,391.49
	<b>Depr Summ2 Subtotal:</b>	<b>\$180,140.36</b>	<b>\$40,620.36</b>	<b>(\$67,830.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$152,930.72</b>
<b>312 - Collect &amp; Impound Reservoirs</b>									
	3120 SS Collecting/Impound Res	\$2,502,874.77	\$141,320.16	(\$5,407.76)	(\$5,083.97)	\$0.00	\$0.00	\$0.00	\$2,633,703.20
	<b>Depr Summ2 Subtotal:</b>	<b>\$2,502,874.77</b>	<b>\$141,320.16</b>	<b>(\$5,407.76)</b>	<b>(\$5,083.97)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,633,703.20</b>
<b>313 - Lake, River, &amp; Other Intakes</b>									
	3130 SS Lake, River & Other Intake	\$234,405.42	\$99,273.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$333,678.78
	<b>Depr Summ2 Subtotal:</b>	<b>\$234,405.42</b>	<b>\$99,273.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$333,678.78</b>
<b>315 - Wells</b>									
	3150 SS Wells	\$3,265,153.07	\$104,235.24	(\$89,607.28)	(\$273,999.67)	\$0.00	\$0.00	\$0.00	\$3,005,781.36
	<b>Depr Summ2 Subtotal:</b>	<b>\$3,265,153.07</b>	<b>\$104,235.24</b>	<b>(\$89,607.28)</b>	<b>(\$273,999.67)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,005,781.36</b>
<b>316 - Supply Mains</b>									
	3161 SS Mains C/D/DCL 8" & Over	\$125,236.25	\$105,078.48	(\$415,290.27)	\$0.00	\$0.00	\$0.00	\$0.00	(\$184,975.54)
	3162 SS Mains C/D/DCL 4"	\$69.06	\$10.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$79.50
	3163 SS Mains Steel 16" & Over	\$763,491.56	\$149,002.80	(\$696,374.13)	(\$190,130.40)	\$0.00	\$0.00	\$0.00	\$25,989.83
	3164 SS Mains Steel 6" to 16"	\$230,971.55	\$42,814.56	\$0.00	(\$5,947.27)	\$0.00	\$0.00	\$0.00	\$267,838.84
	3165 SS Mains Redwood Flume	\$6,178.01	\$1,669.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,847.09
	3166 SS Mains Steel 2"	\$1,706.85	\$360.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,067.45
	<b>Depr Summ2 Subtotal:</b>	<b>\$1,127,653.28</b>	<b>\$298,935.96</b>	<b>(\$1,111,664.40)</b>	<b>(\$196,077.67)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$118,847.17</b>
<b>317 - Other Source of Supply Plant</b>									
	3170 Other Source of Supply Plant	\$21,245.00	\$3,844.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,089.56
	<b>Depr Summ2 Subtotal:</b>	<b>\$21,245.00</b>	<b>\$3,844.56</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$25,089.56</b>
<b>321 - Structures &amp; Improvements</b>									
	3211 PP S&I Roads & Concrete Bldg.	\$740,396.68	\$71,721.46	(\$1,616.78)	(\$1,002.16)	\$0.00	\$0.00	\$0.00	\$809,499.20
	3212 PP S&I Fiberglass	\$120,319.23	\$23,143.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$143,462.43
	3213 PP S&I Steel Bldgs. & Fences	\$554,603.50	\$27,203.16	(\$323.48)	(\$364.40)	\$0.00	\$0.00	\$0.00	\$591,118.78
	3214 PP S&I Frame & Bulkheads	\$293,256.47	\$11,972.76	(\$475.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$304,754.23

Monthly Depreciation Reserve Activity  
 SJW PowerPlant System

Starting Month: 01/2006  
 Ending Month: 12/2006

Set of Books Company	Depr Summary2	Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
SEC										
San Jose Water Company										
321 - Structures & Improvements										
	3215 PP S&I Misc & Yard Impr.		\$2,023,466.16	\$198,905.06	(\$23,173.20)	(\$37,067.40)	\$0.00	\$0.00	\$0.00	\$2,162,130.62
	Depr Summ2 Subtotal:		\$3,742,042.04	\$332,945.64	(\$25,588.46)	(\$38,433.96)	\$0.00	\$0.00	\$0.00	\$4,010,965.26
324 - Pumping Equipment										
	3240 Pumping Plant Equipment		\$8,675,062.01	\$1,146,321.60	(\$1,310,678.59)	(\$166,838.34)	\$0.00	\$171,854.00	\$0.00	\$8,515,720.68
	Depr Summ2 Subtotal:		\$8,675,062.01	\$1,146,321.60	(\$1,310,678.59)	(\$166,838.34)	\$0.00	\$171,854.00	\$0.00	\$8,515,720.68
325 - Other Pumping Plant										
	3251 Misc. Pumping Plant		\$176,458.10	\$54,208.32	(\$979.40)	\$0.00	\$0.00	\$0.00	\$0.00	\$229,687.02
	3254 Telemetry Other Pump Plant		\$2,655,163.40	\$312,621.42	(\$140,532.60)	(\$1,885.18)	\$0.00	\$98,775.00	\$0.00	\$2,924,142.04
	325H Comp. Hardware Pump Plant		\$142,794.59	\$23,145.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$165,940.31
	325S Comp. Software Pump Plant		\$316,147.91	\$41,769.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$357,916.91
	Depr Summ2 Subtotal:		\$3,290,564.00	\$431,744.46	(\$141,512.00)	(\$1,885.18)	\$0.00	\$98,775.00	\$0.00	\$3,677,686.28
331 - Structures & Improvements										
	3311 WT S&I Filter Plant		\$676,776.99	\$303,574.32	(\$200.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$980,151.31
	3312 WT S&I Fences		(\$14,331.29)	\$5,496.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$8,834.93)
	3313 WT S&I Frame Buildings		\$86,216.57	\$37,655.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,872.45
	3314 WT S&I Miscellaneous		\$217,589.12	\$96,516.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$314,105.96
	Depr Summ2 Subtotal:		\$966,251.39	\$443,243.40	(\$200.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,409,294.79
332 - Water Treatment Equipment										
	3321 WT Equip Filter Plant		\$1,450,417.32	\$308,622.60	(\$44,100.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,724,939.92
	3322 WT Equip Purification Sys		\$3,844,366.03	\$738,796.20	(\$342,176.78)	(\$83.22)	\$0.00	\$0.00	\$0.00	\$4,240,902.23
	Depr Summ2 Subtotal:		\$5,304,783.35	\$1,047,418.80	(\$386,276.78)	(\$83.22)	\$0.00	\$0.00	\$0.00	\$5,965,842.15
341 - Structures & Improvements										
	3411 TD S&I Roads		\$447,426.63	\$26,403.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$473,830.23
	3412 TD S&I Fences		\$216,562.18	\$11,723.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$228,285.22
	3413 TD S&I Frame Building		\$45,649.07	\$5,229.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,878.31
	3414 TD S&I Misc. Yard improve		\$2,701,201.65	\$377,484.60	(\$11,444.42)	(\$797.00)	\$0.00	\$50,400.00	\$0.00	\$3,116,844.83
	Depr Summ2 Subtotal:		\$3,410,839.53	\$420,840.48	(\$11,444.42)	(\$797.00)	\$0.00	\$50,400.00	\$0.00	\$3,869,838.59
342 - Reservoirs & Tanks										
	3421 TD Res&Tank Earth-Gunite Linex		\$2,510,698.25	\$130,086.84	(\$14,695.63)	(\$32,600.06)	\$0.00	\$63,000.00	\$0.00	\$2,656,489.40

Monthly Depreciation Reserve Activity

Starting Month: 01/2006  
Ending Month: 12/2006

SJW PowerPlant System

Set of Books Company	Depr Summary2	Depr Group	SEC	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
San Jose Water Company											
342 - Reservoirs & Tanks											
	3422 TD Res&Tanks Concrete			\$447,751.57	\$34,476.00	(\$150.00)	(\$590.00)	\$0.00	\$0.00	\$0.00	\$481,487.57
	3423 TD Res&Tanks Steel			\$5,137,919.89	\$773,731.08	(\$41,015.38)	(\$45,819.37)	\$0.00	\$78,750.00	\$0.00	\$5,903,566.22
	3424 TD Res&Tanks Redwood			\$133,987.58	\$44,468.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$178,436.34
	Depr Summ2 Subtotal:			\$8,230,337.29	\$982,762.68	(\$55,861.01)	(\$79,009.43)	\$0.00	\$141,750.00	\$0.00	\$9,219,979.53
343 - Trans & Distr Mains											
	3431 TD Mains C/DICL 6" and over			\$46,161,823.71	\$6,022,320.12	(\$176,248.46)	(\$36,657.17)	\$0.00	\$173,713.71	\$0.00	\$52,144,951.91
	3432 TD Mains C/DICL 4" to 5"			\$1,028,961.85	\$37,974.72	(\$25,587.65)	(\$42,782.59)	\$0.00	\$4,979.00	\$0.00	\$1,003,545.33
	3433 TD Mains C/DICL under 4"			\$62,998.82	\$26,115.12	(\$540.76)	(\$5,730.25)	\$0.00	\$0.00	\$0.00	\$82,842.93
	3434 TD Mains Asbestos Cement			\$17,085,099.30	\$695,694.36	(\$43,074.25)	(\$23,210.08)	\$0.00	\$0.00	\$0.00	\$17,714,509.33
	3435 TD Mains All other 6" & over			\$43,073,505.10	\$1,914,773.04	(\$267,392.35)	(\$143,379.23)	\$0.00	\$214,250.57	\$0.00	\$44,791,757.13
	3436 TD Mains All other 4" to 5"			\$1,149,352.26	\$54,891.72	(\$29,119.14)	(\$31,815.28)	\$0.00	\$51,539.46	\$0.00	\$1,194,849.02
	3437 TD Mains All other under 4"			\$358,046.92	\$32,051.76	(\$6,362.51)	(\$25,746.27)	\$0.00	\$39,321.06	\$0.00	\$397,310.96
	Depr Summ2 Subtotal:			\$108,919,787.96	\$8,783,820.84	(\$548,325.12)	(\$309,320.87)	\$0.00	\$483,803.80	\$0.00	\$117,329,766.61
345 - Services											
	3451 Metered Services			\$20,091,728.31	\$3,626,457.84	(\$25,967.70)	\$10,649.51	\$0.00	\$64,364.53	\$0.00	\$23,767,232.49
	3452 Fire Services			\$3,582,814.35	\$872,292.12	(\$108,154.02)	(\$80,671.86)	\$0.00	\$46,290.98	\$0.00	\$4,312,571.57
	Depr Summ2 Subtotal:			\$23,674,542.66	\$4,498,749.96	(\$134,121.72)	(\$70,022.35)	\$0.00	\$110,655.51	\$0.00	\$28,079,804.06
346 - Meters											
	3460 Meters (Non-Potable)			\$2,386.54	\$1,136.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,523.18
	3460 Meters (Potable)			\$875,690.12	\$338,784.60	(\$403,722.19)	\$36,665.00	\$41,845.00	\$0.00	\$0.00	\$889,262.53
	Depr Summ2 Subtotal:			\$878,076.66	\$339,921.24	(\$403,722.19)	\$36,665.00	\$41,845.00	\$0.00	\$0.00	\$892,785.71
347 - Meter Installations											
	3470 Meter Installations			\$575,722.17	\$132,984.43	(\$3,888.14)	(\$688.51)	\$0.00	\$0.00	\$0.00	\$704,129.95
	Depr Summ2 Subtotal:			\$575,722.17	\$132,984.43	(\$3,888.14)	(\$688.51)	\$0.00	\$0.00	\$0.00	\$704,129.95
348 - Hydrants											
	3480 Hydrants			\$13,535,975.13	\$1,356,225.24	(\$75,395.88)	(\$78,302.52)	\$0.00	\$48,049.96	\$0.00	\$14,786,551.93
	Depr Summ2 Subtotal:			\$13,535,975.13	\$1,356,225.24	(\$75,395.88)	(\$78,302.52)	\$0.00	\$48,049.96	\$0.00	\$14,786,551.93

Monthly Depreciation Reserve Activity

Starting Month: 01/2006  
Ending Month: 12/2006

SJW PowerPlant System

Set of Books Company	Depr Summary2	Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
SEC										
San Jose Water Company										
349 - Other T&D Plant										
	3490 Other T & D Plant		\$1,473.96	\$18,926.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,400.36
	Depr Summ2 Subtotal:		\$1,473.96	\$18,926.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,400.36
371 - Structures & Improvements										
	3711 General S&I Concrete		\$693,157.50	\$40,113.12	(\$77,664.19)	(\$92,196.81)	\$0.00	\$0.00	\$0.00	\$563,409.62
	3712 General S&I Brick & Frame		\$317,309.51	\$58,940.04	(\$3,250.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$372,999.55
	3713 General S&I Chain Link Fence		\$1,353.88	\$11,260.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,614.80
	3714 General S&I Steel Buildings		\$339,740.91	\$56,078.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$395,819.79
	3715 General S&I Bulkheads		\$62,074.36	\$2,909.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,983.88
	3716 General S&I Misc. & Yard Impr		\$1,487,725.56	\$164,240.76	(\$59,471.00)	(\$12,234.03)	\$0.00	\$0.00	\$0.00	\$1,580,261.29
	3717 General S&I Plastic Buildings		\$0.00	\$805.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$805.68
	Depr Summ2 Subtotal:		\$2,901,361.72	\$334,348.92	(\$140,385.19)	(\$104,430.84)	\$0.00	\$0.00	\$0.00	\$2,990,894.61
372 - Office Furniture & Equipment										
	3722 Filing Cabinets		\$101,732.76	\$11,654.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$113,387.28
	3723 Office Furniture		\$420,677.73	\$119,276.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$539,954.65
	3724 Typewriters, etc.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3725 Electronic Equip & Misc		\$482,175.22	\$73,630.32	(\$29,711.58)	\$0.00	\$75.00	\$0.00	\$0.00	\$526,168.96
	372G GIS		\$1,588,042.28	\$265,309.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,853,351.48
	372H Computer Hardware General		\$6,341,222.48	\$0.00	(\$578,505.10)	\$285.00	\$0.00	\$0.00	\$0.00	\$5,763,002.38
	372S Computer Software General		\$2,647,353.61	\$905,177.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,552,531.13
	Depr Summ2 Subtotal:		\$11,581,204.08	\$1,375,048.48	(\$608,216.69)	\$285.00	\$75.00	\$0.00	\$0.00	\$12,348,395.88
373 - Transportation Equipment										
	3730 Transportation Equipment		\$1,591,825.08	\$486,096.84	(\$412,037.49)	(\$3,675.00)	\$69,278.47	\$0.00	\$0.00	\$1,731,487.90
	373A Automobiles (Cars only)		\$175,940.38	\$121,026.24	(\$55,158.36)	\$0.00	\$4,359.00	\$0.00	\$0.00	\$246,167.26
	Depr Summ2 Subtotal:		\$1,767,765.46	\$607,123.08	(\$467,195.85)	(\$3,675.00)	\$73,637.47	\$0.00	\$0.00	\$1,977,655.16
374 - Stores Equipment										
	3740 Stores Equipment		\$43,049.35	\$5,808.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,857.95
	Depr Summ2 Subtotal:		\$43,049.35	\$5,808.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,857.95

Monthly Depreciation Reserve Activity

Starting Month: 01/2006  
Ending Month: 12/2006

SJW PowerPlant System

Set of Books Company Depr Summary2 Depr Group SEC	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
San Jose Water Company								
376 - Communication Equipment	\$637,526.88	\$87,326.76	(\$32,349.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$692,504.64
Depr Summ2 Subtotal:	\$637,526.88	\$87,326.76	(\$32,349.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$692,504.64
377 - Power Operated Equipment								
3770 Power Operated Equipment	\$65,459.23	\$11,895.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77,354.47
Depr Summ2 Subtotal:	\$65,459.23	\$11,895.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$77,354.47
378 - Tools, Shop, & Garage Equip								
3781 Field Tools	\$353,055.17	\$61,179.72	(\$27,891.12)	\$0.00	\$0.00	\$0.00	\$0.00	\$386,343.77
3782 Miscellaneous Tools	\$249,542.15	\$37,878.96	(\$784.02)	\$0.00	\$0.00	\$0.00	\$0.00	\$286,637.09
Depr Summ2 Subtotal:	\$602,597.32	\$99,058.68	(\$28,675.14)	\$0.00	\$0.00	\$0.00	\$0.00	\$672,980.86
379 - Other General Plant								
3790 Other General Plant	\$99,306.75	\$23,761.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,067.95
Depr Summ2 Subtotal:	\$99,306.75	\$23,761.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,067.95
Company Subtotal:	\$206,235,200.84	\$23,168,505.77	(\$5,648,345.61)	(\$1,291,698.53)	\$115,557.47	\$1,105,288.27	\$0.00	\$223,684,508.21
Grand Total:	\$206,235,200.84	\$23,168,505.77	(\$5,648,345.61)	(\$1,291,698.53)	\$115,557.47	\$1,105,288.27	\$0.00	\$223,684,508.21



SCHEDULE A-4  
Account No. 111-Investments in Associated Companies

\*11\*

Line No.	Class of Security (a)	Name of Issuing Company (b)	End of Year (c)	End of (d)	Interest (e)	During Year (f)	During Year (g)
1		NONE					
7					Totals		

1. The total should agree with the balance at the end of the year in Account No. 111 on page 2

SCHEDULE A-5  
Account No. 112-Other Investments

Line No.	Name and Description of Property (a)	Balance End of Year (b)
8	Cupertino Water System Lease (net)	
16	Total	5,566,310

SCHEDULE A-6  
Account No. 113-Sinking Funds

Additions During Year						
Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Principal (c)	Income (d)	Deductions During Year (e)	Balance End of Year (f)
17		NONE				
24						
25					Totals	

SCHEDULE A-7  
Account No. 114-Miscellaneous Special Funds

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Principal (c)	Income (d)	Deductions During Year (e)
26					
32		NONE			
33					Totals

SCHEDULE A-8  
Account No. 121-Special Deposits

"12"

Name of Depository	Purpose of Deposit	Balance End of Year
SDWSRF Trust Account		191,630
<b>Total</b>		<b>0</b>

SCHEDULE A-9  
Account No. 124-Notes Receivable

Maker (a)	Date of Issue (b)	Date Payable (c)	Balance End of Year (d)	Interest Rate (e)	Interest Accrued During Year (f)
NONE					0

SCHEDULE A-10  
Account No. 126-Receivables from Associated Companies

Due from Whom (a)	Amount (b)	Interest Rate	Interest Accrued During Year (d)	Interest Received During Year (e)
SJW Land Co.	0	N/A	N/A	N/A
SJW Corp	3,810,371	N/A	N/A	N/A
<b>Total</b>	<u>3,810,371</u>	N/A	N/A	N/A

SCHEDULE A-11  
Account No. 132-Prepayments - Def. Taxes

Item (a)	Amount (b)
Insurance	818,738
Rent	525,896
Taxes - Other	66,614
Taxes- Income	20,169,282
Misc	31,000
<b>Total</b>	<u>21,611,530</u>

SCHEDULE A-12  
Account No. 133-Other Current and Accrued Assets

Item (a)	Amount (b)
Unbilled Revenue	11,000,000
Unbilled Revenue - Cupertino	12,000
<b>Total</b>	<u>11,012,000</u>

SCHEDULE A-13  
Accounts Nos. 140 and 240-Unamortized debt discount and expense and unamortized premium on debt

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense of premium applicable to each class and series of long-term debt.  
2. Show premium amounts in red or by enclosure in parentheses.  
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.  
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.  
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.  
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.  
7. Explain any debits and credits other than amortization debited to Account 531, Amortization of Debt Discount and Expense, or credited to Account 532, Amortization of Premium on Debt-Credit.

Line No.	Designation of long-term debt (e)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net Premium (c)	AMORTIZATION PERIOD				Debits during year (g)	Credits during year (h)		Balance end of year (i)
				From- (d)	To- (e)	Balance beginning of year (f)	Amortization		Other		
1	Senior Notes Series A	20,000,000	276,589	08-31-92	07-01-22	152,974		9,271		143,703	
2	B	30,000,000	484,376	11-01-93	01-01-24	2,368,819		131,597		2,237,222	
3	C	10,000,000	197,409	11-01-93	11-01-20	108,485		7,311		101,174	
4	D	15,000,000	184,617	01-01-98	01-01-26	123,079		6,153		116,926	
5	E	15,000,000	208,543	12-01-98	12-01-28	159,118		0	2,778	152,174	
6	F	20,000,000	101,294	09-24-01	09-01-31	86,903		0		83,517	
7	G	20,000,000	119,904	09-02-03	09-01-33	110,578		0	3,997	106,581	
8	H	0	119,904	01-07-07	09-01-33	0	15,984	0	0	15,984	
9	Other Long Term Debt SDWSRF	2,006,782	22,060	06-01-05	05-01-25	21,423	3,474	0	1,364	23,513	
		130,000,000	1,714,896			3,131,379	19,458	165,881	2,778	2,980,794	

SCHEDULE A-14  
Account 141-Extraordinary Property Losses

"14"

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	WRITTEN OFF DURING YEAR			Balance End of year (f)
			Previously Written off (c)	Account Charged (d)	Amount (e)	
1	NONE					
8		Total				

SCHEDULE A-15

Account No. 146-Other Deferred Debits

Line No.	Item (a)	Balance End of year (b)
9	Congress Springs Trade Mark	3,859
10	Regulatory Asset - Pensions	38,409,953
11	Regulatory Asset - Income Taxes	11,774,000
12	Regulatory Asset - Asset Retirement Obligation	1,301,266
13	Other Deferred Charges Related To Nonutility Property	103,229
14	Cash Over and Short	37
15	Total	51,592,344

SCHEDULE A-16

Account 150-Discount on Capital Stock

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off during the year and specify the amount charged.

Line No.		
16	NONE	
24		Total

SCHEDULE A-17

Account 151 Capital Stock Expense

1. Report the balance at end of year of capital stock expense for each class and series of capital stock.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance End of year (b)
25	NONE	
34		Total

**SCHEDULE A-18**  
Accounts Nos. 200 and 201-Capital Stock

\*15\*

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding <sup>1</sup> (d)	Total Par Value <sup>2</sup> Outstanding End of Year (e)
1	Common Stock	3,000,000	6.25	1	6.25
12	Totals	3,000,000	6.25	1	6.25

1. After deduction for amount of reacquired stock held by or for the respondent.  
2. If shares of stock have no par value, show value assigned to stock outstanding.

**SCHEDULE A-18a**  
Record of Stockholders at End of Year

COMMON STOCK		Number Shares (b)	PREFERRED STOCK		Number Shares (d)
Line No.	Name (a)		Name (c)		
13	SJW Corp.	1			
36	Total number of shares	1	Total no. of shares		

**SCHEDULE A-19**  
Account 203-Premiums and Assessments on Capital Stock

Line No.	Class of Stock (a)	Balance End of Yr (b)
37		0
38		
39		
40		
41	NONE	0
43		
	Total	0

SCHEDULE A-20  
Account No. 270-Capital Surplus (For use by Corporations only)

\*16\*

	Item (a)	Amount (b)
Balance beginning of year		24,838,185
CREDITS(Give nature of each credit and state account charged)		
	Total credits	0
DEBITS(Give nature of each debit and state account credited)		
	Stock-based compensation SJW Corp.	515,817
	ESPP	235,422
	Options Exercised	10,330
	Total debit	761,569
Balance end of year		25,599,754

SCHEDULE A-21  
Account No.271-Earned Surplus (For use by Corporations only)

Acct. No.	Account (a)	Amount (b)
	Balance beginning of year	125,296,291
CREDITS		
400	Credit balance transferred from income account	22,390,131
401	Miscellaneous credits to surplus (reversed additional pension liability)	3,665,754
	Total credit	26,055,885
DEBITS		
410	Debit balance transferred from income account	0
411	Dividend appropriations-preferred stock	0
412	Dividend appropriations-Common stock	0
413	Miscellaneous reservations of surplus ( Dividend to SJW Corp.)	18,000,000
414	Miscellaneous debits to surplus (Stock Based Comp)	196,056
	Total debits	18,196,056
Balance end of year		133,156,120

SCHEDULE A-24  
Account No.210-Bonds

Line No.	Class of Bond (a)	Date of Maturity (c)	Principal Amount Authorized (d)	Outst.(1) Per Balance Sh. (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
1			NONE				
8	Totals						0

1. After deduction for amount of reacquired bonds held by or for the respondent

SCHEDULE A-25  
Account No. 212 Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
9	NONE				
13	Totals				

SCHEDULE A-26  
213 Miscellaneous Long Term Debts

Line No.	Nature of Obligation (a)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (1) (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
14	Series A Senior Notes	07-01-22	20,000,000	20,000,000	8.580%	1,716,000	1,716,000
15	Series B Senior Notes	01-01-24	30,000,000	30,000,000	7.370%	2,211,000	2,211,000
16	Series C Senior Notes	11-01-20	10,000,000	10,000,000	9.450%	945,000	945,000
17	Series D Senior Notes	01-01-26	15,000,000	15,000,000	7.150%	1,072,500	1,072,500
18	Series E Senior Notes	12-01-28	15,000,000	15,000,000	6.810%	1,021,500	1,021,500
19	Series F Senior Notes	09-01-31	20,000,000	20,000,000	7.200%	1,440,000	1,440,000
20	Series G Senior Notes	09-01-33	20,000,000	20,000,000	5.930%	1,182,705	1,185,967
21	SDWSRF Loan	05-01-25	2,006,782	1,887,090	2.390%	46,543	46,543
22	Totals			131,887,090		9,635,248	9,638,510

1. After deduction for amount of reacquired debt held by or for the respondent.

SCHEDULE A-27  
Securities Issued or Assumed During Year

Line No.	Class of Security (a)	Commission Authorization (b)	Amount Issued During Year (omit cents) (c)	Discount or Premium (d)	Expenses (e)
23					
26	NONE TOTAL				

SCHEDULE A-28  
Account No. 220-Notes Payable

Line No.	In Favor of (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1	SDWSRF Current Portion			80,267	2.39%	46,543	46,543
2	WELLS FARGO Line of Credit			10,500,000	various	579,913	579,913
3							0
4							0
5							0
6							0
7							0
8	TOTALS			10,580,267		626,456	626,456

SCHEDULE A-29  
Account No. 223-Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
9			N/A	N/A	N/A
10			N/A	N/A	N/A
11			N/A	N/A	N/A
12	Totals				

SCHEDULE A-30  
Account No. 230-Other Current and Accrued Liabilities

Line No.	Description (a)	Balance End of Year (c)
14	Salaries & Wages	1,431,023
15	Pump Taxes	984,592
16	Audit & Legal Fees	586,315
17	Purchased Water	3,259,662
18	Utilities user tax City of San Jose	466,086
19	Cost Order advance payments	416,613
20	Unidentified customer overpayments	792
21	Other current and accrued liabilities	320,809
22	Power accrual	300,954
23	P.U.C. surcharge	659,801
24	Retirement Plan Employer	26,537,419
25		
26	Total	34,964,066



1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.

2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.

3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. If any tax covers more than 1 year, the required information of all columns should be show separately for each year

5. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.

6. See schedule entitled "TAXES CHARGED DURING YEAR," page 25, for a distribution of taxes charged, column (d) according to utility departments and accounts.

7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

BALANCE BEGINNING OF YEAR

BALANCE END OF YEAR

Line No.	Kind of Tax (See instructions)	BALANCE BEGINNING OF YEAR		Taxes Charged		Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)	During Year (d)	Taxes Accrued (Account 228) (g)			Prepaid Taxes (Incl. in Acct. 132) (h)	
1	Taxes on real and personal property	45,929	0	3,436,446	3,501,100	0	0	0	18,725
2	State corporation franchise tax (1)	(87,955)		3,155,000	3,190,000	71,159	(194,114)		
3	State unemployment insurance tax	16,539		47,515	45,351	0	18,703		
4	Other state and local taxes	465,217	20,383	491,380	478,297	0	478,300		20,383
5	Federal unemployment insurance tax	7,292		21,136	20,115	0	8,313		
6	Fed. ins. constr. act (old age retire.)	79,081		1,753,283	1,758,491		73,873		
7	Other federal taxes	0							
8	Federal income taxes (1)	319,753		11,268,000	12,852,000	(182,501)	(1,081,746)		
9	Local franchise tax - Cupertino Lease	60,692		65,234	62,848		63,078		
10	Fed. income taxes - Cupertino Lease (1)	23,600		341,000	299,000	67,500	(1,900)		
11	State corporation franchise tax - Cupertino Lease (1)	22,900		95,000	101,000	17,600	(700)		
12	Property tax - Cupertino Lease	0	27,075	54,582	55,013	(862)	0		27,506
13	Total	953,048	47,458	20,728,576	22,363,215	(27,104)	(636,193)		66,614

(1) Adjustment related to ITC amortization, deferred income tax, tax on CIAC & Advances, and stock option grant exercise.

SCHEDULE A-32  
Account No. 241-Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year		69,963,462
2	Additions during year		11,196,630
3	Subtotal-Beginning balance plus additions during year		81,160,092
4	Charges during year:		
6	Percentage of revenue basis	217,589	
7	40-Year Contract	1,809,284	
	Special facilities	0	
8	Other	0	
9	Total refunds		2,026,873
10	Transfers:		
	Contributions in aid of construction	11,010,528	
	Reserve for depreciation - salvage	167,434	
	Construction work in progress		
13	Total transfers		11,177,962
16	Balance end of year		67,955,257

SCHEDULE A-33  
Account No. 242-Other Deferred Credits

Line No.	(a)	Balance End of Year (b)
26	Deferred Income Tax	69,365,100
27	Investment Tax Credit	1,794,600
28	Deferred Revenue	1,262,097
29	Regulatory Liability - Income Taxes	1,002,000
30	Deferred Compensation	778,097
31	Regulatory Liability - Asset Retirement Obligation	812,266
32	Regulatory Liability - SDWSRF Deferred Liability	79,724
	Total	75,093,884

SCHEDULE A-34  
Accounts Nos. 254 to 258, Inclusive-Miscellaneous Reserves

Line No.	Account (a)	Balance Beginning of Year (b)	Nature of Items (c)	DEBITS		CREDIT	
				Amount (d)	Account Charged (e)	Amount (f)	Balance End of Year (g)
34	254	160,000	Bad debt write off	224,494	775	196,330	
35					125	28,164	160,000
36	256	542,905	Inj. & damage	511,335	794	138,435	170,005
38	257	438,656	Post Retir. Contr.	233,257	795	239,941	445,340
39	258			0	131	0	
40		0		0	103	0	0
41	Totals	1,141,561		969,086		602,870	775,345

SCHEDULE A-35

Account No. 265-Contributions in Aid of Construction

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954 (c)	Non-Depreciable (d)	Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
1	Balance beginning of year	84,271,056	84,252,398	18,658		
2	Add: Credits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX
3	Contributions received during year	13,232,095	13,232,095			
4	Other credits*					
5	Total credits	13,232,095	13,232,095	0		
6	Deduct: Debits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX
7	Depreciation charges for year	2,474,537	2,474,537	XXXXXX XX	XXXXXX XX	XXXXXX XX
8	Nondepreciable donated property retired		XXXXXX XX		XXXXXX XX	XXXXXX XX
9	Other debits*					
10	Total debits	2,474,537	2,474,537	0		
11	Balance end of year	95,028,614	95,009,956	18,658		

\*Indicate nature of these items and show the accounts affected by the contra entries.

SCHEDULE B-1

Account No. 501-Operating Revenues

Line No.	Acct. No.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
18	601	I. WATER SERVICE REVENUES			
19		Metered sales to general customers			
20	601.1	Commercial sales	163,113,949	158,371,889	4,742,060
21	601.2	Industrial sales	700,208	676,047	24,161
22	601.3	Sales to public authorities	8,598,661	8,635,306	(36,645)
23		Sub-total	172,412,818	167,683,242	4,729,576
24	602	Unmetered sales to general customers			0
25	602.1	Commercial sales			0
26	602.2	Industrial sales			0
27	602.3	Sales to public authorities			0
28		Sub-total	0	0	0
29	603	Sales to irrigation customers			0
30	603.1	Metered sales			0
31	603.2	Unmetered sales			0
32		Sub-total	0	0	0
33	604	Private fire protection service	2,024,062	1,954,665	69,397
34	605	Public fire protection service	0	0	0
35	606	Sales to other water utilities - resale	887,572	784,479	103,093
36	607	Sales to governmental agencies by contracts			0
37	608	Interdepartmental sales			0
38	609	Other sales or service	1,060,514	1,022,293	38,221
39		Sub-total	3,972,148	3,761,437	210,711
40		Total water service revenues	176,384,966	171,444,679	4,940,287

SCHEDULE B-1  
Account No. 501-Operating Revenues-Concluded

Line No.	Acct. No.	ACCOUNT (a)	Amount		Net Changes During Year Show Decrease in (brackets) (d)
			Current Year (b)	Preceding Year (c)	
		FWD FROM PAGE 21	176,384,966	171,444,679	4,940,287
1		II. OTHER WATER REVENUES			
2	611	Miscellaneous service revenues	181,710	181,190	520
3	612	Rent from water property	25	25	0
4	613	Interdepartmental rents			
5	614	Other water revenues	7,680	7,396	284
6		Total other water revenues	189,415	188,611	804
7	501	Total operating revenues	176,574,381	171,633,290	4,941,091

SCHEDULE B-1a  
Operating Revenues Apportioned to Cities and Towns

Line No.	Location (a)	Operating Revenues (b)
8	Operations not within incorporated cities (1)	10,997,281
19	Operations within incorporated territory	
20	City or town of San Jose	130,788,776
21	City or town of Campbell	8,344,627
22	City or town of Cupertino	4,882,914
23	City or town of Los Gatos	9,220,386
24	City or town of Monte Sereno	1,385,145
25	City or town of Saratoga	10,951,608
26	City or town of Santa Clara	3,644
35		
36	Total	176,574,381

1. Should be segregated to operating districts.

SCHEDULE B-2  
Account No. 502-Operating Expenses-Class A, B, and C Water Utilities  
Respondent should use the group of accounts applicable to its class

Line No.	Acct. No.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
33		I. SOURCE OF SUPPLY EXPENSE						
34		Operation						
35	701	Operation supervision and engineering	A	B		186,298	137,709	48,589
36	701	Operation supervision, labor and expenses			C	0	0	
37	702	Operation labor and expenses	A	B		301,736	294,103	7,633
38	703	Miscellaneous expenses	A			708,731	534,104	174,627
39	704	Purchased water	A	B	C	42,851,333	43,321,331	(469,998)

SCHEDULE B-2

'23"

Account No. 502-Operating Expenses-Class A, B, and C Water Utilities (Continued)

Line No.	Acct. No.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Dec. (d)
			A	B	C			
2	706	Maintenance supervision and engineering	A	B		34,340	8,344	25,996
3	706	Maintenance of structures and facilities			C	0	0	
4	707	Maintenance of structures and improvements	A	B		161,840	223,582	(61,742)
5	708	Maintenance of collect and impound reservoirs	A			80,035	39,208	40,827
6	708	Maintenance of source of supply facilities		B				
7	709	Maintenance of lake, river and other intakes	A			37,373	26,772	10,601
8	710	Maintenance of springs and tunnels	A			0	0	0
9	711	Maintenance of wells	A			109,886	93,926	15,960
10	712	Maintenance of supply mains	A			7,318	3,082	4,236
11	713	Maintenance of other source of supply plant	A	B		1,318	0	1,318
12		Total source of supply expense				44,480,210	44,682,163	(201,953)
13		II. PUMPING EXPENSES						
14		Operation						
15	721	Operation supervision and engineering	A	B		266,488	163,497	102,991
16	721	Operation supervision labor and expenses			C	0	0	
17	722	Power production labor and expenses	A					
18	722	Power production labor, expenses and fuel		B				
19	723	Fuel for power production	A					
20	724	Pumping labor and expenses	A	B		684,261	580,757	103,504
21	725	Miscellaneous expenses	A			932,924	871,847	61,077
22	726	Fuel or power purchases for pumping	A	B	C	4,779,076	4,183,582	595,494
23	727	Ground water extraction charge				18,725,014	17,342,990	1,382,024
24	729	Maintenance supervision and engineering	A	B		40,876	68,596	(27,720)
25	729	Maintenance of structures and equipment			C	0	0	
26	730	Maintenance of structures and improvements	A	B		106,928	118,641	(11,713)
27	731	Maintenance of power production equipment	A	B		0	0	
28	732	Maintenance of pumping equipment	A	B		672,647	511,170	161,477
29	733	Maintenance of other pumping plant	A	B		7,835	11,009	(3,174)
30		Total pumping expenses				26,216,048	23,852,088	2,363,960
31		III. WATER TREATMENT EXPENSES						
32		Operation						
33	741	Operation supervision and engineering	A	B		401,640	351,579	50,061
34	741	Operation supervision, labor and expenses			C			
35	742	Operation labor and expenses	A			811,569	673,278	138,291
36	743	Miscellaneous expenses	A	B		643,356	491,516	151,840
37	744	Chemical and filtering materials Maintenance	A	B		244,919	227,957	16,962
38	745	Water quality regulatory costs	A	B		5,990	280,200	(274,210)
39	746	Maintenance supervision and engineering	A	B		375	3,577	(3,202)
40	746	Maintenance of structures and equipment			C			
41	747	Maintenance of structures and improvements	A	B		31,111	33,336	(2,225)
42	748	Maintenance of water treatment equipment	A	B		252,513	285,787	(33,274)
43		Total water treatment expenses				2,391,473	2,347,230	44,243
44		IV. TRANS. AND DISTRIB. EXPENSES						
45		Operation						
46	751	Operation supervision and engineering	A	B		425,790	396,256	29,534
47	751	Operation supervision, labor and expenses			C			
48	752	Storage facilities expenses	A			17,774	24,128	(6,354)
49	752	Operation labor and expenses		B				
50	753	Transmission and distribution lines expenses	A			545,070	479,298	65,772
51	754	Meter expenses	A			50,730	44,386	6,344
52	755	Customer installations expenses	A			0	0	0
53	756	Miscellaneous expenses	A			2,344,005	2,422,236	(78,231)

Line No.	Acct. No.	Account (a)	Class			Amount Current Yr. (b)	Amount Preceding Yr. (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		Maintenance						
2	758	Maintenance supervision and engineering	A	B		636,371	489,098	147,273
3	758	Maintenance of structures and plant			C			
4	759	Maintenance of structures and improvements	A	B		213,925	258,674	(44,749)
5	760	Maintenance of reservoirs and tanks	A	B		130,402	230,002	(99,600)
6	761	Maintenance of trans. and distribution mains	A			2,298,990	2,276,774	22,216
7	761	Maintenance of mains		B				
8	762	Maintenance of fire mains	A					
9	763	Maintenance of services	A			777,041	730,319	46,722
10	763	Maintenance of other trans. and distribution plant		B				
11	764	Maintenance of meters	A			512,106	481,025	31,081
12	765	Maintenance of hydrants	A			494,503	525,206	(30,703)
13	766	Maintenance of miscellaneous plant	A			3,056,893	2,751,488	305,405
14		Total transmission and distribution expenses				11,503,598	11,108,888	394,710
15		V. CUSTOMER ACCOUNT EXPENSES						
16		Operation						
17	771	Supervision	A	B		260,624	252,100	8,524
18	771	Superv., meter read., other customer acct. expense			C			
19	772	Meter reading expenses	A	B		1,175,565	1,127,748	47,817
20	773	Customer records and collection expenses	A			3,064,929	2,858,742	206,187
21	773	Customer records and accounts expenses		B				
22	774	Miscellaneous customer accounts expenses	A			233,380	285,608	(52,228)
23	775	Uncollectible accounts	A	B	C	196,330	271,829	(75,499)
24		Total customer account expenses				4,930,828	4,796,027	134,801
25		VI. SALES EXPENSES						
26		Total sales expenses				NONE	NONE	NONE
34		VII. ADMIN. AND GENERAL EXPENSES						
35		OPERATION						
36	791	Administrative and general salaries	A	B	C	4,780,688	4,002,692	777,996
37	792	Office supplies and other expenses	A	B	C	1,000,372	875,320	125,052
38	793	Property insurance	A			0	0	0
39	793	Property insurance, injuries and damages		B	C			
40	794	Injuries and damages	A			1,159,916	2,232,851	(1,072,935)
41	795	Employees' pensions and benefits	A	B	C	9,226,260	9,467,985	(241,725)
42	796	Franchise requirements	A	B	C			
43	797	Regulatory commission expenses	A	B	C	2,504,835	2,362,664	142,171
44	798	Outside services employed	A			1,587,711	1,478,010	109,701
45	798	Miscellaneous other general expenses		B				
46	798	Miscellaneous other general operation expenses			C			
47	799	Miscellaneous general expenses	A			1,272,771	1,445,255	(172,484)
48		Maintenance						
49	805	Maintenance of general plant	A	B	C	483,049	422,841	60,208
50		Total administrative and general expenses				22,015,602	22,287,618	(272,016)
51		VIII. MISCELLANEOUS						
52	811	Rents	A	B	C	511,269	485,687	25,582
53	812	Administrative expenses transferred-Cr.	A	B	C	(4,163,997)	(3,624,162)	(539,835)
54	813	Duplicate charges-Cr.	A	B	C			
55		Total miscellaneous				(3,652,728)	(3,138,475)	(514,253)
56		Total operating expenses				107,885,030	105,935,538	1,949,492

SCHEDULE B-3

Account 506-Property Losses Chargeable to Operations

Line No.	Description (a)	Amount
1	NONE	
13		
Total		

SCHEDULE B-4

Account 507-Taxes Charged During Year

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account 143) (e)	Capitalized (Omit Account) (f)	Other (Account 526) (g)
14	Taxes on real and personal property	3,436,446	3,354,787	84,304	0	(2,645)	
15	State corp. franchise tax	3,155,000	3,155,000				
16	State unemployment insurance tax	47,515	39,914		571	6,256	774
17	Other state and local taxes	491,380	491,380				
18	Federal unemployment insurance tax	21,136	17,336		285	3,128	387
19	Federal insurance contributions act	1,753,283	1,494,844		19,401	212,714	26,324
20	Other federal taxes	0	0				
21	Federal income tax	11,268,000	11,268,000				
22	Franchise tax - Cupertino Lease	65,234					65,234
23	Federal income tax - Cupertino Lease	341,000					341,000
24	State corp. franchise tax - Cupertino Lease	95,000					95,000
25	Property tax - Cupertino Lease	54,582					54,582
26							
27	Totals	20,728,576	19,821,261	84,304	20,257	219,453	583,301

DISTRIBUTION OF TAXES CHARGED

(Show utility department where applicable and account charged)

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account 143) (e)	Capitalized (Omit Account) (f)	Other (Account 526) (g)
14	Taxes on real and personal property	3,436,446	3,354,787	84,304	0	(2,645)	
15	State corp. franchise tax	3,155,000	3,155,000				
16	State unemployment insurance tax	47,515	39,914		571	6,256	774
17	Other state and local taxes	491,380	491,380				
18	Federal unemployment insurance tax	21,136	17,336		285	3,128	387
19	Federal insurance contributions act	1,753,283	1,494,844		19,401	212,714	26,324
20	Other federal taxes	0	0				
21	Federal income tax	11,268,000	11,268,000				
22	Franchise tax - Cupertino Lease	65,234					65,234
23	Federal income tax - Cupertino Lease	341,000					341,000
24	State corp. franchise tax - Cupertino Lease	95,000					95,000
25	Property tax - Cupertino Lease	54,582					54,582
26							
27	Totals	20,728,576	19,821,261	84,304	20,257	219,453	583,301

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.  
 2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.  
 3. The accounts to which taxes charged were distributed should be shown in columns (c) to (f). Show both the utility department and number of account charged except for taxes capitalized.  
 4. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.  
 5. The total taxes charged as shown in column (b) should agree with the amounts shown by column (d) of schedule entitled "Accrued and Prepaid Taxes," page 19.  
 6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

SCHEDULE B-5

'26\*

Reconciliation of Reported Net Income With Taxable Income for Federal Taxes

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net in-

come as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. Show taxable year if other than calendar year from-----to-----

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4.....	22,390,133
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and non-taxable income):	
3	taxable income):	
4	Add:	
5	Federal Income Tax	12,381,289
6	Recoveries of Uncollectible Accounts written off	28,163
7	Provision for doubtful accounts	196,330
8	Dues	175,304
9	Non-deductible retirement expenses	5,064,805
10	California Franchise Tax current year, per books	3,463,947
11	Non-deductible meals, entertainment & travel	131,169
12	Taxable contributions & advances	2,138,942
13	Amortization of debt reacquisition cost and nonrecoverable taxes	127,278
14	Book Tax Depreciation in Excess of Federal	2,425,080
15	Non-deductible contributions	62,600
16	Retirement Proceeds	441
17	Executive Deferred Compensation Accrual	398,502
18	Uninsured losses accrued	138,435
19	Deduct:	
20	Uninsured losses paid	165,336
21	Bad Debts written off	304,857
22	Contribution to Pension Plan & Pension Payments	5,430,940
23	California Franchise Tax prior year	3,494,942
24	Loss on dispositions (ACRS/MACRS property)	2,471,623
25	Imputed Interest on post 6/12/96 contracts	514,721
26	Def. revenue	289,970
27	Intercompany property sale -deferred gain	2,420,212
28	Amortization of lease concession fee	181,288
29	Write off of accrual for injuries & damages	346,000
30	Cost of retirement	346,825
31	Federal tax net income.....	<u>33,155,705</u>
32	Computation of tax:	
33	Tax at 35%	11,604,496
34		
35		
36		
37	Tax per return (1)	<u>11,604,496</u>

Group members included in consolidated Federal tax return:

Name	2006 Tax
SJW Corp. (1)	(402,141)
SJW Land Co. (1)	827,065
SJWTX Water, Inc (1)	127,075

Tax allocated to each group member based on separate company taxable income.

(1) Estimate only - tax returns are on extension and not yet completed.



SCHEDULE B-6  
Account 521-Income from Nonutility Operations

\*27\*

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1				
2				
3				
9			Totals	0

SCHEDULE B-7  
Account 526-Miscellaneous Nonoperating Revenue

Line No.	Description (a)	Amount (b)
10	Lease telecommunication	459,428
11	Amort. Def. Rev. for CIAC 1987-2000	287,925
12	Billing Service for City of San Jose "Recycle Plus" program	54,145
13	Billing Service for City of Milpitas	18,758
14	Backflow Prevention Service for SBWR	22,626
15	Lease Cupertino Water System	630,244
16	Gain on sale of property	1,433,976
17	Maintenance Contract for City of San Jose	(188,972)
17	Miscellaneous	7,888
	Total	2,726,018

SCHEDULE B-8  
Account 527-Nonoperating Revenue Deductions (Dr.)

Line No.	Description (a)	Amount (b)
19	NONE	0
20		
25		

SCHEDULE B-9  
Account 535-Other Interest Charges

Line No.	Description (a)	Amount (b)
27	Line of credit interest	579,913
28	Inter-company interest expense	383,328
29	Interest on customer deposits	18,941
30	Unclaimed Property	0
	Total	982,182

SCHEDULE B-10  
Account 538-Miscellaneous Income Deductions

Line No.	Description (a)	Amount (b)
34	See attached	191,911
35		0
36		0
37		
42		
	Total	191,911

Name of Organization	Total
ACTS-Measure A	5,000
Alliance for Housing No-on-A	30,000
Almaden Valley Counseling Srvc	1,000
Alquist, E State Senator	1,500
American Cancer Society	1,000
American Cancer Society	1,000
American Ground Water Trust	5,000
American Heart Assc	3,000
American Musical Theatre	225
Astra Women's Bus Alliance	1,750
Ballet San Jose	410
Building Trades Council	125
C Reed-Mayor	1,000
C Williams-City Council	250
Californians for Clean Water	5,000
Campbell Historical Museum	2,500
Chavez, Cindy - Mayor	1,000
Child Advocates of Silicon Valley	2,500
City Lights Theater	1,500
Comal County Jr Livestock	1,000
Compac/820668/970764	2,950
Coto for Assembly	500
D Cortese-Mayor	750
Diaz-City Council	500
El Camino Foundation	100
Family Supportive Housing	5,000
Friends Outside	500
Gonzalez, R-Mayor	500
Housing Trust Santa Clara County	2,500
Innvision	1,000
J Chirco-City Council	250
J James-City Council	250
Jim Shore-DA	250
Joe Pandit-Water District	500
Junior Achievement	3,000
Lakeside School Community	1,000
Larry Stone-Assessor	250
Larry Wilson-Water Dist	500
Latino Legislative Caucus	2,000
Loaves & Fishes Family Kitchen	500
Mahurlan-Water District	1,000
Martha's Kitchen	500
Mulcahy-Mayor	500
Muscular Dystrophy Assc	2,400
N Campos-City Council	250
P Constant-City Council	250
Pandori-Mayor	500
Portuguese Organization	500
Rameswar Singg-Water Dist	500
Rebuild Together S.V.(Xmas In Apr)	375
Rosemary Kamel-Water Dist	1,000
Rotary Endowment, fines, etc.	3,210
Ruskin Democrat for Assembly	1,500
S C Cty Foster & Adoptive Parent Assc	1,000
S Liccardo-City Council	250
Sacred Heart Community Service	500
Salnte Claire Historical Preservation	100
San Jose Conservation Corp.	3,500
San Jose Day Nursery	5,000
San Jose East Evergreen Rotary	500
San Jose Museum of Art	2,500
San Jose Sports Authority	1,275
San Jose State University	10,000
San Jose/Silicon Valley NAACP	2,000
Santa Visits Alviso Foundation	500
SCBTC PAC	300
Silicon Valley Leadership Group	3,465
SJ Silicon Valley CoFC - 501(c)(6)	14,825
SJSU Athletics/Spartan Foundation	500
SJSU College of Engineering	1,100
SJSU Dr Martin L King Library	10,000
SJWC Employees Community Fund Inc.	9,578
Stroke Awareness Foundation	2,500
Tedesco for City Council	250
Tee Off For Youth	200
The Role Model Program	2,000
The Tech Museum of Innovation	2,000
Valle Monte League	1,000
Villa Montalvo	4,775
VMC Foundation	1,000
Volunteer Center Silicon Valley Race	748
Water for People	2,500
YMCA (Southwest)	1,000
YWCA	7,000
<b>Grand Total</b>	<b>191,911</b>

**SCHEDULE C-1**  
**Engineering and Management Fees and Expenses, etc., During Year**

		Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership or person covering supervision and/or management of any department of the respondents affairs such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.
Line No.		
1	1	Did the respondent have a contract or other agreement with any organization or person covering supervision and/or management of its own affairs during the year?
2		
3		Answer (Yes or No) <b>NO</b>
4	2	Name of each organization or person that was a party to such a contract or agreement.
5		
6	3	Date of original contract or agreement.
7	4	Date of each supplement or agreement.
8		Note: File with report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.
9		
10		
11	5	Amount of compensation paid during the year for supervision or management
12		To whom paid
13	7	Nature of payment (salary, traveling expenses, etc.)
14	8	Amounts paid for each class of service
15		
16	9	Base for determination of such amounts
17		
18	10	Distribution of payments:
19		(a) Charged to operating expenses
20		(b) Charged to capital accounts
21		(c) Charged to other accounts
22		Total
23	11	Distribution of charges to operating expenses by primary accounts.
24		Number and Title of Account
25		
26		
27		
28		Total
29	12	What relationship, if any, exists between respondent and supervisory and/or managing concerns?
30		

SCHEDULE C-3  
 Employees and Their Compensation  
 (Charged to Account 502-Operating Expenses-Schedule B-2)

\*29\*

Line No.	Classification (a)	Number at End of Year (b)	Total Salaries and Wages Paid During Year (c)
1	Employees-Source of supply	5	767,433
2	Employees-Pumping	25	904,959
3	Employees-Water treatment	16	1,371,475
4	Employees-Transmission and distribution	128	7,397,777
5	Employees-Customer account	54	3,414,876
6	Employees-Sales		
7	Employees-Administrative:		
8	General officers	8	1,522,913
9	General office	32	2,784,594
10	Totals	268	18,164,027

SCHEDULE C-4  
 Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					Date of Accident	TO PROPERTY			
		Employees on Duty		Public 1		Total Number (f)		Company		Other	Amount (j)
		Killed (b)	Injured (c)	Killed (d)	Injured (e)			Number (g)	Amount (h)	Number (i)	
11	01-04	0	1	0	0	1	1/11	1	\$1,804	1	\$2,163
12	01-13	0	1	0	0	1	1/20	1	\$1,006	0	
13	01-18	0	1	0	0	1	1/25	1	\$952	0	
14	01-27	0	1	0	0	1	2/1	1	\$0	0	
15	01-27	0	2	0	0	2	2/2	1	\$0	0	
16	02-20	0	2	0	0	2	2/17	2	\$3,082	0	
17	02-27	0	2	0	0	2	2/28	1	\$2,794	0	
18	03-07	0	1	0	0	1	3/4	1	\$0	0	
19	03-12	0	1	0	0	1	3/20	1	\$0	0	
20	03-13	0	1	0	0	1	4/7	1	\$13,778	0	
21	03-24	0	1	0	0	1	4/11	1	\$784	0	
22	03-27	0	1	0	0	1	4/13	1	\$600	0	
23	04-09	0	1	0	0	1	4/17	1	\$1,463	0	
24	04-14	0	1	0	0	1	4/18	1	\$0	1	\$846
25	05-02	0	1	0	0	1	4/19	1	\$0	0	
26	05-03	0	1	0	0	1	4/24	1	\$0	0	
27	05-05	0	1	0	0	1	4/27	1	\$0	0	
28	05-08	0	1	0	0	1	6/30	1	\$1,090	0	
29	05-10	0	1	0	0	1	7/4	1	\$0	0	
30	05-17	0	1	0	0	1	7/17	1	\$0	0	
31	06-02	0	1	0	0	1	7/26	1	\$0	0	
32	06-14	0	1	0	0	1	7/27	1	\$0	0	
33	06-21	0	1	0	0	1	8/12	1	\$1,977	0	
34	07-02	0	1	0	0	1	8/14	2	\$3,644	0	
35	07-12	0	1	0	0	1	8/17	1	\$1,073	0	
36	07-20	0	1	0	0	1	9/6	1	\$509	0	
37	07-28	0	1	0	0	1	9/8	1	\$0	0	
38	07-31	0	1	0	0	1	9/14	1	\$1,271	0	

39	08-02	0	1	0	0	1	9/20	1	\$0	0	
40	08-09	0	1	0	0	1	11/14	1	\$1,227	0	
41	08-24	0	1	0	0	1	12/12	1	\$0	0	
42	08-28	0	1	0	0	1	12/21	2	\$2,251	0	
43	09-20	0	1	0	0	1	12/27	1	\$0	0	
44	09-26	0	2	0	0	2	12/29	1	\$873	0	
45	09-29	0	1	0	0	1					
46	10-23	0	1	0	0	1					
47	10-25	0	1	0	0	1					
48	12-07	0	1	0	0	1					
49	12-17	0	1	0	0	1					
50	12-24	0	1	0	0	1					
51	12-26	0	1	0	0	1					
Totals			45	0	0	45		37	40,178	2	3,009

1. Accidents to employees not on duty should be included in "Public" accidents.

SCHEDULE C-5  
Expenditures for Political Purposes

52	See attached										59,250
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SCHEDULE C-6  
Loans to Directors, Officers or Shareholders

53											NONE
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SCHEDULE C-7  
Bonuses Paid to Executives & Officers

			Cash Value (1)	Non-Cash Value (2)
54	Balocco	Vice President	\$5,000	\$1,263
55	Belhumeur	Senior Vice President	\$25,000	\$5,492
56	Drysdale	Vice President	\$10,000	\$3,590
57	Papazian	Corporate Secretary	\$20,000	\$0
58	Pardini	Vice President	\$15,000	\$4,154
59	Roth	President & CEO	\$150,000	\$288,289
60	Yip	Senior Vice President & CFO	\$25,000	\$4,954
61	Yoo	Chief Operating Officer	\$35,000	\$8,471

1. STI Short Term Cash Incentive Award
2. Stock Awards Value Realized on Vesting

**SAN JOSE WATER COMPANY  
POLITICAL CONTRIBUTIONS - YEAR 2006**

"29"

**Political Contributions**

N Campos-City Council	City	250
Chavez, Cindy - Mayor	City	1,000
J Chirco-City Council	City	250
P Constant-City Council	City	250
D Cortese-Mayor	City	750
Diaz-City Council	City	500
Gonzalez, R-Mayor	City	500
J James-City Council	City	250
S Liccardo-City Council	City	250
Mulcahy-Mayor	City	500
Pandori-Mayor	City	500
C Reed-Mayor	City	1,000
Tedesco-City Council	City	250
C Williams-City Council	City	250

ACTS-Measure A	Local	5,000
Alliance for Housing No-on-A	Local	30,000
Compac/820668/970764	Local	2,950
Rosemary Kamei-Water Dist	Local	1,000
Mahurian-Water District	Local	1,000
Joe Pandit-Water District	Local	500
SCBTC PAC	Local	300
Rameswar Singg-Water Dist	Local	500
Larry Stone-Assessor	Local	250
Jim Shore-DA	Local	250
Larry Wilson-Water Dist	Local	500

Alquist, E State Senator	State	1,500
Californians for Clean Water	State	5,000
Coto for Assembly	State	500
Latino Legislative Caucus	State	2,000
Ruskin Democrat for Assembl	State	1,500

<b>Total Political</b>		<b>59,250</b>
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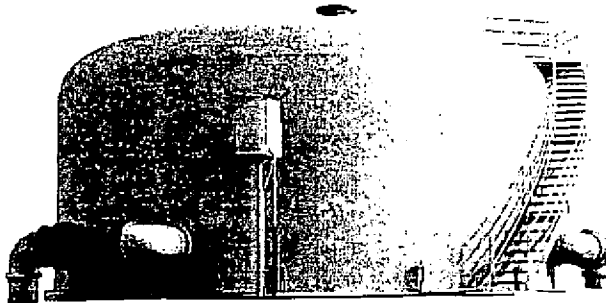
SCHEDULE D-1  
Sources of Supply and Water Developed

\*30"

Line No.	Diverted Into*	STREAMS		FLOW IN M.G.			Annual Quantities Diverted M. G.
		From Stream or Creek (name)	Location of Diversion Point	Priority Right		diversions	
				Claim	Capacity		
1	Almaden Pipe	Alamito	Almaden Intake				0.000
2	Saratoga Filter	Saratoga	Congress Springs				516.100
3	Montevina	Los Gatos	Ryland Intake				5,769.100
4							
5						Total Gravity Supply	6,285.200

Line No.	At Plant (Name or Number)	Location	Num-ber	Dimensions	1Depth to Water	Pumping Capacity	Annual Quantities Pumped M. G.
						----- (Unit)2	
6	Bascom	San Jose					0.002
7	Berryessa	San Jose					0.291
8	Branham	San Jose					0.000
9	Breeding	San Jose					102.590
10	Bryan	San Jose					0.000
11	Buena Vista	San Jose					1,908.507
12	Cottage Grove	San Jose					709.359
13	Cropley	San Jose					0.000
14	David	San Jose					0.000
15	Delmas	San Jose					396.995
16	Gish	San Jose					2.224
17	Grant	San Jose					219.822
18	Home	San Jose					126.265
19	Jackson	San Jose					0.058
20	Mabury	San Jose					0.000
21	Main Station	San Jose					621.239
22	Malone	San Jose					655.603
23	Meridian	San Jose					442.820
24	Merrimac	San Jose					0.000
25	Needles	San Jose					6.843
26	Ridgeley	San Jose					0.000
27	Senter	San Jose					316.394
28	Seventeen St.	San Jose					1,205.967
29	Springfield	San Jose					0.000
30	San Tomas	San Jose					0.000
31	Sterling	San Jose					0.000
32	3- Mile	San Jose					739.120
33	Twelve St.	San Jose					1,825.605
34	Tully	San Jose					1,859.580
35	Virginia	San Jose					126.043
36	Williams	San Jose					1,886.480
37	Willow Glen Wy.	San Jose					1,082.950
						Totals Wells	14,233.757
38	Water Purchased from Santa Clara Valley Water District						26,706.101

## STORAGE FACILITIES



## DEFINITIONS

**Impound** - Stores runoff water in a water-storage basin created by a dam in a valley. Not roofed.

**Distribution** - Roofed basin or tank for storage and distribution of potable water.

**Collection** - Roofed basin or tank for storage and distribution of potable water from wells.

**Pressure Tank** - Used to sustain a given pressure in a zone so the booster can shut down when demands are low, not used for storage.



**STORAGE FACILITIES**

a. **Impound**

<u>Site</u>	<u>Facility</u>	<u>Capacity (gals.)</u>
Lake Cozzens	Earth-filled dam	50,160,000
Lake Elsman	Earth-filled dam	2,005,000,000
Lake Kittredge	Earth-filled dam	79,600,000
Lake McKenzie	Earth-filled dam	70,000,000
Lake Williams	Concrete dam	51,173,000
<b>Total</b>		<b><u>2,255,933,000</u></b>

NOTE: Total Distribution Storage – 247,725,000 Gal.

Total Number of Distribution Reservoirs -	<u>Basins</u>	<u>Tanks</u>	<u>Total</u>
	24	67	<u>91</u>

b. **Pressure Tanks\***

<u>Storage Site</u>	<u>Capacity (gals.)</u>
Batista	2,500
Bear Creek	80
Central	80
Chablis	2,000
Dow	80
Glenview	132
Kyburtz	119
Montevina	9,500
Montgomery Highlands	119
Perie	500
San Ramon	10,000
Santa Rosa	165
Tybalt	1,000
Varner Ct.	1,000
<b><u>27,275.0</u></b>	

Not included in storage capacity totals.

c. All Storage Facilities (in alphabetical order)

Note: ( ) = year installed  
 R = Replaced  
 P = Purchased

**CODE (CD)**  
 I-Impounding  
 D-Distribution  
 C-Collection  
 PT-Pressure Tank

<u>Storage Site</u>		<u>#</u>	<u>Type Facility</u>	<u>CD</u>	<u>Capacity Gal.</u>	<u>Total Capacity Gal. (Per Storage Site)</u>
Alamitos	(8/57)	#2	Redwood	D	97,000	196,000
	(10/63)	#3	Steel, bolted	D	99,000	
Almaden Valley	(12/65)		Earth, concrete-lined	D	8,896,000	8,896,000
Alum Rock	(1927)	#1	Steel	D	290,000	1,792,000
	(4/61)	#2	Steel	D	1,502,000	
Aztec Ridge	(R 2002)		Steel, bolted	D	157,000	157,000
Batista	(2004)		Steel, welded	D	1,800,000	1,800,000
	(2004)		Pressure Tank	PT	N/A	
Bascom	(1927)		Concrete	C	42,000	42,000
Bear Creek	(2005)		Pressure tank	PT	N/A	N/A
Beckwith	(R 1985)		Steel, bolted	D	77,000	77,000
Belgatos	(1/57)	#1	Earth, asphalt-plank-lined	D	4,715,000	9,485,000
	(1/57)	#2	Earth, asphalt-plank-lined	D	4,770,000	
Big Basin	(R 1998)	#1	Steel, bolted	D	404,000	888,000
	(10/49)	#2	Steel	D	484,000	
Branham	(1960)		Redwood	C	96,000	96,000
Breeding	(5/68)		Steel, bolted	C	81,000	81,000
Buena Vista	(1940)	#1	Steel	C	193,000	274,000
	(1964)	#2	Steel	C	81,000	
Cahalan	(6/72)		Steel	D	9,193,000	9,193,000
Cambrian	(1890)	#1	Earth, gunite-lined	D	3,904,000	16,050,000
	(1921)	#2	Earth, gunite-lined	D	12,146,000	
Canyon View	(1974)	#1	Steel, bolted	D	42,000	42,000
Central	(R 1994)		Pressure tank	PT	N/A	N/A
Chablis	(12/67)		Pressure tank	PT	N/A	N/A
Cheim	(1984)		Steel	D	2,500,000	2,500,000
Clayton	(10/72)		Steel	D	494,000	494,000
Columbine	(5/63)		Earth, concrete-lined	D	19,568,000	19,568,000
Cottage Grove	(R 7/89)		Steel, bolted	C	65,000	65,000
Cox	(3/55)	#1	Earth, concrete-lined	D	5,280,000	20,587,000
	(3/55)	#2	Earth, concrete-lined	D	5,250,000	
	(12/61)	#3	Earth, concrete-lined	D	10,057,000	

<u>Storage Site</u>		<u>#</u>	<u>Type Facility</u>	<u>CD</u>	<u>Capacity Gal.</u>	<u>Total Capacity Gal. (Per Storage Site)</u>
Cristo Rey	(leased)		Steel	D	2,000,000	2,000,000
Cropley	(1963)		Steel, bolted	C	81,000	81,000
Crothers	(1980)		Steel	D	420,000	420,000
Cypress	(R 1998)		Steel, bolted	D	154,000	154,000
Dow	(R 2003)	#1	Steel, welded	D	15,430,000	
	(8/70)	#2	Steel	D	16,332,000	
	(2001)		Pressure tank	PT	N/A	31,762,000
Dutard Heights	(R 1992)		Steel	D	259,000	259,000
Dutard	(2/59)		Earth, asphalt-plank-lined	D	5,223,000	5,223,000
Elwood	(7/63)	#1	Steel	D	1,036,000	1,036,000
Fleming	(1927)	#2	Earth, gunite-lined	D	2,675,000	
	(7/51)	#3	Steel	D	1,002,000	
	(10/63)	#4	Earth, concrete-lined	D	3,160,000	6,837,000
Fleury	(6/63)		Steel	C	42,000	42,000
Franciscan	(12/67)		Fabritank	D	1,018,000	1,018,000
Glenview	(1998)		Steel, welded	D	190,000	
	(1998)		Pressure tank	PT	N/A	190,000
Graystone	(P 1985)		Concrete block	D	22,000	22,000
Greenridge	(7/51)	#1	Steel	D	1,003,000	
	(4/61)	#2	Steel	D	1,251,000	2,254,000
Harwood Court	(1980)		Steel	D	500,000	500,000
Hickerson	(4/53)	#1	Steel	D	1,000,000	
	(9/58)	#2	Steel	D	1,013,000	2,013,000
High	(9/64)		Steel, bolted	D	100,000	100,000
Koch	(7/62)		Redwood	C	96,000	96,000
Kyburtz	(1997)		Pressure tank	PT	N/A	N/A
Lake Cozzens			Earth-filled dam	I	50,160,000	50,160,000
Lake Elsman			Earth-filled dam	I	2,005,000,000	2,005,000,000
Lake Kittredge			Earth-filled dam	I	79,600,000	
	(R 1989)	#1	Steel	D	10,000	
	(8/59)	#2	Redwood	D	5,000	
	(1/64)	#3	Redwood	D	3,000	79,618,000
Lake McKenzie			Earth-filled dam	I	70,000,000	70,000,000
Lake Williams			Concrete dam	I	51,173,000	51,173,000
Lumbertown	(R 1994)		Steel, bolted	D	249,000	249,000
Mabury	(11/65)		Steel, bolted	C	81,000	81,000
Main Station	(1918)	#1	Concrete	C	62,000	62,000
Mann	(leased)		Steel	C	187,000	187,000
Malone	(2005)		Glass-fused-to-steel	C	60,000	60,000
Mercedes	(leased)	#1	Steel	D	2,000,000	
	(leased)	#2	Steel	D	2,000,000	4,000,000

<u>Storage Site</u>		<u>#</u>	<u>Type Facility</u>	<u>CD</u>	<u>Capacity Gal.</u>	<u>Total Capacity Gal. (Per Storage Site)</u>
Meridian	(R 1992)		Steel	C	141,000	141,000
Miguelito	(1927)	#1	Earth, gunite-lined	D	1,769,000	
	(7/52)	#2	Steel	D	68,000	
	(12/62)	#3	Earth, concrete-lined	D	2,012,000	3,849,000
Mireval	(9/64)		Steel, bolted	D	81,000	81,000
Montego	(8/70)		Steel	D	497,000	497,000
Montevina	(1898)	#1	Earth, synthetic-rubber-lined	D	2,584,000	
	(9/64)	#3	Steel	D	6,973,000	
	(1981)	#5	Pressure tank	PT	N/A	9,557,000
Montgomery Highlands	(R 2003)		Steel, welded	D	160,000	
	(2003)		Pressure tank	PT	N/A	160,000
More	(12/63)	#1	Earth, concrete-lined	D	11,787,000	
	(6/65)	#2	Earth, concrete-lined	D	11,668,000	23,455,000
Mountain Springs	(1896)		Earth, gunite-lined	D	4,040,000	4,040,000
Northwood, Lower	(12/64)		Steel	D	990,000	990,000
Northwood, Upper	(7/65)	#1	Steel	D	1,498,000	
	(10/70)	#2	Steel	D	1,498,000	2,996,000
Overlook	(1918)	#1	Concrete	D	713,000	
	(12/63)	#2	Steel	D	1,020,000	1,733,000
Perie	(P 1980)		Steel	D	500,000	
	(P 1980)		Pressure tank	PT	N/A	500,000
Phillips	(9/60)		Steel	D	477,000	477,000
Picea	(1984)		Steel	D	250,000	250,000
Pike	(1982)		Steel	D	175,000	175,000
Pleasant Vista	(R 1990)	#1	Steel	D	207,000	207,000
Prospect	(1/62)		Prestressed concrete	D	4,072,000	4,072,000
	(leased)		Redwood	D	30,000	30,000
Ravinia	(3/99)		Steel, bolted	D	115,000	115,000
Redhill	(R 1990)	#1	Steel	D	120,000	
	(R 1998)	#2	Steel, bolted	D	123,000	243,000
Regnart	(8/59)	#1	Earth, gunite-lined	D	10,625,000	
	(2/62)	#2	Earth, gunite-lined	D	10,263,000	20,888,000
Regnart Canyon	(R 1995)		Steel, bolted	D	158,000	158,000
Regnart Heights	(P 1994)		Steel	D	140,000	140,000
Ridgeley	(1963)		Earth, gunite-lined	C	22,000	22,000
Rosemar	(P 1991)		Redwood	C	350	350
San Ramon	(12/67)		Pressure Tank	PT	N/A	N/A
Santa Rosa	(1980)		Steel	D	298,000	
	(1991)		Pressure Tank	PT	N/A	298,000

<u>Storage Site</u>		<u>#</u>	<u>Type Facility</u>	<u>CD</u>	<u>Capacity Gal.</u>	<u>Total Capacity Gal. (Per Storage Site)</u>
Saratoga Hills	(7/31)	#1	Concrete	D	995,000	2,064,000
	(8/60)	#2	Steel	D	1,069,000	
Scenic Vista Res.	(R 1995)		Steel, bolted	D	172,000	172,000
Seven Mile	(1871)	#1	Earth, gunite-lined	D	5,620,000	11,500,000
	(3/59)	#2	Earth, gunite-lined	D	5,880,000	
Seventeenth St.	(1911)		Concrete	C	226,000	226,000
Sweigert	(9/90)		Steel	D	205,000	205,000
Three Mile	(R 1997)		Steel, welded	C	140,000	140,000
Tully	(R 1993)		Steel, bolted	C	168,000	168,000
Twelfth Street	(1988)		Steel, bolted	C	207,000	207,000
Tybalt	(P 1990)		Steel	D	150,000	150,000
			Pressure Tank	PT	N/A	
Varner Ct.	(P 1995)		Pressure Tank	PT	N/A	N/A
Via Campagna	(1997)		Steel, bolted	D	450,000	450,000
Vickery	(12/61)		Earth, asphalt-plank-lined	D	7,672,000	7,672,000
View Oaks	(R 1996)		Steel, bolted	D	172,000	172,000
Virginia	(6/63)		Earth, gunite-lined	C	55,000	55,000
Webb Canyon	(12/67)		Steel	D	499,000	499,000
Williams	(R 1993)	#2	Steel, bolted	C	132,000	332,000
	(R 1994)	#3	Steel, bolted	C	200,000	
Willow Glen	(R 1990)		Steel	C	107,000	107,000
Wooded View	(R 1991)	#1	Steel	D	150,000	150,000

**d. Storage Totals**

	<u>Number</u>	<u>Capacity</u>
Impounding Storage (I)	5	2,255,933,000 Gal.
Distribution Storage (D)	91	247,725,000 Gal.
Collection Storage (C)	24	2,565,350 Gal.
Pressure Tank (PT)	14	N/A
<b>Total</b>	<b><u>134</u></b>	<b><u>2,506,223,350 Gal.</u></b>

SCHEDULE D-3

DESCRIPTION OF TRANSMISSION AND DISTRIBUTION FACILITIES  
 B. FOOTAGE OF PIPE BY INSIDE DIAMETER IN INCHES - NOT INCLUDING SERVICE PIPING

	17-1/4"	18"	19-1/4"	20"	21"	21-1/4"	21-3/4"	22"	24"	24-3/4"	25"	25-1/4"	
Welded Steel	157,706	69,026	6,648	101,541	15,788	6,240	56,080	1,929	5,771	11,365	17,918	1,820	50,976
Std. Screw		74,874		478					724				16,537
Cast Iron		8,692		45,333					54,448				
Copper		0											
Transite									145				
Concrete		0											
Plastic													
<b>Total</b>	<b>157,706</b>	<b>152,392</b>	<b>6,648</b>	<b>101,541</b>	<b>61,597</b>	<b>6,240</b>	<b>56,080</b>	<b>1,929</b>	<b>5,771</b>	<b>66,662</b>	<b>17,916</b>	<b>1,820</b>	<b>87,513</b>

	25-3/4"	26"	28"	30"	31-3/8"	31-7/8"	36"	37-1/4"	37-3/8"	37-7/8"	42"	43-1/2"	48"	48-1/2"
Welded Steel	9,119	152	440	4,834	24,648	10,612	8,607	3,225	14,376	12,031	12,409	1,443	17,137	4,544
Std. Screw				2,087			259							
Cast Iron							24,716							643
Copper														
Transite														
Concrete														
Plastic														
<b>Total</b>	<b>9,119</b>	<b>152</b>	<b>440</b>	<b>6,921</b>	<b>24,648</b>	<b>10,612</b>	<b>33,562</b>	<b>3,225</b>	<b>14,376</b>	<b>12,031</b>	<b>12,409</b>	<b>1,443</b>	<b>17,780</b>	<b>4,544</b>

Welded Steel	5,686,877
Std. Screw	309,225
Cast Iron	4,110,894
Copper	2,515
Transite	2,174,430
0.0	4,762
Plastic	213,699
Polyethylene	1,588
Polybuty	266
<b>343 Total</b>	<b>12,503,856</b>

SCHEDULE D-3  
DESCRIPTION OF TRANSMISSION AND DISTRIBUTION FACILITIES  
B. FOOTAGE OF PIPE BY INSIDE DIAMETER IN INCHES - NOT INCLUDING SERVICE PIPING

	17-1/4"	18"	19"	19-1/4"	20"	21"	21-1/4"	21-3/4"	22"	24"	24-3/4"	25"	25-1/4"
Welded Steel	157,706	69,026	6,648	101,541	15,788	6,240	56,080	1,929	5,771	11,365	17,918	1,820	50,976
Std. Screw	74,674	8,692	0	476	45,333	0	0	0	0	724	54,448	0	16,537
Cast Iron	0	0	0	0	0	0	0	0	0	0	0	0	0
Copper	0	0	0	0	0	0	0	0	0	0	0	0	0
Transite	0	0	0	0	0	0	0	0	0	0	0	0	0
Concrete	0	0	0	0	0	0	0	0	0	0	0	0	0
Plastic	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>157,706</b>	<b>152,392</b>	<b>6,648</b>	<b>101,541</b>	<b>61,587</b>	<b>6,240</b>	<b>56,080</b>	<b>1,929</b>	<b>5,771</b>	<b>66,682</b>	<b>17,918</b>	<b>1,820</b>	<b>67,513</b>

	25-3/4"	26"	28"	30"	31-3/8"	31-7/8"	36"	37-1/4"	37-3/8"	37-7/8"	42"	43-1/2"	48"	48-1/2"
Welded Steel	9,119	152	440	4,894	24,648	10,612	8,607	3,225	14,376	12,031	12,409	1,443	17,137	4,544
Std. Screw	0	0	0	0	0	0	259	0	0	0	0	0	0	0
Cast Iron	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Copper	0	0	0	2,087	0	0	24,716	0	0	0	0	0	0	643
Transite	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Concrete	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plastic	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>9,119</b>	<b>152</b>	<b>440</b>	<b>6,921</b>	<b>24,648</b>	<b>10,612</b>	<b>33,562</b>	<b>3,225</b>	<b>14,376</b>	<b>12,031</b>	<b>12,409</b>	<b>1,443</b>	<b>17,780</b>	<b>4,544</b>

Welded Steel	5,886,877
Std. Screw	309,225
Cast Iron	4,110,694
Copper	2,515
Transite	2,174,430
0.0	4,762
Plastic	213,699
Polyethelene	1,588
Polybuty	266
<b>343 Total</b>	<b>12,503,856</b>

SCHEDULE D-4  
Number of Active Service Connections

Classification	Metered-Dec.31		Flat Rate-Dec.31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial (including Res. and Bus.)	212,843	214,547		
Industrial	62	60		
Public authorities	1,677	1,686		
Irrigation	0	0		
Other water utility	30	30		
Misc.	252	261		
Sub-total	214,864	216,584		
Private fire connections			3,059	3,198
Public fire hydrants				
Total	214,864	216,584	3,059	3,198

SCHEDULE D-5

Number of Meters and Services on Pipe Systems at End of Year:

Size	Meters	Size	Services
5/8 & 3/4-in	188,995	1/2-in installati	706
1-in	31,802	3/4-in *	123,213
1-1/2-in	5,544	1-in s	47,507
2-in	8,839	1-in sp	22,426
3-in	972	1-1/4in S	951
3 1/2-in	20	* Sp	1,379
4-in	345	1-1/2in S	6,978
6-in	123	* Sp	1,540
8-in	30	2-in S	7,122
Kennedy Mutual	0	2-in Sp	93
Little Creek	0	Misc Svcs & S	175
8-in Manifold	0	3-in S	163
10-in Meter	6	2x2 manif=3"	1,124
Santa Teresa	0	4-in S	508
Reclaimed water 1"	1	6-in S	260
Reclaimed water 3"	11	8-in S	192
Reclaimed water 4"	24	10-in S	36
Reclaimed water 6"	1	12-in S	1
Reclaimed water 8"	3	18-in S	1
Reclaimed water 10"	1	Manifolds	1,841
		Regulators	91
		Graystone Hts	24
Total	236,717		216,331

SCHEDULE D-6

Meter Testing Data

A. Number of Meters Tested During Year as Prescribed	
1. New, after being received . . . . .	342
2. Used, before repair	352
3. Used, after repair	3,432
4. Found fast, requiring billing adjmt.	0
B. Number of Meters in Service Since Last Test.	
1. Ten year or less	109,882
2. More than 10, but less than 15 yrs.	58,953
3. More than 15 years	48,914



SCHEDULE D-7  
Water delivered to Metered Customers by Months and Years in KCCF

\*33\*

During Current Year							
Classification of Service	Jan	Feb	Mar	Apr	May	June	Subtotal
Commercial	3,749	3,049	2,952	2,882	3,406	4,493	20,531
Industrial	19	27	18	19	19	23	125
Public authorities	93	100	86	76	256	395	1,006
Irrigation	0	0	0	0	0	0	0
Other water utilities	18	16	16	15	28	33	126
Misc. (1)	15	11	17	24	45	86	198
<b>Total</b>	<b>3,894</b>	<b>3,203</b>	<b>3,089</b>	<b>3,016</b>	<b>3,754</b>	<b>5,030</b>	<b>21,986</b>

During Current Year										
Classification of Service	Jul	Aug	Sept	Oct	Nov	Dec	Subtotal	Total	Total Prior Year	
Commercial	6,016	6,098	6,831	6,126	5,345	4,175	34,591	55,122	54,725	
Industrial	22	29	22	25	22	24	144	289	259	
Public authorities	495	545	458	326	223	121	2,168	3,174	3,266	
Irrigation	0	0	0	0	0	0	0	0	0	
Other water utilities	39	46	38	26	19	13	181	307	311	
Misc. (1)	112	103	89	57	49	23	433	831	597	
<b>Total</b>	<b>6,684</b>	<b>6,821</b>	<b>7,438</b>	<b>6,560</b>	<b>5,658</b>	<b>4,356</b>	<b>37,517</b>	<b>59,503</b>	<b>59,158</b>	
<b>Total population served</b>							<b>1,044,400</b>	<b>Estimated</b>		

(1) Includes recycled water



SCHEDULE E-1  
Balancing and Memorandum Accounts

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	Balancing Account	AL345 (2002)	\$118,033	\$0	\$0	\$6,012	0	0	\$124,045
2	Balancing Account	AL346 (2003)	\$285,069	\$0	\$0	\$14,524	0	0	\$299,593
3	Balancing Account	AL 353 (2004)	(\$786,057)	\$0	\$0	(\$40,055)	0	0	(\$826,112)
4	Balancing Account	Pending (2005)	\$139,147	\$0	\$0	\$7,091	0	0	\$146,238
5									
6	Memo-Balancing Acct								
7	Purchased Power	Pending	\$0	\$0	\$80,628	(\$1,905)	0	0	(\$82,533)
8	Purchased Power	Pending	\$0	\$0	(\$29,171)	\$569	0	0	\$28,740
9	Purchased Power	Pending	\$0	\$0	(\$167,960)	\$3,969	0	0	\$171,929
10	Purchased Power	Pending	\$0	\$0	\$17,213	(\$407)	0	0	(\$17,620)
11	Purchased Power	Pending	\$0	\$0	\$112,118	(\$2,649)	0	0	(\$114,767)
12	Purchased Power	Pending	\$0	\$0	\$100,318	(\$2,112)	0	0	(\$102,430)
13	Purchased Power	Pending	\$0	\$0	\$44,680	(\$892)	0	0	(\$45,572)
14	Purchased Power	Pending	\$0	\$0	\$36,100	(\$688)	0	0	(\$36,788)
15	Purchased Power	Pending	\$0	\$0	(\$136,398)	\$1,271	0	0	\$137,669
16	Purchased Water	AL354	\$0	\$955,225	\$1,012,720	(\$2,826)	0	0	(\$60,320)
17	Purchased Water	AL366-A	\$0	\$843,197	\$960,448	(\$4,362)	0	0	(\$121,612)
18	Ground Water Extraction Charge	AL354	\$0	\$1,055,464	\$655,268	\$9,346	0	0	\$409,542
19	Ground Water Extraction Charge	AL366-A	\$0	\$559,008	\$422,643	\$285	0	0	\$136,650
20	WRAP Discount	AL356	\$0	\$972,324	\$184,836	\$24,121	0	0	\$811,609
21	SRF Loan Surcharge	AL364	\$0	\$122,366	\$235,814	(\$7,369)	0	0	(\$120,837)
22									
23									
24									
25	Memorandum Acct								
17	Water Contamination	AL 301 & Res. W-4094	(\$8,290)	\$0	\$0	\$0	0	0	(\$8,290) *
18	Calero Tank	D.97-07-047 State Of Emergency	(\$261,772)	\$0	\$17,966	(\$13,404)	0	0	(\$293,142)
19	Catastrophic Events	proclaimed 2/21/03	(\$57,580)	\$0	\$0	\$0	0	0	(\$57,580) *

1. For Columns d, e, f, g & h provide those amounts booked in the current year.  
 2. The detail for each individual account includes the Beginning of Year Balance, End of Year Balance, each Offset Expense adjustment during the year, each Offset Revenue adjustment during the year, each Surcharge adjustment during the year, each Surcredit adjustment during the year, and the decision or resolution number associated with each item of detail.  
 \* Water contamination and Catastrophic Events totals recovery were lifted for and approved in D.06-11-015

**SCHEDULE E-2**  
**Description of Low-Income Rate Assistance Program**

SJWC's last General Rate Case Decision D.04-08-054 adopted a settlement agreement between the Office of Ratepayer Advocates (ORA) and SJWC which allowed SJWC to implement a modified version of the WRAP program for low income customers which provides a 15% discount on the total water bill for the customers eligible for the program based on the same income qualification guidelines as is use by PG&E's CARE program (175% of federal poverty level). The program would automatically qualify customers already part of PG&E's CARE program, while customers without PG&E service in their name would qualify by providing income verification in accordance with the program guidelines. The program will also extend eligibility to customers in mobile homes behind master-meters. In order to fund this program SJWC implemented a monthly surcharge of \$0.41 per bill that began appearing on bills in 2006. Effective November 2, 2006, SJWC received authorization to decrease the WRAP surcharge to \$0.10 to reflect current participation levels and program costs. The surcharge is identified separately on the customer bill and is applied to all SJWC customers who are not recipients of the WRAP program benefits. In accordance with the Settlement Agreement adopted in D.04-08-054, SJWC will also maintain a WRAP balancing account to which all revenue and expenses associated with the program will be booked for later recovery or refund.

SJWC implemented enrollment of the program in late 2005 and of December 31, 2006, 2,629 low income households have been approved. A bill insert that included an application and described the program was sent to all customers bills in the 1<sup>st</sup> quarter of 2006. Applications have also been made available in Spanish and Vietnamese. Posters and applications in English, Spanish and Vietnamese have been distributed to local social service agencies and community organizations.

**SCHEDULE E-3**  
**Description of Water Conservation Program**


SCVWD operates a comprehensive water conservation program that serves each of its 13 retailers. SJWC operates its own water audit program, but refers customers to the SCVWD to take advantage of technical program offerings or relevant rebates. There is virtually no overlapping of service. In promoting its "House Call" program, the SCVWD recommends that SJWC's customers contact SJWC directly for water audit services. Additionally, we coordinate the production of customer brochures and bill inserts, as appropriate. In March and April, bill inserts are distributed to SJWC customers promoting Water Audit program and methods to reduce water consumption. In May and June, SCVWD conducts annual media campaign promoting its "House Call" program and cross-promoting SJWC's Water Audit program. In September to October SCVWD and SJWC jointly prepare and distribute in SJWC bills a brochure encouraging customers to reduce outdoor watering during the fall and winter months.

The conservation expenses are part of Customer Account expenses. In accordance with the Commission's guidelines for rate design 50% of Customer Account expenses is recovered in the service charge and 50% in the quantity rate. The \$276,000 amounts to about \$0.10 per customer per month

**DECLARATION**  
**Before Signing, Please Check to See That All Schedules Have Been Completed**

I, the undersigned W.R. Roth, President  
Officer, Partner or Owner  
of San Jose Water Company  
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period from and including of January 1, 2005 to and including of December 31, 2006  
(date) (date)

SIGNED   
Title President, Chief Executive Officer  
Date 3/30/2007