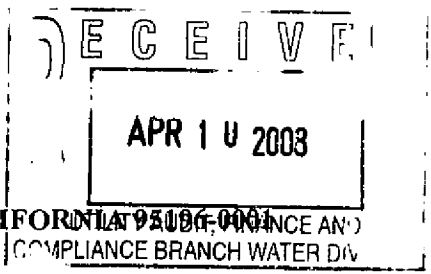


**GENERAL INFORMATION**



- 1. Name under which utility is doing business:  
**SAN JOSE WATER COMPANY**
- 2. Official mailing address:  
**374 WEST SANTA CLARA STREET, SAN JOSE, CALIFORNIA 95106-0001**
- 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**  
 Organized under the laws of (State): **CALIFORNIA**

Date: **October 24, 1931**  
 Principal Officers During 2007:

<u>Name</u>	<u>Title</u>
<b>C. TOENISKOETTER</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>P. JENSEN</b>	<b>VICE PRESIDENT</b>
<b>S. PAPAZIAN</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:  
**N/A**

10. Use the space below for supplementary information or explanations concerning this report:

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 2007 ANNUAL REPORT)

BALANCE SHEET DATA	Jan. 1, 2007	Dec. 31, 2007	Annual Average	
1 Intangible Plant	1,040,137	1,040,137	1,040,137	1
2 Land	4,442,771	6,030,517	5,236,644	2
*3 Depreciable Plant	692,915,369	745,228,816	719,072,093	3*
*4 Gross Plant In Service	698,398,277	752,299,470	725,348,874	4*
*5 Less: Accum. Depreciation & Amort	(224,018,882)	(243,946,311)	(233,981,597)	5*
6 Net Water Plant In Service	474,381,395	508,353,159	491,367,277	6
7 Water Plant Held for Future Use	233,336	251,959	242,647	5
8 Construction Work In Progress	9,200,030	20,432,947	14,816,489	8
9 Materials and Supplies	490,176	507,890	499,033	9
10 Less: Advances for Construct.	(67,955,257)	(74,517,669)	(71,236,463)	10
11 Contrib. in Aid of Constr.	(95,028,614)	(97,632,000)	(96,330,307)	11
12 Accum. Deferred Inc. Tax Credits	(1,794,600)	(1,734,600)	(1,764,600)	12
*13 Net Plant Investment	319,526,465	355,661,686	337,594,076	13*
CAPITALIZATION				
14 Common Stock	6	6	6	14
15 Proprietary Capital (Ind. or Part)	0	0	0	15
16 Paid-in Capital	25,599,754	27,264,796	26,432,275	16
17 Retained Earnings	133,156,120	144,974,530	139,065,325	17
*18 Common Equity (14 through 17)	158,755,880	172,239,332	165,497,606	18*
19 Preferred Stock	0	0	0	19
20 Long-Term Debt	131,887,090	171,804,893	151,845,992	20
21 Notes Payable	0	0	0	21
22 Total Capitalization (Lines 18 thru 21)	290,642,971	344,044,225	317,343,598	22

INCOME STATEMENT	Annual Amount	
**23 Unmetered Water Revenue	217,928	23*
24 Fire Protection Revenue	2,080,843	24
25 Irrigation Revenue	0	25
**26 Metered Water Revenue	188,299,581	26*
*27 Total Operating Revenue	190,598,352	27*
*28 Total Operating Expenses	127,637,419	28*
*29 Depreciation Expense (Composite Rate 3.51%)	20,201,544	29*
*30 Amortization and Property Losses	16,339	30
*31 Property Taxes	3,716,096	31*
32 Taxes Other Than Income Taxes	2,251,125	32
33 Regulatory Adjustment	0	
34 Total Operating Rev. Deductions Before Taxes	153,822,523	33
35 Calif. Corp. Franchise Tax	2,418,000	34
36 Fed. Corporate Income Tax	9,013,000	35
*37 Total Operating Revenue Deduction After Taxes	165,253,523	36*
*38 Net Operating Income/(Loss)(Calif. Water Operations)	25,344,829	37*
39 Other Operating and Nonoper. Inc. & Exp. - Net (Exclude Interest Expense)	2,285,622	38
*40 Income Available for Fixed Charges	27,630,451	39*
*41 Interest Expense	9,885,463	40*
42 Net Income/(Loss) Before Dividends	17,744,988	41
43 Preferred Stock Dividends	0	42
*44 Net Income (Loss) Available for Common Stock	17,744,988	43*

## OTHER DATA

*45 Refunds of Advances for Construction		2,175,562	44*
*46 Total Payroll Charged to Operating Expenses		20,051,190	45*
*47 Purchased Water (Account No. 610)		45,958,296	46*
*48 Power (Acct. No. 615)		7,057,872	47*
49 CLASS A WATER COMPANIES ONLY:			
a. Pre - TRA 1986 Contributions in Aid of Construction		11,022,050	48a
b. Pre - TRA 1986 Advances for Construction		6,325,796	48b
c. Post- TRA 1986 Contributions in Aid of Construction		86,609,949	48c
d. Post- TRA 1986 Advances for Construction		68,191,873	48d

Active Serv. Connections(Excl. Fire Protect.)	Jan. 1	Dec. 31	Annual Average	
50 Metered Service Connections	216,584	217,610	217,097	49
51 Flat Rate Service Connections	3,198	3,300	3,249	50
* 52 Total Active Service Connections	219,782	220,910	220,346	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	1,308,139
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	772,984,375	707,831,642
2	107	Utility plant adjustments			
3		Total utility plant		772,984,375	707,831,642
4	250	Reserve for depreciation of utility plant	9	243,597,716	223,684,625
5	251	Reserve for amortization of limited term utility investments	9	348,596	332,257
6	252	Reserve for amortization of utility plant acquisition adjustment			
8		Total utility plant reserves		243,946,312	224,016,883
9		Total utility plant less reserves		529,038,063	483,814,759
10					
II INVESTMENT AND FUND ACCOUNTS					
12	110	Other physical property	6	298,416	298,416
13	253	Reserve for depreciation and amortization of other prop.	7		
14		Other physical property less reserve		298,416	298,416
15	111	Investments in associated companies	11		
16	112	Other investments	11	5,310,086	5,566,310
17	113	Sinking funds	11		
18	114	Miscellaneous special funds	11		
19		Total investments and fund accounts		5,608,502	5,864,726
20					
III CURRENT AND ACCRUED ASSETS					
22	120	Cash		181,286	1,607,140
23	121	Special deposits	12	159,846	191,630
24	122	Working funds		3,750	3,750
25	123	Temporary cash investments		0	0
26	124	Notes receivable	12	0	0
27	125	Accounts receivable		11,064,212	10,653,871
28	126	Receivables from associated companies	12	4,665,000	3,810,371
29	131	Materials and supplies		507,890	490,176
30	132	Prepayments - Def. Taxes	12	23,101,422	21,611,530
31	133	Other current and accrued assets	12	12,600,000	11,012,000
32		Total current and accrued assets		52,283,406	49,380,467
33					
IV DEFERRED DEBITS					
35	140	Unamortized debt discount and expense	13	3,112,991	2,980,795
36	141	Extraordinary property losses	14	0	0
37	142	Preliminary survey and investigation charges		46,063	228,468
38	143	Clearing accounts		2	2
39	145	Other work in progress		414,984	457,497
40	146	Other deferred debits	14	45,891,290	51,592,344
41		Total deferred debits		49,465,330	55,259,106
42		Total assets and other debits		636,395,303	594,319,058
43					

SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Liabilities and Other Credits

Line No.	Acct No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>I CORPORATE CAPITAL AND SURPLUS</b>			
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	27,264,796	25,599,754
9	271	Earned Surplus	16	144,974,530	133,156,120
10		Total corporate capital and surplus		172,239,332	158,755,880
17		<b>III LONG-TERM DEBT</b>			
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	171,804,893	131,887,090
22		Total long-term debt		171,804,893	131,887,090
24		<b>IV CURRENT AND ACCRUED LIABILITIES</b>			
25	220	Notes payable	18	41,343	10,580,267
26	221	Notes receivable discounted			
27	222	Accounts payable		8,493,079	6,771,464
28	223	Payables to associated companies		(34,071)	8,433,069
29	224	Dividends declared			
30	225	Matured long-term debt			
31	226	Matured interest			
32	227	Customers' deposits		1,086,255	1,020,971
33	228	Taxes accrued	19	(2,900,247)	(636,193)
34	229	Interest accrued		4,256,176	3,689,343
35	230	Other current and accrued liabilities	18	34,734,607	34,964,066
36		Total current and accrued liabilities		45,677,143	64,822,987
38		<b>V DEFERRED CREDITS</b>			
39	240	Unamortized premium on debt	13		
40	241	Advances for construction	20	74,517,669	67,955,257
41	242	Other deferred credits	20	73,650,989	75,093,884
42		Total deferred credits		148,168,658	143,049,141
44		<b>VI RESERVES</b>			
45	254	Reserve for uncollectible accounts	20	180,000	160,000
46	255	Insurance reserve	20		
47	256	Injuries and damages reserve	20	271,823	170,005
48	257	Employees' provident reserve	20	421,455	445,340
49	258	Other reserves	20	0	0
50		Total reserves		873,278	775,345
52		<b>VII CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
53	265	Contributions in aid of construction	21	97,632,000	95,028,614
54		Total liabilities and other credits		636,395,303	594,319,058

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	190,598,352
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	22-24	127,637,419
6	503	Depreciation	9	20,201,544
7	504	Amortization of limited-term utility investments	9	16,339
8	505	Amortization of unrecoverable prepaid Income tax and acquisition adjustment		3,145
9	506	Property losses chargeable to operations		
10	507	Taxes	25	17,311,345
11		Total operating revenue deductions		165,169,792
12		Net operating revenues		25,428,560
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		
15		Total utility operating income		25,428,560
16				
17		II OTHER INCOME		
18	521	Income (expense) from nonutility operations (net)	25 & 27	(88,876.0)
19	522	Revenues from lease of other physical prop.		
20	523	Dividend revenues		
21	524	Interest revenues		87,425
22	525	Revenues from sinking and other funds		
23	526	Miscellaneous nonoperating revenues	27	2,724,729
24	527	Nonoperating revenue deductions (Dr.)	27	(9,367)
25		Total other income		2,715,911
26		Gross income		28,144,471
27				
28		III INCOME DEDUCTIONS		
29	530	Interest on long-term debt		10,411,241
30	531	Amortization of debt discount and expense	13	172,780
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	161,840
35	536	Interest charged to construction-Cr.		(525,778)
37	538	Miscellaneous income deductions	27	179,400
38		Total income deductions		10,399,482
39		Net income		17,744,988
40				
41		IV DISPOSITION OF NET INCOME		
42	540	Miscellaneous reservations of net income		
43				
44		Balance transferred to Earned Surplus or Proprietary Accounts scheduled on page 16.		17,744,988
45				
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)	699,883,829	55,541,979	3,252,437	1,586,259	753,759,630
2	100-2	Utility plant leased to others					
3	100-3	Construction work in progress	9,200,030	0	XXXXXXXX	11,232,917	20,432,947
4	100-4	Util. plant held for future use (Sch. A-1c)	233,336	18,623		0	251,959
5	100-5	Utility plant acquisition adjustments	(1,485,552)	3,031		0	(1,460,161)
6	100-6	Utility plant in process of reclassification			XXXXXXXX		
7		Total utility plant	707,831,642	55,563,633	3,252,437	12,841,536	772,984,375

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	Franchises 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	4,469,176	(24,918)	0	1,586,259	6,030,517
15		III. SOURCE OF SUPPLY PLANT					
16	311	Structures and improvements	1,023,366	17,421	0		1,040,787
17	312	Collecting and impounding reservoirs	14,071,888	0	1,500		14,070,488
18	313	Lake, river and other intakes	3,769,895	35,285	4,139		3,801,141
19	314	Springs and tunnels					
20	315	Wells	3,666,404	1,709,401	0	0	5,375,805
21	316	Supply mains	7,253,118	9,344,608	22,149	0	16,575,577
22	317	Other source of supply plant	346,082	0	0	0	346,082
23		Total source of supply plant	30,130,954	11,106,715	27,788	0	41,209,880
24		IV. PUMPING PLANT					
25	321	Structures and improvements	7,640,741	1,142,310	8,356		8,774,695
26	322	Boiler plant equipment					
27	323	Other power production equipment					
28	324	Pumping equipment	30,508,555	6,146,367	844,603	0	35,810,319
29	325	Other pumping plant	4,483,018	43,327	3,664	0	4,532,681
30		Total pumping plant	42,642,314	7,332,004	856,624	0	49,117,695
31		V. WATER TREATMENT PLANT					
32	331	Structures and improvements	7,645,577	92,949	0	0	7,738,526
33	332	Water treatment equipment	20,621,362	58,945	54,512	0	20,625,794
34		Total water treatment plant	28,266,939	151,894	54,512	0	28,364,320
35		VI. TRANSMISSION AND DIST. PLANT					
36	341	Structures and improvements	8,656,232	104,515	0		8,760,747
37	342	Reservoirs and tanks	33,625,524	1,356,696	155,472		34,826,747
38	343	Transmission and distribution mains	352,506,639	15,707,026	449,721	(88,717)	367,675,226
39	344	Fire mains					
40	345	Services	101,376,499	7,358,908	77,968	90,071	108,747,511
41	346	Meters	15,724,024	853,564	405,030	0	16,172,558
42	347	Meter installations	5,954,036	329,292	970	0	6,282,359
43	348	Hydrants	35,411,955	3,052,420	69,039	(1,354)	38,393,982
44	349	Other transmission and distribution plant	1,086,026	0	0	0	1,086,026
45		Total transmission and distribution plant	554,340,934	28,762,422	1,158,200	(0)	581,945,155

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

\*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							
2	371	Structures and improvements	11,350,066	5,933,863	187,982	0	17,095,947
3	372	Office furniture and equipment	17,933,480	830,860	307,833	0	18,456,507
4	373	Transportation equipment	6,375,524	886,873	613,589	0	6,648,808
5	374	Stores equipment	127,457	169,828	0	0	297,285
6	375	Laboratory equipment					
7	376	Communication equipment	1,111,661	30,120	10,460	0	1,131,321
8	377	Power operated equipment	219,247	339,983	0	0	559,230
9	378	Tools, shop and garage equipment	1,663,061	22,335	17,034	0	1,668,362
10	379	Other general plant	239,284	0	18,414	0	220,870
11		Total general plant	39,019,780	8,213,862	1,155,312	0	46,078,330
VIII. UNDISTRIBUTED ITEMS							
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.	699,883,829	55,541,979	3,252,437	1,586,259	753,759,630

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	251,959

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 Cavanaugh	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 Beardsley 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

77

Line No.	Title of Account	Schedule Page No (b)	Balance End-of- Year (c)	Balance Beginning - of -Year (c)
1				
2				
3	Utility Plant			
4	Plant in Service	5	753,759,630	699,883,829
5	Construction Work in Progress	5	20,432,947	9,200,030
6	General Office Prorate			
7	<b>Total Gross Plant (Line 4 + Line 5 +Line 6)</b>		<b>774,192,577</b>	<b>709,083,859</b>
8				
9	Less Accumulated Depreciation and Amortization			
10	Plant in Service	9	243,597,716	223,684,625
11	Amortization	9	348,596	332,257
12	<b>Total Accumulated Depreciation (Line 10 + Line 11)</b>		<b>243,946,312</b>	<b>224,016,882</b>
13				
14	Less Other Reserves			
15	Deferred Income Taxes	20	66,044,000	68,544,000
16	less Prepaid Deferred Income Taxes	12	(21,486,607)	(20,102,668)
17	Deferred Investment Tax Credit	20	1,734,600	1,794,600
18	Other Reserves			
19	<b>Total Other Reserves (Line 15 + 16 + 17)</b>		<b>46,291,993</b>	<b>50,235,932</b>
20				
21	Less Adjustments			
22	Contributions in Aid of Construction	21	97,632,000	95,028,614
23	Advances for Construction	20	74,517,669	67,955,257
24	Other			
25	<b>Total Adjustments (Line 22 + 23 + Line 24)</b>		<b>172,149,669</b>	<b>162,983,871</b>
26				
27	Add Materials and Supplies	2	507,890	490,176
28				
29	Add Working Cash (From Schedule A-1d(2))		19,406,920	16,721,028
30				
31	<b>TOTAL RATE BASE</b>		<b>331,719,414</b>	<b>289,058,378</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	127,637,419	107,885,030
5	2. Purchased Power, & Commodity for Resale *	22 & 23	83,131,687	66,355,423
6	3. Metered Revenues: Bimonthly Billing	1 or 21	188,299,581	174,360,904
7	4. Other Revenues: Flat Rate Monthly Billing & Other	1 or 21 & 22	2,298,771	2,213,477
8	5. Total Revenues (3+4)	22	190,598,352	176,574,381
9	6. Ratio - Flat Rate to Total Revenues (4/5)		0.01206	0.01254
10	7. $5/24 \times \text{Line 1} \times (100\% - \text{Line 6})$		26,270,418	22,194,296
11	8. $1/24 \times \text{Line 1} \times \text{Line 6}$		64,142	56,350
12	9. $1/12 \times \text{Line 2}$		6,927,641	5,529,619
13	10. Operational Cash Requirement (7 + 8 -9)		19,406,920	16,721,028
14				
15				
	* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).			
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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	223,684,625	332,257		
2	Add: Credits to reserves during year				
3	(a) Charged to Account No.503(Footnote1)	20,604,385	16,339		
4	(b) Charged to Account No. 265	2,843,155			
5	(c) Charged to clearing accounts	691,120			
6	(d) Salvage recovered	84,130			
7	(e) All other credits(Footnote2)	205,410			
8	Total credits	24,428,200	16,339	0	0
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	3,252,437			
11	(b) Cost of removal	1,262,673			
12	(b) All other debits	0			
13	Total debits	4,515,110	0	0	0
14	Balance in reserve at end of year	243,597,716	348,596	0	0

(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 3.51%

(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: 01/2007  
Ending Month: 12/2007

SJW PowerPlant System

Set of Books Company	Depr Summary2	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
SEC									
San Jose Water Company									
311 - Structures & Improvements									
	3111 SS S&I Roads	\$31,467.33	\$551.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,018.49
	3112 SS S&I Frame Buildings	\$15,071.90	\$1,782.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,854.62
	3113 SS S&I Misc & Yard	\$106,391.49	\$39,424.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,816.05
	Depr Summ2 Subtotal:	\$152,930.72	\$41,758.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$194,689.16
312 - Collect & Impound Reservoirs									
	3120 SS Collecting/Impound Res	\$2,633,703.20	\$141,293.40	(\$1,500.00)	(\$135.57)	\$0.00	\$0.00	\$0.00	\$2,773,361.03
	Depr Summ2 Subtotal:	\$2,633,703.20	\$141,293.40	(\$1,500.00)	(\$135.57)	\$0.00	\$0.00	\$0.00	\$2,773,361.03
313 - Lake, River, & Other Intakes									
	3130 SS Lake, River & Other Intake	\$333,678.78	\$105,340.80	(\$4,139.26)	(\$3,677.81)	\$0.00	\$0.00	\$0.00	\$431,202.51
	Depr Summ2 Subtotal:	\$333,678.78	\$105,340.80	(\$4,139.26)	(\$3,677.81)	\$0.00	\$0.00	\$0.00	\$431,202.51
315 - Wells									
	3150 SS Wells	\$3,005,781.36	\$216,432.00	\$0.00	(\$8,012.54)	\$184.73	\$0.00	\$0.00	\$3,214,385.55
	Depr Summ2 Subtotal:	\$3,005,781.36	\$216,432.00	\$0.00	(\$8,012.54)	\$184.73	\$0.00	\$0.00	\$3,214,385.55
316 - Supply Mains									
	3161 SS Mains C/D/CL 8" & Over	(\$184,975.54)	\$30,335.68	\$0.00	(\$350,221.40)	\$0.00	\$0.00	\$0.00	(\$454,861.26)
	3162 SS Mains C/D/CL 4"	\$79.50	\$6.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$86.10
	3163 SS Mains Steel 16" & Over	\$25,989.83	\$110,636.16	(\$16,682.98)	(\$137,324.29)	\$0.00	\$0.00	\$0.00	(\$17,381.28)
	3164 SS Mains Steel 6" to 16"	\$267,838.84	\$31,885.20	(\$1,184.69)	\$0.00	\$0.00	\$0.00	\$0.00	\$298,539.35
	3165 SS Mains Redwood Flume	\$7,847.09	\$1,194.22	(\$4,281.57)	(\$3,804.26)	\$0.00	\$0.00	\$0.00	\$955.48
	3166 SS Mains Steel 2"	\$2,067.45	\$162.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,229.95
	Depr Summ2 Subtotal:	\$118,847.17	\$224,220.36	(\$22,149.24)	(\$491,349.95)	\$0.00	\$0.00	\$0.00	(\$170,431.66)
317 - Other Source of Supply Plant									
	3170 Other Source of Supply Plant	\$25,089.56	\$3,478.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,567.88
	Depr Summ2 Subtotal:	\$25,089.56	\$3,478.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,567.88
321 - Structures & Improvements									
	3211 PP S&I Roads & Concrete Bldg.	\$809,499.20	\$76,009.08	(\$108.95)	(\$478.02)	\$0.00	\$0.00	\$0.00	\$884,921.31
	3211 PP S&I Roads & Concrete Bldg CU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3212 PP S&I Fiberglass	\$143,462.43	\$32,751.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$176,214.39
	3212 PP S&I Fiberglass CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Monthly Depreciation Reserve Activity

SJW PowerPlant System

Starting Month: 01/2007  
Ending Month: 12/2007

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											
321 - Structures & Improvements											
	3213 PP S&I Steel Bldgs&Fences CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3213 PP S&I Steel Bldgs. & Fences		\$591,118.78	\$28,474.08	(\$1,646.10)	(\$1,110.57)	\$0.00	\$0.00	\$0.00	\$0.00	\$616,836.19
	3214 PP S&I Frame & Bulkheads		\$304,754.23	\$12,671.76	\$0.00	(\$62.88)	\$0.00	\$1.45	\$0.00	\$0.00	\$317,364.56
	3214 PP S&I Frame & Bulkheads CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3215 PP S&I Misc & Yard Impr.		\$2,162,130.62	\$234,088.08	(\$6,601.34)	(\$5,435.88)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,384,181.48
	3215 PP S&I Misc & Yard Impr. CUP		\$800.45	\$342.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,142.57
	Depr Summ2 Subtotal:		\$4,011,765.71	\$384,337.08	(\$8,356.39)	(\$7,087.35)	\$1.45	\$0.00	\$0.00	\$0.00	\$4,380,660.50
324 - Pumping Equipment											
	3240 Pumping Plant Equipment		\$8,515,720.68	\$1,232,630.16	(\$837,479.38)	(\$408,086.54)	\$2,237.69	\$0.00	\$0.00	\$0.00	\$8,505,022.61
	3240 Pumping Plant Equipment CUP		\$12,585.31	\$4,265.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,850.32
	Depr Summ2 Subtotal:		\$8,528,305.99	\$1,236,895.17	(\$837,479.38)	(\$408,086.54)	\$2,237.69	\$0.00	\$0.00	\$0.00	\$8,521,872.93
325 - Other Pumping Plant											
	3251 Misc. Pumping Plant		\$229,687.02	\$54,996.60	(\$7,124.00)	(\$129.66)	\$2.99	\$0.00	\$0.00	\$0.00	\$277,432.95
	3251 Misc. Pumping Plant CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3254 Telemetry Other Pump CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3254 Telemetry Other Pump Plant		\$2,924,142.04	\$318,978.96	(\$3,664.24)	(\$3,153.94)	\$63.16	\$0.00	\$0.00	\$0.00	\$3,236,365.98
	325H Comp. Hardw Pump Plant CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	325H Comp. Hardware Pump Plant		\$165,940.31	\$17,375.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$183,315.85
	325S Comp. Softw Pump Plant CUP		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	325S Comp. Software Pump Plant		\$357,916.91	\$42,060.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$399,977.49
	Depr Summ2 Subtotal:		\$3,677,686.28	\$433,411.68	(\$10,788.24)	(\$3,283.60)	\$66.15	\$0.00	\$0.00	\$0.00	\$4,097,092.27
331 - Structures & Improvements											
	3311 WT S&I Filter Plant		\$980,151.31	\$306,798.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,286,949.43
	3312 WT S&I Fences		(\$8,834.93)	\$5,418.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,416.33)
	3313 WT S&I Frame Buildings		\$123,872.45	\$39,043.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162,916.37
	3314 WT S&I Miscellaneous		\$314,105.96	\$97,286.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$411,392.36
	Depr Summ2 Subtotal:		\$1,409,294.79	\$448,547.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,857,841.83
332 - Water Treatment Equipment											
	3321 WT Equip Filter Plant		\$1,724,939.92	\$324,406.56	(\$31,952.17)	(\$7,245.16)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,010,149.15

Monthly Depreciation Reserve Activity

Starting Month: 01/2007  
Ending Month: 12/2007

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>332 - Water Treatment Equipment</b>								
3322 WT Equip Purification Sys	\$4,240,902.23	\$700,047.84	(\$22,559.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$4,918,390.11
Depr Summ2 Subtotal:	\$5,965,842.15	\$1,024,454.40	(\$54,512.13)	(\$7,245.16)	\$0.00	\$0.00	\$0.00	\$6,928,539.26
<b>341 - Structures &amp; Improvements</b>								
3411 TD S&I Roads	\$473,830.23	\$26,134.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$499,964.31
3411 TD S&I Roads CUP	\$2,421.00	\$484.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,905.92
3412 TD S&I Fences	\$228,285.22	\$11,345.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$239,630.62
3412 TD S&I Fences CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3413 TD S&I Frame Building	\$50,878.31	\$5,435.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,313.83
3413 TD S&I Frame Building CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3414 TD S&I Misc. Yard Improv CUP	\$4,144.30	\$932.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,077.18
3414 TD S&I Misc. Yard Improve	\$3,116,844.83	\$391,830.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,508,674.95
Depr Summ2 Subtotal:	\$3,876,403.89	\$436,162.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,312,566.81
<b>342 - Reservoirs &amp; Tanks</b>								
3421 TD Res&Tank Earth-Gunite Lined	\$2,656,489.40	\$134,809.20	(\$60,959.78)	(\$8,269.23)	\$0.00	\$0.00	\$0.00	\$2,722,069.59
3422 TD Res&Tanks Concrete	\$481,487.57	\$45,000.72	(\$9,803.19)	(\$672.38)	\$0.00	\$0.00	\$0.00	\$516,012.72
3423 TD Res&Tanks Steel	\$5,903,566.22	\$825,963.00	(\$75,459.95)	(\$26,871.01)	\$0.00	\$0.00	\$0.00	\$6,627,198.26
3424 TD Res&Tanks Redwood	\$178,436.34	\$62,445.48	(\$9,249.39)	(\$11,076.94)	\$0.00	\$0.00	\$0.00	\$220,555.49
Depr Summ2 Subtotal:	\$9,219,979.53	\$1,068,218.40	(\$155,472.31)	(\$46,889.56)	\$0.00	\$0.00	\$0.00	\$10,085,836.06
<b>343 - Trans &amp; Distr Mains</b>								
3431 TD Mains C/D/DCL >=6" CUP	\$107,105.82	\$15,577.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$122,683.65
3431 TD Mains C/D/DCL 6" and over	\$52,144,951.91	\$6,427,002.72	(\$208,910.26)	(\$117,715.25)	\$0.00	\$9,686.23	\$0.00	\$58,255,015.35
3432 TD Mains C/D/DCL 4" to 5"	\$1,003,545.33	\$38,550.00	(\$42,958.93)	(\$119,670.91)	\$0.00	\$0.00	\$0.00	\$879,465.49
3432 TD Mains C/D/DCL 4"-5" CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3433 TD Mains C/D/DCL < 4" CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3433 TD Mains C/D/DCL under 4"	\$82,842.93	\$25,662.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$108,505.53
3434 TD Mains Asbestos Cement	\$17,714,509.33	\$680,816.40	(\$50,727.51)	(\$19,938.48)	\$0.00	\$342.01	\$0.00	\$18,325,001.75
3434 TD Mains Asbestos Cement CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3435 TD Mains All other >=6" CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3435 TD Mains All other >=6" & over	\$44,791,757.13	\$2,162,373.72	(\$104,031.60)	(\$130,708.35)	\$0.00	\$16,174.59	\$0.00	\$46,735,565.49
3436 TD Mains All other 4" to 5"	\$1,194,849.02	\$53,631.12	(\$21,125.63)	(\$43,634.12)	\$0.00	\$6,616.37	\$0.00	\$1,190,336.76
3436 TD Mains All other 4"-5" CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Monthly Depreciation Reserve Assembly

Starting Month: 01/2007  
Ending Month: 12/2007

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								
343 - Trans & Distr Mains								
3437 TD Mains All other < 4" CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3437 TD Mains All other under 4"	\$397,310.96	\$50,582.52	(\$21,967.35)	(\$18,926.35)	\$0.00	\$0.00	\$0.00	\$406,999.78
Depr Summ2 Subtotal:	\$117,436,872.43	\$9,454,196.91	(\$449,721.28)	(\$450,593.46)	\$0.00	\$32,819.20	\$0.00	\$126,023,573.80
345 - Services								
3451 Metered Services	\$23,767,232.49	\$3,666,315.24	(\$21,504.90)	\$104,010.29	\$0.00	\$32,377.99	\$0.00	\$27,548,431.11
3451 Metered Services CUP	\$1,179.08	\$235.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,414.88
3452 Fire Services	\$4,312,571.57	\$925,525.20	(\$56,462.64)	(\$68,977.63)	\$0.00	\$66,255.97	\$0.00	\$5,178,912.47
3452 Fire Services CUP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ2 Subtotal:	\$28,080,983.14	\$4,592,076.24	(\$77,967.54)	\$35,032.66	\$0.00	\$98,633.96	\$0.00	\$32,728,758.46
346 - Meters								
3460 Meters (Non-Potable)	\$3,523.18	\$1,126.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,649.74
3460 Meters (Potable)	\$889,262.53	\$346,193.88	(\$405,030.39)	\$28,576.60	\$78,840.60	\$0.00	\$0.00	\$937,843.22
3460 Meters CUP	\$352.11	\$43.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$395.67
Depr Summ2 Subtotal:	\$893,137.82	\$347,364.00	(\$405,030.39)	\$28,576.60	\$78,840.60	\$0.00	\$0.00	\$942,888.63
347 - Meter Installations								
3470 Meter Installations	\$704,129.95	\$135,073.29	(\$969.67)	(\$623.07)	\$0.00	\$128.34	\$0.00	\$837,738.84
3470 Meter Installations CUP	\$859.32	\$171.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,031.16
Depr Summ2 Subtotal:	\$704,989.27	\$135,245.13	(\$969.67)	(\$623.07)	\$0.00	\$128.34	\$0.00	\$838,770.00
348 - Hydrants								
3480 Hydrants	\$14,786,551.93	\$1,440,294.12	(\$69,039.29)	(\$58,619.77)	\$0.00	\$27,940.93	\$0.00	\$16,127,127.92
3480 Hydrants CUP (Depr)	\$7,453.58	\$1,167.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,620.58
Depr Summ2 Subtotal:	\$14,794,005.51	\$1,441,461.12	(\$69,039.29)	(\$58,619.77)	\$0.00	\$27,940.93	\$0.00	\$16,135,748.50
349 - Other T&D Plant								
3490 Other T & D Plant	\$20,400.36	\$19,549.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,950.04
Depr Summ2 Subtotal:	\$20,400.36	\$19,549.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,950.04
371 - Structures & Improvements								
3711 General S&I Concrete	\$563,409.62	\$43,357.32	(\$10,419.02)	(\$56,944.71)	\$0.00	\$56,944.71	\$0.00	\$596,347.92
3712 General S&I Brick & Frame	\$372,999.55	\$62,554.37	(\$7,011.36)	(\$38,320.30)	\$0.00	\$38,320.29	\$0.00	\$428,542.55
3713 General S&I Chain Link Fence	\$12,614.80	\$12,111.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,726.76

Monthly Depreciation Reserve Summary

Starting Month: 01/2007  
Ending Month: 12/2007

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								
371 - Structures & Improvements								
3714 General S&I Steel Buildings	\$395,819.79	\$59,570.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$455,390.31
3715 General S&I Bulkheads	\$64,983.88	\$3,147.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68,131.12
3716 General S&I Misc. & Yard Impr	\$1,580,261.29	\$177,471.19	(\$170,551.90)	(\$3,002.88)	\$0.00	\$3,002.89	\$0.00	\$1,587,180.59
3717 General S&I Plastic Buildings	\$805.68	\$852.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,657.68
Depr Summ2 Subtotal:	\$2,990,894.81	\$359,064.60	(\$187,982.28)	(\$98,267.89)	\$0.00	\$98,267.89	\$0.00	\$3,161,976.93
372 - Office Furniture & Equipment								
3722 Filing Cabinets	\$113,387.28	\$9,864.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,251.76
3723 Office Furniture	\$539,954.65	\$96,284.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$636,219.49
3724 Typewriters, etc.	\$0.00	\$61.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61.68
3725 Electronic Equip & Misc	\$526,168.96	\$58,910.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$585,079.48
372G GIS	\$1,853,351.48	\$205,405.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,058,756.56
372H Computer Hardware General	\$5,763,002.38	\$410,058.74	(\$212,979.80)	\$0.00	\$2,525.48	\$0.00	\$0.00	\$5,962,606.80
372S Computer Software General	\$3,552,531.13	\$555,494.50	(\$94,853.30)	\$0.00	\$274.08	\$0.00	\$0.00	\$4,013,446.41
Depr Summ2 Subtotal:	\$12,348,395.88	\$1,336,059.84	(\$307,833.10)	\$0.00	\$2,799.56	\$0.00	\$0.00	\$13,379,422.18
373 - Transportation Equipment								
3730 Transportation Equipment	\$1,731,487.90	\$556,622.16	(\$449,059.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,839,050.10
373A Automobiles (Cars only)	\$246,167.26	\$134,497.92	(\$164,528.84)	\$0.00	\$0.00	\$0.00	\$0.00	\$216,136.34
Depr Summ2 Subtotal:	\$1,977,655.16	\$691,120.08	(\$613,588.80)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,055,186.44
374 - Stores Equipment								
3740 Stores Equipment	\$48,857.95	\$5,992.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,850.39
Depr Summ2 Subtotal:	\$48,857.95	\$5,992.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,850.39
376 - Communication Equipment								
3760 Communication Equipment	\$692,504.64	\$83,732.16	(\$10,460.23)	(\$200.00)	\$0.00	\$0.00	\$0.00	\$765,576.57
Depr Summ2 Subtotal:	\$692,504.64	\$83,732.16	(\$10,460.23)	(\$200.00)	\$0.00	\$0.00	\$0.00	\$765,576.57
377 - Power Operated Equipment								
3770 Power Operated Equipment	\$77,354.47	\$13,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,854.47
Depr Summ2 Subtotal:	\$77,354.47	\$13,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,854.47
378 - Tools, Shop, & Garage Equip								
3781 Field Tools	\$386,343.77	\$64,063.44	(\$13,145.19)	\$0.00	\$0.00	\$0.00	\$0.00	\$437,262.02



Monthly Depreciation Reserve  
 SJW PowerPlant System

Starting Month: 01/2007  
 Ending Month: 12/2007

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								
378 - Tools, Shop, & Garage Equip	\$286,637.09	\$35,941.08	(\$3,888.32)	\$0.00	\$0.00	\$0.00	\$0.00	\$318,689.85
3782 Miscellaneous Tools	\$672,980.86	\$100,004.52	(\$17,033.51)	\$0.00	\$0.00	\$0.00	\$0.00	\$755,951.87
Depr Summ2 Subtotal:								
379 - Other General Plant	\$123,067.95	\$23,374.92	(\$18,414.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$128,028.87
3790 Other General Plant	\$123,067.95	\$23,374.92	(\$18,414.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$128,028.87
Depr Summ2 Subtotal:								
Company Subtotal:	\$223,821,409.18	\$24,367,291.65	(\$3,252,437.04)	(\$1,520,463.01)	\$94,130.18	\$257,790.32	\$0.00	\$243,757,721.28
Grand Total:	\$223,821,409.18	\$24,367,291.65	(\$3,252,437.04)	(\$1,520,463.01)	\$94,130.18	\$257,790.32	\$0.00	\$243,757,721.28

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	5,310,086

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
Wells Fargo Bank NA	SDWSRF Trust Account	159,846
Total		0

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.	3,700,000	N/A	N/A	N/A
SJW Corp	965,000	N/A	N/A	N/A
Total	4,665,000	N/A	N/A	N/A

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

Item (a)	Amount (b)
Insurance	819,551
Rent	682,906
Taxes - Other	38,939
Taxes- Income	21,525,546
Misc	34,480
Total	23,101,422

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

Item (a)	Amount (b)
Unbilled Revenue	12,600,000
Unbilled Revenue - Cupertino	0
Total	12,600,000

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 Com-

mission'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 (a)	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					Balance end of year (i)	
				From- (d)	To- (e)	Balance beginning of year (f)	Debits during year (g)	Credits during year (h)		Other (j)
1	Senior Notes Series A	20,000,000	276,589	08-31-92	07-01-22	143,703		9,271		134,432
2	Senior Notes Series B	30,000,000	484,576	11-01-93	01-01-24	2,237,222		131,587		2,105,625
3	Senior Notes Series C	10,000,000	197,409	11-01-93	11-01-20	101,174		7,311		93,863
4	Senior Notes Series D	15,000,000	184,617	01-01-96	01-01-26	116,926		6,153		110,773
5	Senior Notes Series E	15,000,000	208,543	12-01-98	12-01-28	152,174		0	1,852	145,230
6	Senior Notes Series F	20,000,000	101,294	09-24-01	09-01-31	83,517		3,387		80,130
7	Senior Notes Series G	20,000,000	119,904	09-02-03	09-01-33	106,581		0	3,997	102,584
8	Senior Notes Series H	20,000,000	198,310	01-23-07	01-01-37	15,984	182,326	6,610	0	191,700
9	Senior Notes Series I	20,000,000	126,418	12-17-07	12-01-37	0	126,418	0	0	126,418
10	Other Long Term Debt SDWSRF	2,006,782	25,534	06-01-05	05-01-25	23,513		0	(638)	1,915
		172,006,782	1,923,194			2,980,794	308,744	172,780	3,767	3,112,991

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	30,349,309
11	Regulatory Asset - Income Taxes	11,201,000
12	Regulatory Asset - Asset Retirement Obligation	1,688,000
13	Regulatory Asset - Vacation	2,401,000
14	Other Deferred Charges Related to Nonutility Property	248,122
15	Total	45,891,290

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.	Item (a)	Balance End of year (b)
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

Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)
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		25,599,754
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.		666,564
ESPP		493,021
Options Exercised		505,457
	Total debit	1,665,042
Balance end of year		27,264,796

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

Acct. No.	Account (a)	Amount (b)
	Balance beginning of year	133,156,120
CREDITS		
400	Credit balance transferred from income account	17,744,988
401	Miscellaneous credits to surplus (Adoption of FIN 48)	265,171
	Total credit	18,010,159
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.)	6,000,000
414	Miscellaneous debits to surplus (Stock Based Comp)	191,749
	Total debits	6,191,749
Balance end of year		144,974,530

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				
	Totals							0

SCHEDULE A-24 (a)  
Safe Drinking Water Bond Act  
(See Attached)

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%	1,186,000	1,186,000
20	Series H Senior Notes	01-01-37	20,000,000	20,000,000	5.710%	1,075,383	504,383
20	Series I Senior Notes	12-17-37	20,000,000	20,000,000	5.930%	46,122	0
21	SDWSRF Loan	05-01-25	2,006,782	1,804,893	2.390%	45,584	69,094
22	Totals			171,804,893		10,759,089	10,165,477

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					
	NONE				
26	TOTAL				



**CLASS A, B, C AND D WATER COMPANIES  
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA  
2007**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: Wells Fargo Bank NA  
 Address: 333 Market Street, 18th Floor, MACAO119-181, San Francisco, CA 94105  
 Phone Number: 415-371-3353  
 Account Number: Reserve Fund - 16798601 Debt Service Fund 16798600  
 Date Hired: 12/13/04 with amendment signed on 6/28/06

2. Total surcharge collected from customers during the 12 month reporting period:

\$ <u>150,057</u>	Meter Size	Avg No. of Metered Customers	Monthly Surcharge Per Customer
	3/4 inch	174,677	0.04
	1 inch	31,282	0.07
	1 1/2 inch	4,179	0.15
	2 inch	4,760	0.23
	3 inch	1,512	0.42
	4 inch	388	0.69
	6 inch	167	1.37
	8 inch	31	2.19
	10 inch	7	3.15
	Number of Flat Rate Customers		
	<b>Total</b>	<b>217,003</b>	

3. Summary of the bank account activities showing:

	Reserve	Debt Service
Balance at beginning of year	\$128,700.69	\$63,493.79
Deposits during the year	0	126,355.35
Interest earned for calendar year	5,644.86	366.64
Withdrawals from this account	0	190,215.78
Balance at end of year	<u>\$134,345.55</u>	<u>\$0.00</u>

4. Reason or Purpose of Withdrawal from this bank account:

Scheduled principal and interest payments were made on 1/02/2007, 6/01/2007 and 12/20/2007.

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant	\$2,832,526	0	0		\$2,832,526
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

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	41,343	2.39%	45,584	69,094
2	WELLS FARGO		Line of Credit	0	various	115,997	115,997
3							0
4							0
5							0
6							0
7							0
8	TOTALS			41,343		161,581	185,091

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	2,163,409
15	Pump Taxes	2,509,772
16	Audit & Legal Fees	501,720
17	Purchased Water	3,085,670
18	Utilities user tax City of San Jose	505,709
19	Cost Order advance payments	326,973
20	Unidentified customer overpayments	971
21	Other current and accrued liabilities	580,259
22	Power accrual	514,200
23	P.U.C. surcharge	730,007
24	Retirement Plan Employer	23,815,917
25		
26	Total	34,734,607

SCHEDULE A-31  
Account No. 228- Accrued and Prepaid Taxes

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 During Year (d)	Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)				Taxes Accrued (Account 228) (g)	Prepaid Taxes (Incl. in Acct. 132) (h)
1	Taxes on real and personal property	0	0	3,692,179	3,705,179	0	(13,000)	
2	State corporation franchise tax (1)	(194,114)		2,418,000	3,343,000	(240,009)	(879,105)	
3	State unemployment insurance tax	18,703		48,226	46,780	0	20,149	
4	Other state and local taxes	478,300	10,507	530,230	495,907	0	512,623	10,507
5	Federal unemployment insurance tax	8,313		21,451	20,808	0	8,956	
6	Fed. ins. conslr. act (old age retire.)	73,873		1,903,605	1,892,456	0	85,022	
7	Other federal taxes	0						
8	Federal income taxes (1)	(1,081,746)		9,013,000	12,560,000	(1,911,901)	(2,716,845)	
9	Local franchise tax- Cupertino Lease	63,078		73,877	65,356		71,599	
10	Fed. Income taxes - Cupertino Lease (1)	(1,900)		441,000	410,000	31,053	(1,953)	
11	State corporation franchise tax- Cupertino Lease (1)	(700)		120,000	92,000	14,993	12,307	
12	Property tax - Cupertino Lease	0	27,506	55,938	56,864	(1,852)	0	28,432
13	Total	(636,193)	38,013	18,317,506	22,688,350	(2,107,716)	(2,900,247)	38,939

(1) Adjustment related to ITC amortization, deferred income tax, tax on CIAC & Advances, stock option grant excise & similar instruments, FIN 48 adjustments and prior year tax refund.

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year		67,955,257
2	Additions during year		12,962,987
3	Subtotal-Beginning balance plus additions during year		80,918,244
4	Charges during year:		
6	Percentage of revenue basis	130,220	
7	40-Year Contract	1,965,964	
	Special facilities	0	
8	Other	79,378	
9	Total refunds		2,175,562
10	Transfers:		
	Contributions in aid of construction	3,968,614	
	Reserve for depreciation - salvage	256,399	
	Construction work in progress		
13	Total transfers		4,225,013
16	Balance end of year		74,517,669

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

Line No.	(a)	Balance End of Year (b)
26	Deferred Income Tax	66,044,000
27	Investment Tax Credit	1,734,600
28	Deferred Revenue	1,312,707
29	Regulatory Liability - Income Taxes	927,000
30	Deferred Compensation	1,192,003
31	LT Tax Uncertainty Payable	1,496,820
32	Regulatory Liability - Asset Retirement Obligation	1,000,000
33	Regulatory Liability - SDWSRF Deferred Liability	(56,141)
	Total	73,650,989

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		Balance End of Year (g)
				Amount (d)	Account Charged (e)	Amount (f)		
34	254	160,000	Bad debt write off	288,999	775	274,005		
35					125	34,994	180,000	
36	256	170,005	Inj. & damage	118,335	794	220,153	271,823	
38	257	445,340	Post Retir. Contr.	231,269	795	207,384	421,455	
39	258			0	131	0		
40		0		0	103	0	0	
41	Totals	775,345		638,603		736,536	873,278	

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	95,028,614	95,009,956	18,658		
2	Add: Credits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXXX XX
3	Contributions received during year	5,446,543	5,446,543			
4	Other credits*					
5	Total credits	5,446,543	5,446,543	0		
6	Deduct: Debits to account during year	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXX XX	XXXXXXX XX
7	Depreciation charges for year	2,843,158	2,843,158			
8	Nondepreciable donated property retired		XXXXXX XX			
9	Other debits*					
10	Total debits	2,843,158	2,843,158	0		
11	Balance end of year	97,632,000	97,613,342	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	174,950,466	163,113,949	11,836,517
21	601.2	Industrial sales	713,832	700,208	13,624
22	601.3	Sales to public authorities	10,145,962	8,598,661	1,547,301
23		Sub-total	185,810,260	172,412,818	13,397,442
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	2,080,843	2,024,062	56,781
34	605	Public fire protection service	0	0	0
35	606	Sales to other water utilities - resale	1,308,139	887,572	420,567
36	607	Sales to governmental agencies by contracts			0
37	608	Interdepartmental sales			0
38	609	Other sales or service	1,181,182	1,060,514	120,668
39		Sub-total	4,570,164	3,972,148	598,016
40		Total water service revenues	190,380,424	176,384,966	13,995,458

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	190,380,424	176,384,966	13,995,458
1		II. OTHER WATER REVENUES			
2	611	Miscellaneous service revenues	208,700	181,710	24,990
3	612	Rent from water property	25	25	0
4	613	Interdepartmental rents			
5	614	Other water revenues	11,203	7,680	3,523
6		Total other water revenues	217,928	189,415	28,513
7	501	Total operating revenues	190,598,352	176,574,381	14,023,971

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

Line No.	Location (a)	Operating Revenues (b)
8	Operations not within incorporated cities (Co of Santa Clara)	11,875,092
19	Operations within incorporated territory	
20	City or town of San Jose	139,900,601
21	City or town of Campbell	9,022,688
22	City or town of Cupertino	5,318,631
23	City or town of Los Gatos	10,840,183
24	City or town of Monte Sereno	1,559,256
25	City or town of Saratoga	12,078,285
26	City or town of Santa Clara	3,616
35		
36	Total	190,598,352

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		147,936	186,298	(38,362)
36	701	Operation supervision, labor and expenses		C		0	0	
37	702	Operation labor and expenses	A	B		312,947	301,736	11,211
38	703	Miscellaneous expenses	A			669,700	708,731	(39,031)
39	704	Purchased water	A	B	C	45,958,296	42,851,333	3,106,963

## 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		13,516	34,340	(20,824)
3	706	Maintenance of structures and facilities			C	0	0	
4	707	Maintenance of structures and improvements	A	B		158,083	161,840	(3,757)
5	708	Maintenance of collect and impound reservoirs	A			24,439	80,035	(55,596)
6	708	Maintenance of source of supply facilities		B				
7	709	Maintenance of lake, river and other intakes	A			14,076	37,373	(23,297)
8	710	Maintenance of springs and tunnels	A			0	0	0
9	711	Maintenance of wells	A			27,070	109,886	(82,816)
10	712	Maintenance of supply mains	A			355	7,318	(6,963)
11	713	Maintenance of other source of supply plant	A	B		6,890	1,318	5,572
12		Total source of supply expense				47,333,308	44,480,210	2,853,098
13		II. PUMPING EXPENSES						
14		Operation						
15	721	Operation supervision and engineering	A	B		332,679	266,488	66,191
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		743,265	684,261	59,004
21	725	Miscellaneous expenses	A			908,745	932,924	(24,179)
22	726	Fuel or power purchases for pumping	A	B	C	7,057,872	4,779,076	2,278,796
23	727	Ground water extraction charge				30,115,519	18,725,014	11,390,505
24	729	Maintenance supervision and engineering	A	B		50,463	40,876	9,587
25	729	Maintenance of structures and equipment			C	0	0	
26	730	Maintenance of structures and improvements	A	B		57,622	106,928	(49,306)
27	731	Maintenance of power production equipment	A	B		0	0	
28	732	Maintenance of pumping equipment	A	B		826,234	672,647	153,587
29	733	Maintenance of other pumping plant	A	B		4,036	7,835	(3,799)
30		Total pumping expenses				40,096,435	26,216,048	13,880,387
31		III. WATER TREATMENT EXPENSES						
32		Operation						
33	741	Operation supervision and engineering	A	B		404,719	401,640	3,079
34	741	Operation supervision, labor and expenses			C			
35	742	Operation labor and expenses	A			916,527	811,569	104,958
36	743	Miscellaneous expenses	A	B		548,189	643,356	(95,167)
37	744	Chemical and filtering materials Maintenance	A	B		257,746	244,919	12,827
38	745	Water quality regulatory costs	A	B		26,888	5,990	20,898
39	746	Maintenance supervision and engineering	A	B		2,108	375	1,733
40	746	Maintenance of structures and equipment			C			
41	747	Maintenance of structures and improvements	A	B		53,565	31,111	22,454
42	748	Maintenance of water treatment equipment	A	B		191,114	252,513	(61,399)
43		Total water treatment expenses				2,400,856	2,391,473	9,383
44		IV. TRANS. AND DISTRIB. EXPENSES						
45		Operation						
46	751	Operation supervision and engineering	A	B		497,352	425,790	71,562
47	751	Operation supervision, labor and expenses			C			
48	752	Storage facilities expenses	A			52,037	17,774	34,263
49	752	Operation labor and expenses		B				
50	753	Transmission and distribution lines expenses	A			568,973	545,070	23,903
51	754	Meter expenses	A			49,881	50,730	(849)
52	755	Customer installations expenses	A			0	0	0
53	756	Miscellaneous expenses	A			2,359,355	2,344,005	15,350



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		580,887	636,371	(55,484)
3	758	Maintenance of structures and plant			C			
4	759	Maintenance of structures and improvements	A	B		194,013	213,925	(19,912)
5	760	Maintenance of reservoirs and tanks	A	B		42,963	130,402	(87,439)
6	761	Maintenance of trans. and distribution mains	A			3,645,888	2,298,990	1,346,898
7	761	Maintenance of mains		B				
8	762	Maintenance of fire mains	A					
9	763	Maintenance of services	A			921,342	777,041	144,301
10	763	Maintenance of other trans. and distribution plant		B				
11	764	Maintenance of meters	A			541,150	512,106	29,044
12	765	Maintenance of hydrants	A			559,915	494,503	65,412
13	766	Maintenance of miscellaneous plant	A			3,315,085	3,056,893	258,192
14		Total transmission and distribution expenses				13,328,841	11,503,598	1,825,243
15		V. CUSTOMER ACCOUNT EXPENSES						
16		Operation						
17	771	Supervision	A	B		287,327	260,624	26,703
18	771	Superv., meter read., other customer acct. expense			C			
19	772	Meter reading expenses	A	B		1,207,302	1,175,565	31,737
20	773	Customer records and collection expenses	A			3,235,866	3,064,929	170,937
21	773	Customer records and accounts expenses		B				
22	774	Miscellaneous customer accounts expenses	A			254,708	233,380	21,328
23	775	Uncollectible accounts	A	B	C	269,026	196,330	72,696
24		Total customer account expenses				5,254,229	4,930,828	323,401
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	5,172,422	4,780,688	391,734
37	792	Office supplies and other expenses	A	B	C	1,016,918	1,000,372	16,546
38	793	Property insurance	A			0	0	0
39	793	Property insurance, injuries and damages		B	C			
40	794	Injuries and damages	A			1,330,387	1,159,916	170,471
41	795	Employees' pensions and benefits	A	B	C	9,891,670	9,226,260	665,410
42	796	Franchise requirements	A	B	C			
43	797	Regulatory commission expenses	A	B	C	2,708,345	2,504,835	203,510
44	798	Outside services employed	A			1,767,536	1,587,711	179,825
45	798	Miscellaneous other general expenses		B				
46	798	Miscellaneous other general operation expenses			C			
47	799	Miscellaneous general expenses	A			760,583	1,272,771	(512,188)
48		Maintenance						
49	805	Maintenance of general plant	A	B	C	430,668	483,049	(52,381)
50		Total administrative and general expenses				23,078,529	22,015,602	1,062,927
51		VIII. MISCELLANEOUS						
52	811	Rents	A	B	C	454,458	511,269	(56,811)
53	812	Administrative expenses transferred-Cr.	A	B	C	(4,309,237)	(4,163,997)	(145,240)
54	813	Duplicate charges-Cr.	A	B	C			
55		Total miscellaneous				(3,854,779)	(3,652,728)	(202,051)
56		Total operating expenses				127,637,419	107,885,030	19,752,389

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

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.

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	3,692,179	3,629,220	86,876	0	(23,917)	
15	State corp. franchise tax	2,418,000	2,418,000				
16	State unemployment insurance tax	48,226	40,816	559		6,076	775
17	Other state and local taxes	530,230	530,230				
18	Federal unemployment insurance tax	21,451	17,746	280		3,038	387
19	Federal insurance contributions act	1,903,605	1,651,681		19,013	206,578	26,333
20	Other federal taxes	0	0				
21	Federal income tax	9,013,000	9,013,000				
22	Franchise tax - Cupertino Lease	73,877					73,877
23	Federal income tax - Cupertino Lease	441,000					441,000
24	State corp. franchise tax - Cupertino Lease	120,000					120,000
25	Property tax - Cupertino Lease	55,938					55,938
26	Payroll tax 0 Cupertino Lease	10,651	10,651				10,651
27	Totals	18,328,157	17,311,345	86,876	19,852	191,774	728,961

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.....	17,744,988
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and non-	
3	taxable income):	
4	Add:	
5	Federal Income Tax	9,454,000
6	Recoveries of Uncollectible Accounts written off	34,973
7	Provision for doubtful accounts	274,026
8	Dues	122,168
9	Non-deductible retirement expenses	4,717,320
10	Non-deductible equity compensation expense	536,435
11	California Franchise Tax current year, per books	2,538,000
12	Non-deductible meals, entertainment & travel	85,989
13	Taxable contributions & advances	2,986,073
14	Amortization of debt reacquisition cost and nonrecoverable taxes	124,801
15	Book Tax Depreciation in Excess of Federal	1,793,838
16	Non-deductible and In-Kind deductible contributions	(980)
17	Retirement Proceeds	24,938
18	Executive Deferred Compensation Accrual	320,195
19	Uninsured losses accrued	219,926
20	Non-deductible ESPP expense	64,196
21	Deduct:	
22	Uninsured losses paid	118,335
23	Bad Debts written off	294,628
24	Contribution to Pension Plan & Pension Payments	2,788,295
25	California Franchise Tax prior year	3,319,806
26	Loss on dispositions (ACRS/MACRS property)	1,474,364
27	Imputed Interest on post 6/12/96 contracts	596,992
28	Def. revenue	298,433
29	Deductible equity compensation expense	1,694,786
30	Amortization of lease concession fee	181,356
31	Cost of retirement	708,728
32	IRC Mfg. 199 deduction	572,118
33		
34	Federal tax net income.....	<u>28,993,046</u>
35	Computation of tax:	
36	Tax at 35%	10,147,565
37		
38	Tax per return (1)	<u>10,147,565</u>

Group members included in consolidated Federal tax return:

Name	2007 Tax
SJW Corp. (1)	(306,656)
SJW Land Co. (1)	1,201,128
SJWTX Water, Inc (1)	(61,224)

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	603,144
11	Amort. Def. Rev. for CIAC 1987-2000	298,433
12	Billing Service for City of San Jose "Recycle Plus" program	78,988
13	Billing Service for City of Milpitas	44,677
14	Backflow Prevention Service	52,530
15	Lease Cupertino Water System	1,117,677
16	Maintenance Contract for City of San Jose	521,420
17	Miscellaneous	7,860
18		Total 2,724,729

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

Line No.	Description (a)	Amount (b)
19	Miscellaneous	9,367
20		
25		

SCHEDULE B-9  
Account 535-Other Interest Charges

Line No.	Description (a)	Amount (b)
27	Line of credit interest	115,997
28	Intra-company interest expense	33,049
29	Interest on customer deposits	12,794
30	Unclaimed Property	0
		Total 161,840

SCHEDULE B-10  
Account 538-Miscellaneous Income Deductions

Line No.	Description (a)	Amount (b)
34	See attached	179,400
35		0
36		0
37		
42		Total 179,400

SAN JOSE WATER COMPANY  
CONTRIBUTIONS - YEAR 2007

"27"

Name of Organization	Total
Almaden Valley Counseling Srvc	1,000
Alquist, E State Senator	150
American Cancer Society	3,000
American Heart Assc	1,000
American Musical Theatre	153
Ballet San Jose	50
Books Aloud Inc	2,000
Boys & Girls Clubs	500
Boys Scouts of America	2,500
C Liu-Senate	250
Campbell Highland Games	1,500
Campbell Historical Museum	2,500
CASA	300
Caserta for State Assembly	550
Catering by Grace(Watereuse)	500
Children's Discovery Museum	25,000
City Lights Theater	2,000
Compac/820668/970764	1,950
Coto for Assembly	500
Crime Stoppers	500
D Cortese-Supervisor	500
Del Mar Don's Sports Assc	1,000
Fammatre Elementary	1,000
Friends Outside	500
G Wong-City Council	250
Girl Scouts of SCC	2,500
Guadalupe River Park & Gardens	1,000
H Lien-City Council	500
Home Builders Association	920
Hope Rehabilitation Services	1,000
Innvision	1,500
Junior Achievement	5,000
K Chu-City Council	250
Lakeside School Community	1,000
Latino Journal	1,000
Loaves & Fishes Family Kitchen	500
Martha's Kitchen	500
Muscular Dystrophy Assc	2,600
Norman Mineta Tribute	600
P Oliverto-City Council	250
Portuguese Organization	500
Pyle, Nancy - City Council	500
Rebuild Together S.V.(Xmas in Apr)	5,500
Rotary Endowment, fines, etc.	1,783
Sacred Heart Community Service	500
San Jose Conservation Corp.	5,000
San Jose Day Nursery	5,000
San Jose Education Foundation	2,750
San Jose Family Shelter	5,000
San Jose Museum of Art	2,500
San Jose Repertory Theater	2,500
San Jose Sports Authority	1,500
San Jose State University	2,500
Santa Clara County FireSafe Council	2,500
Santa Clara University	100
Santa Visits Alviso Foundation	500
Shirakawa for Supervisor	500
SJ Public Library Foundation	1,000
SJ Silicon Valley CofC - 501(c)(6)	15,000
SJSU College of Engineering	1,100
SJSU Dr Martin L King Library	10,000
SJWC Employees Community Fund Inc.	7,044
Stroke Awareness Foundation	1,000
Tedesco for City Council	250
The Role Model Program	2,000
United Way of Santa Clara County	20,100
Valle Monte League	1,000
VMC Foundation	1,000
Water for People	2,500
YMCA (Southwest)	1,000
YWCA	9,000
<b>Grand Total</b>	<b>179,400</b>

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

Line No.	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.
1	1 Did the respondent have a contract or other agreement with any organization or person
2	covering supervision and/or management of its own affairs during the year?
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
9	unless a copy of the instrument in due form has been furnished in which case a definite reference to the report
10	of the respondent relative to which it was furnished will suffice.
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
30	managing concerns?

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	692,907
2	Employees-Pumping	24	1,560,792
3	Employees-Water treatment	20	1,473,537
4	Employees-Transmission and distribution	132	7,970,188
5	Employees-Customer account	51	3,168,586
6	Employees-Sales		
7	Employees-Administrative:		
8	General officers	8	2,797,847
9	General office	32	2,387,333
10	Totals	272	20,051,190

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 Number (i)	Amount (j)
		Killed (b)	Injured (c)	Killed (d)	Injured (e)			Number (g)	Amount (h)		
11	1/10/07	0	1	0	0	1	1/1/07	2	\$0.00	1	\$223.17
12	1/18/07	0	2	0	0	2	1/7/07	1	\$241.75	0	\$0.00
13	2/16/07	0	1	0	0	1	1/12/07	1	\$1,913.57	0	\$0.00
14	2/17/07	0	2	0	0	2	2/10/07	2	\$202.33	0	\$0.00
15	2/26/07	0	2	0	0	2	2/11/07	1	\$1,634.72	0	\$0.00
16	3/8/07	0	2	0	0	2	2/14/07	2	\$0.00	0	\$0.00
17	3/13/07	0	2	0	0	2	3/1/07	1	\$0.00	0	\$0.00
18	3/14/07	0	1	0	0	1	3/9/07	1	\$2,448.84	1	\$2,573.84
19	3/18/07	0	1	0	0	1	3/13/07	1	\$2,825.52	0	\$0.00
20	4/2/07	0	1	0	0	1	3/14/07	1	\$6,403.65	0	\$0.00
21	4/8/07	0	1	0	0	1	3/15/07	1	\$0.00	0	\$0.00
22	4/24/07	0	2	0	0	2	3/17/07	1	\$0.00	0	\$0.00
23	5/24/07	0	1	0	0	1	3/18/07	1	\$127.00	0	\$0.00
24	5/31/07	0	1	0	0	1	3/29/07	1	\$933.62	0	\$0.00
25	6/7/07	0	1	0	0	1	4/2/07	1	\$2,555.89	0	\$0.00
26	6/12/07	0	1	0	0	1	4/5/07	2	\$3,060.10	0	\$0.00
27	6/18/07	0	1	0	0	1	4/16/07	1	\$1,877.02	0	\$0.00
28	6/19/07	0	1	0	0	1	4/17/07	1	\$949.72	0	\$0.00
29	7/11/07	0	1	0	0	1	5/12/07	2	\$1,029.22	0	\$0.00
30	7/15/07	0	1	0	0	1	5/17/07	1	\$2,317.33	0	\$0.00
31	7/18/07	0	1	0	0	1	5/18/07	1	\$1,098.07	0	\$0.00
32	7/20/07	0	1	0	0	1	5/23/07	1	\$0.00	0	\$0.00
33	8/1/07	0	1	0	0	1	5/25/07	1	\$586.60	0	\$0.00
34	8/13/07	0	1	0	0	1	5/27/07	1	\$0.00	0	\$0.00
35	8/19/07	0	1	0	0	1	6/5/07	1	\$751.71	0	\$0.00
36	8/20/07	0	1	0	0	1	6/6/07	1	\$3,244.56	0	\$0.00
37	8/24/07	0	1	0	0	1	6/13/07	2	\$2,203.90	0	\$0.00
38	8/30/07	0	1	0	0	1	6/15/07	1	\$0.00	0	\$0.00

39	9/4/07	0	2	0	0	2	7/2/07	1	\$1,094.55	0	\$0.00
40	9/6/07	0	1	0	0	1	7/10/07	1	\$0.00	1	\$1,573.45
41	10/3/07	0	1	0	0	1	7/13/07	1	\$5,913.75	0	\$0.00
42	10/4/07	0	1	0	0	1	7/24/07	1	\$284.25	0	\$0.00
43	10/12/07	0	1	0	0	1	8/6/07	1	\$0.00	0	\$0.00
44	10/15/07	0	1	0	0	1	8/21/07	1	\$0.00	0	\$0.00
45	11/01/07	0	1	0	0	1	8/25/07	1	\$1,147.88	0	\$0.00
46	11/04/07	0	1	0	0	1	9/4/07	1	\$0.00	0	\$0.00
47	11/11/07	0	1	0	0	1	9/5/07	1	\$0.00	0	\$0.00
48	11/13/07	0	1	0	0	1	9/8/07	1	\$5,913.75	0	\$0.00
49	11/15/07	0	1	0	0	1	9/30/07	1	\$5,018.84	0	\$0.00
50	11/25/07	0	1	0	0	1	10/18/07	2	\$2,214.13	0	\$0.00
51	11/28/07	0	1	0	0	1	10/24/07	1	\$0.00	0	\$0.00
81	12/03/07	0	1	0	0	1	10/26/07	1	\$0.00	0	\$0.00
82	12/06/07	0	1	0	0	1	11/26/07	1	\$0.00	0	\$0.00
83	12/10/07	0	1	0	0	1	11/27/07	1	\$0.00	0	\$0.00
84	12/26/07	0	1	0	0	1	12/12/07	1	\$534.13	0	\$0.00
85	12/28/07	0	1	0	0	1	12/21/07	1	\$5,438.83	0	\$0.00
86											
87											
88											
89											
<b>Totals</b>		<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>		<b>53</b>	<b>\$63,965.23</b>	<b>3</b>	<b>\$4,370</b>

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

SCHEDULE C-5  
Expenditures for Political Purposes

52 See attached 7,950

SCHEDULE C-6  
Loans to Directors, Officers or Shareholders

53 NONE

SCHEDULE C-7  
2007 Bonuses Paid to Executives & Officers

		Cash Value (1)	Non-Cash Value (2)
54	Belhumeur Senior Vice President	\$32,000	\$8,035
55	Drysdale Vice President	\$16,000	\$4,995
56	Papazian Corporate Secretary	\$16,000	\$0
57	Roth President & CEO	\$88,000	\$212,131
58	Yip Senior Vice President & CFO	\$45,000	\$16,264
59	Yoo Chief Operating Officer	\$40,000	\$25,569
60	Elliott Controller	\$16,000	\$4,205
61	Giordano Vice President	\$15,000	\$0
62	Jensen Vice President	\$16,000	\$0

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



**SAN JOSE WATER COMPANY  
POLITICAL CONTRIBUTIONS - YEAR 2007**

"29"

**Political Contributions**

K Chu - City Council	City	250
D Cortese-Supervisor	County	500
H Lien - City Council	City	500
P Oliverio- City Council	City	250
N Pyle - City Council	City	500
Shirakawa - Supervisor	County	500
Tedesco-City Council	City	250
G Wong - City Council	City	250
Compac/820668/970764	Local	2,500
Alquist, E State Senator	State	150
Caserta for Assembly	State	550
Coto for Assembly	State	500
Latino Journal	State	1,000
C Liu - Senate	State	250
		<hr/> <hr/>
<b>Total Political</b>		7,950

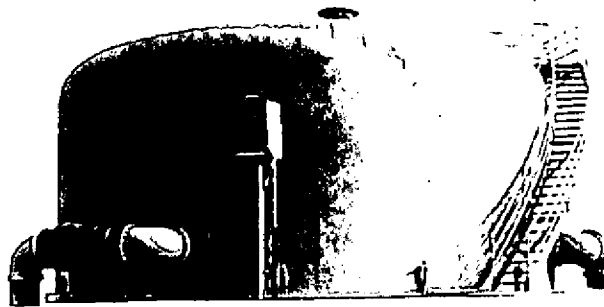
SCHEDULE D-1  
Sources of Supply and Water Developed

"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				83.444
3	Montevina	Los Gatos	Ryland Intake				1,741.550
4							
5						Total Gravity Supply	1,824.994

Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1Depth to Water	Pumping Capacity	Annual Quantities Pumped M. G.	
						2		
								(Unit)
6	Bascom	San Jose					645.546	
7	Berryessa	San Jose					2.652	
8	Branham	San Jose					0.000	
9	Breeding	San Jose					443.161	
10	Bryan	San Jose					0.000	
11	Buena Vista	San Jose					1,692.758	
12	Cottage Grove	San Jose					729.804	
13	Cropley	San Jose					0.330	
14	David	San Jose					0.000	
15	Delmas	San Jose					0.000	
16	Gish	San Jose					4.702	
17	Grant	San Jose					767.098	
18	Home	San Jose					117.489	
19	Jackson	San Jose					0.018	
20	Mabury	San Jose					0.002	
21	Main Station	San Jose					476.928	
22	Malone	San Jose					1,038.147	
23	Meridian	San Jose					578.330	
24	Merrimac	San Jose					0.000	
25	Needles	San Jose					60.103	
26	Ridgeley	San Jose					0.000	
27	Senter	San Jose					506.760	
28	Seventeen St.	San Jose					1,375.417	
29	Springfield	San Jose					0.000	
30	San Tomas	San Jose					0.000	
31	Sterling	San Jose					0.000	
32	3- Mile	San Jose					1,296.178	
33	Twelve St.	San Jose					2,310.163	
34	Tully	San Jose					2,546.794	
35	Virginia	San Jose					245.094	
36	Williams	San Jose					4,808.458	
37	Willow Glen Wy.	San Jose					1,782.177	
						Totals Wells	21,428.109	
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
Vanner 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
Kyburzt	(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
					0	
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
Rainbow's End	(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

	3/4"	1"	1-1/4"	2"	2-1/2"	3"	3-1/2"	4"	4-1/2"	5"	6"	6-3/8"
Welded Steel						2,975	3,297	106,303	14,840	340	532,901	1,824,389
Std. Screw	373	2,046	105	1,438	544	4,105	17,859	6,084	743		21,087	627,064
Cast Iron				130,190				424,052		21,954	1,724,097	
Copper		655		3,927								
Transite				1,882								
Concrete						4,010		173,435			0	
Plastic						1,000		156,482			1,186,528	
Polyethylene	310	350		620	14,772			400			30,290	
Polybutyl				1,588	266							5,474
<b>Total</b>	<b>683</b>	<b>3,051</b>	<b>105</b>	<b>152,625</b>	<b>544</b>	<b>29,949</b>	<b>3,297</b>	<b>866,758</b>	<b>15,583</b>	<b>22,294</b>	<b>3,494,903</b>	<b>2,456,907</b>

	7"	8"	8-5/8"	10"	10-3/4"	11"	12"	12-3/4"	13"	14"	15-3/10"	16"	17"
Welded Steel	1,864	112,923	659,010	47,444	148,402	429,683				5,726	100,713	52,316	
Std. Screw	154	1,539	0	10,203	9,363	204,041			135		568	5,104	
Cast Iron		853,537		180,115	504,865	93						146,404	
Copper				332,168									
Transite													
Concrete		417,807		128,765	194,720						58,917		
Plastic		7,400		1,076	545								
<b>Total</b>	<b>2,018</b>	<b>1,393,206</b>	<b>659,010</b>	<b>519,656</b>	<b>180,139</b>	<b>489</b>	<b>857,895</b>	<b>633,817</b>	<b>135</b>	<b>5,726</b>	<b>309,138</b>	<b>52,316</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	83,336	74,084	6,648	101,541	1,628	6,240	49,603	5,771	9,773	1,820	50,976	16,537	
Sld. Screw	71,752	2,352	15,027	48,000	6,357	1,829	55,047		3,079				
Cast Iron		0											
Copper													
Transite													
Concrete													
Plastic													
<b>Total</b>	<b>155,088</b>	<b>152,594</b>	<b>6,648</b>	<b>101,541</b>	<b>64,655</b>	<b>6,240</b>	<b>55,960</b>	<b>1,929</b>	<b>5,771</b>	<b>68,044</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	9,118	152	440	4,834	24,648	10,612	2,502	3,225	14,376	12,031	12,409	1,443	17,137	4,234
Sld. Screw														
Cast Iron														
Copper														
Transite														
Concrete														
Plastic														
<b>Total</b>	<b>9,118</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>4,234</b>

Welded Steel	4,468,538
Sld. Screw	1,412,034
Cast Iron	4,235,606
Copper	2,537
Transite	173,435
Concrete	2,006,834
Plastic	212,845
Polyethylene	7,462
Polybutyl	266
<b>343 Total</b>	<b>12,519,557</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.)	214,547	215,576		
Industrial	60	56		
Public authorities	1,686	1,676		
Irrigation	0	0		
Other water utility	30	39		
Misc.	261	263		
Sub-total	216,584	217,610		
Private fire connections			3,198	3,300
Public fire hydrants				
Total	216,584	217,610	3,198	3,300

SCHEDULE D-5

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

Size	Meters	Size	Services
3/4-in	181,106	1/2-in Installati	704
1-in	31,307	3/4-in *	118,534
1-1/2-in	3,592	1-in s	43,232
2-in	5,362	1-in sp	21,384
3-in	322	1-1/4in S	951
4-in	127	* Sp	1,377
6-in	61	1-1/2in S	5,362
8-in	6	* Sp	1,230
10-in	8	2-in S	6,239
Reclaimed water 1"	2	2-in Sp	78
Reclaimed water 3"	9	Misc Svcs & S	376
Reclaimed water 4"	21	3-in S	157
Reclaimed water 6"	1	2x2 manf=3"	852
Reclaimed water 8"	3	4-in S	1,268
Reclaimed water 10"	1	6-in S	1,425
Little Creek	46	8-in S	920
8-in Manifold	7	10-in S	136
Kennedy Mutual	32	12-in S	13
Santa Teresa	1	18-in S	1
		Manifolds	1,753
		Regulators	33
		Graystone Hts	24
Total	222,014		206,049

SCHEDULE D-6

Meter Testing Data

A. Number of Meters Tested During Year as Prescribed	
1. New, after being received . . . . .	600
2. Used, before repair	0
3. Used, after repair	4,079
4. Found fast, requiring billing adjmt.	0
B. Number of Meters in Service Since Last Test.	
1. Ten year or less	104,886
2. More than 10, but less than 15 yrs.	62,982
3. More than 15 years	48,250

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	3,714	3,240	3,163	3,458	4,306	5,054	22,932
Industrial	17	20	15	19	20	24	114
Public authorities	106	98	131	226	350	483	1,394
Irrigation	0	0	0	0	0	0	0
Other water utilities	14	12	14	17	22	31	110
Misc. (1)	25	25	25	45	72	81	272
<b>Total</b>	<b>3,876</b>	<b>3,394</b>	<b>3,347</b>	<b>3,763</b>	<b>4,770</b>	<b>5,673</b>	<b>24,822</b>

During Current Year										
Classification of Service	Jul	Aug	Sept	Oct	Nov	Dec	Subtotal	Total	Total Prior Year	
Commercial	6,443	6,094	6,394	5,697	5,051	4,196	33,875	56,807	55,122	
Industrial	30	26	25	27	22	22	150	265	269	
Public authorities	566	479	488	320	249	171	2,272	3,666	3,174	
Irrigation	0	0	0	0	0	0	0	0	0	
Other water utilities	34	31	31	24	20	18	158	267	307	
Misc. (1)	78	80	98	45	39	31	371	643	631	
<b>Total</b>	<b>7,149</b>	<b>6,709</b>	<b>7,035</b>	<b>6,113</b>	<b>5,381</b>	<b>4,438</b>	<b>36,826</b>	<b>61,648</b>	<b>59,503</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 Recovery	D.06-11-015	(\$402,474)	\$372,022	\$0	(\$12,774)	0	0	(\$43,226)
4	Balancing Account	Pending (2005)	\$146,238	\$0	\$0	\$7,450	0	0	\$153,688
4	Balancing Account	Pending (2006)	\$994,658	\$0	\$0	\$50,685	0	0	\$1,045,343
5									
6	Memorandum Balancing Acct								
7	Purchased Power	Pending	\$0	\$0	(\$384,508)	\$8,464	0	0	\$382,972
8	Purchased Power	Pending	\$0	\$0	(\$817,572)	\$16,315	0	0	\$833,887
9	Purchased Power	Pending	\$0	\$0	(\$14,252)	\$52	0	0	\$14,304
10	Purchased Water	AL378	\$0	\$1,243,241	\$1,608,781	(\$9,795)	0	0	(\$375,334)
11	Ground Water Extraction Charge	AL378	\$0	\$1,207,738	\$1,516,101	(\$6,903)	0	0	(\$315,266)
12	WRAP Discount	AL356 & AL370	\$0	\$264,198	\$270,003	\$467	0	0	(\$5,338)
13	SRF Loan Surcharge	AL364	\$0	\$150,057	\$193,913	(\$975)	0	0	(\$44,831)
14									
15									
16									
17	Memorandum Acct								
18	Water Contamination	AL 301 & Res. W-4094	(\$8,290)	\$0	\$0	\$0	0	0	(\$8,290) *
19	Calero Tank	D.97-07-047 State Of Emergency proclaimed 2/21/03	(\$293,142)	\$0	\$18,624	(\$14,999)	0	0	(\$326,765)
20	Catastrophic Events		(\$57,580)	\$0	\$0	\$0	0	0	(\$57,580) *
21									
22									
23									
24									
25									
17									
18									
19									

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 filed 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 automatically qualifies customers already part of PG&E's CARE program, while customers without PG&E service in their name qualify by providing income verification in accordance with the program guidelines. The program also extend eligibility to customers in mobile homes behind master-meters. In order to fund this program SJWC charges a monthly surcharge of \$0.10 per bill. 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 also maintains 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, 2007, 3,282 low income households have been approved. The application which describes the program is included in the new customer welcome packets. 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. Ads promoting the WRAP program were run in local bi-lingual newspapers El Observador and La Oferta on May 4th, 11th, 18th and 25th and in the Viet Daily six times during May. The company also ran fourteen PSA's on local bi-lingual radio station VietNam radio VNFM 96.1 during the month of May.

SJWC's web site features a Customer Services Overview page on which the Water Rate Assistance Program (WRAP) is included. The page features program information and a link to both the individual application and the Mobile Home Park application.

**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

Schedule E-4 Report on Affiliate Transactions			
Line No.	Description of Services Provided by Regulated Water Utility To Affiliated Companies	Entity	Amount
1	(a) Description of Services Provided by Regulated Water Utility To Affiliated Companies	SJW Corp.	Support for G&A, Accounting, Maintenance and Vehicles (\$749,577)
2	(b) Description of Services Provided by Affiliated Companies to Regulated Water Utility	SJ Land Company	None
3	(c) Assets Transferred from Regulated Utility to Affiliated Companies	SJW Corp.	None
4	(d) Assets Transferred to Regulated Utility from Affiliated Companies	SJW Corp.	None
5	(e) Employees Transferred from Regulated Utility to Affiliated Companies	SJW Corp.	None
6	(f) Employees Transferred to Regulated Utility from Affiliated Companies	SJW Corp.	None
7	(g) Financing Arrangements and Transactions between Regulated Utility and Affiliated Companies	SJW Corp.	Note Payable to SJWC from SJW Corp \$965,000 at 12/31/07 6.25% for short term cash needs
8		SJW Corp.	Note Payable to SJWC from SJ Land Co \$3,700,000 at 12/31/07 6.25% to fund cash needs
		SJWTX Water, Inc.	Support for G&A, Accounting and Engineering functions (\$348,036)
		SJ Land Company	Arms Length sale of 1265 Bascom Ave. SJ to SJWC from SJ Land Co. \$4,450,000



Excess Capacity and Non-Tariffed Services

Based on the information and things required in D.00-07-018, D.03-04-028 and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2007				Applies to all Non-Tariffed Goods/Services that require Approval by Advice Letter								
Line No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Services	Expense Account Number	Advice Letter Number and/or Resolution Number	Advice Letter Number	Total Income Tax Liability incurred because of Non-Tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Asset used in the provision of a Non-Tariffed Good/Service (by Account)	Regulated Asset Account Number
1	Billing Contract with City of San Jose	Active	\$122,797	526								
2	Billing Contract with the City of Milpitas	Active	\$44,677	526								
3	Telecom Leases	Passive	\$808,043	526								
4	Backflow Testing Service for South Bay Water Recycling Program	Active	\$52,530	526								
5	City of Cupertino Water System Lease	Active	\$2,191,943	526								
6	Maintenance Services for City of San Jose	Active	\$1,041,660	526								
7	Municipal Water System	Active	(\$27,488)	526								
8	Municipal Water System	Active	(\$5,773)	526								
	Meter Shop Testing Service	Active		526								
	<b>Total</b>		<b>\$4,049,935</b>									

1. Activities presented in A.03-05-035 and authorized in D.04-08-054

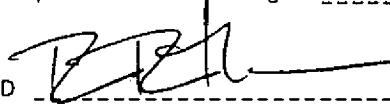
**DECLARATION**  
**Before Signing, Please Check to See That All Schedules Have Been Completed**

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, 2007 to and including of December 31, 2007  
(date)

(date)

SIGNED 

Title President, Chief Executive Officer

Date March 17, 2008