

San Jose Water Company

(U-168-W)

2012 Annual Report

Compliance Filing as Required by the “Decision Resolving Phase 2 Conservation Goals and Modifying Tracking of Conservation and Low-Income Data” as authorized in Decision 11-05-004.

San Jose Water Company

(U-168-W)

Information-Only Filing Conservation Data Report

As Required by California Public Utilities Commission's

Decision No.11-05-004

March 31, 2013

## INTRODUCTION

In compliance with California Public Utilities Commission (“CPUC”) Decision (“D.”) 11-05-004 SJWC provides the following information:

- Baseline average (from 2003-2007 or 10-year baseline if it includes 2003-2007 and only includes years prior to the adoption of a conservation rate design) estimated monthly or bimonthly (depending on billing cycle) per customer or service connection consumption by ratemaking district, separated by customer class and meter size. If the water company elects to use a baseline in reliance on the Department of Water Resources methodology developed to implement SBX7-7 without calendar years 2003-2007, the water company shall attach workpapers to support the use of that baseline;

Meter Size	Residential	Business	Industrial	Public Authority	Resale
5/8”	15.0	18.0	N/A	N/A	N/A
3/4”	14.5	18.0	3.4	11.1	254.0
1”	17.9	44.8	19.7	12.9	334.2
1 1/2”	31.8	82.2	176.3	34.7	794.5
2”	53.6	182.9	248.2	279.2	1,180.7
3”	N/A	853.9	545.2	671.2	802.5
4”	N/A	1,229.2	1,971.7	1,112.3	6,100.5
6”	N/A	1,666.4	516.9	969.3	N/A
8”	N/A	2,360.0	N/A	1051.4	N/A
10”	N/A	1,609.9	N/A	N/A	N/A

Note: All consumption in ccf/connection/month

- Average estimated monthly or bimonthly (depending on billing cycle) per customer or service connection consumption in one hundred cubic feet by ratemaking district, separated by customer class and meter size;

Meter Size	Residential	Business	Industrial	Public Authority	Resale
5/8"	14.1	9.9	N/A	N/A	N/A
3/4"	13.3	15.2	1.2	5.4	401.0
1"	19.2	33.4	19.6	10.3	169.9
1 1/2"	26.1	67.5	69.8	27.8	663.8
2"	35.9	117.0	127.2	73.9	491.4
3"	69.5	252.1	146.0	274.0	1,544.7
4"	555.7	573.0	377.1	485.4	637.0
6"	1,283.7	949.6	1,482.5	562.7	N/A
8"	N/A	1,767.5	N/A	569.5	N/A
10"	N/A	1,627.5	N/A	N/A	N/A

Note: All consumption in ccf/connection/month

- Comparison table including baseline and annual average estimated consumption by ratemaking district, separated by customer class and meter size, for each year following implementation of conservation rate designs, with the percentage reduction in consumption calculated by district and by customer class and meter size within each ratemaking district;

**Tiered rate design was implemented in late 2008 for the Residential Customer Class.**

Meter Size	Base (2003-2007 Avg)	2009	% Change from Base	2010	% Change from Base	2011	% Change from Base	2012	% Change from Base
5/8"	179.5	N/A	N/A	N/A	N/A	111.6	-37.9%	169.4	-5.6%
3/4"	174.4	159.8	-8.39%	151.5	-13.14%	149.8	-14.1%	159.6	-8.5%
1"	214.9	229.0	6.58%	214.8	-0.05%	212.6	-1.1%	230.1	7.0%
1 1/2"	381.9	529.2	38.57%	481.3	26.04%	272.4	-28.7%	313.2	-17.9%
2"	643.4	817.9	27.13%	814.4	26.58%	371.2	-42.3%	431.2	-32.9%
3"	N/A	N/A	N/A	N/A	N/A	1,794.8	N/A	834.4	N/A
4"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,668.0	N/A
6"	N/A	N/A	N/A	N/A	N/A	11,378	N/A	15,404	N/A
Total	181.7	171.5	-5.8%	161.8	-11.0%	160.1	-11.9%	172.0	-5.4%

Note: All consumption in ccf/connection/year

- Average estimated monthly or bimonthly (depending on billing cycle) consumption per tier or block separated by ratemaking district, by meter size, and by customer class, and the number of customers in each sub-grouping;

**Tiered rate design is applicable to Residential Customer Class only.**

Meter Size	Tier 1 (ccf/month)	Tier 2 (ccf/month)
5/8"	7,962	3,692
3/4"	1,620,065	621,598
1"	240,068	238,731
1 1/2"	29,714	32,901
2"	11,353	19,989
3"	21	18
Total	1,909,182	916,930

- Estimated monthly or bimonthly (depending on billing cycle) number of customers by district, monthly or bimonthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment, and number of customers reconnected;

Number of Customers	20,153
Number of Disconnect Notices	5,317
Number of Disconnects for Non-Payment	921
Number of Reconnections	842

- Estimated monthly Best Management Practices compliance costs, by district, separated by customer class, coverage goals or flex track menu (by measure);

**SJWC does not track the expenses related to complying with the California Urban Water Conservation Council's (CUWCC) Best Management Practices (BMPs) as separate BMPs. The BMPs cover many sectors of company operations, ranging from rates and regulatory affairs, to water loss control and prevention, to water conservation, to public information and others. The expenses related to these areas of the company are tracked, but not specifically with regard to complying with the**

**BMPs. While SJWC does track expenses related to certain water conservation items, many of the BMPs that pertain to conservation are performed by the water wholesale agency in Santa Clara County, the Santa Clara Valley Water District (SCVWD). SCVWD performs water conservation programs on behalf of all the retail water agencies in the county including SJWC. The programs are paid for through wholesale water rates paid to SCVWD. It is not possible to break out the portion of the rates that are paid to the district for any individual program or BMP. Please refer to the table shown on Page 2 of the Water Conservation Chapter (Chapter 18) of the SJWC rate case filing to see which BMPs are performed by SJWC vs. those performed by SCVWD or those performed by both agencies. While SCVWD does report to its retailers the program participation levels for each conservation program (such as number of rebates processed), it does not report the expenditures that would apply to each retailer for that program.**

- Any other district-specific factor (such as changes in weather, increases in supply from recycled water, or economic factors) that might contribute to consumption changes.

**Declining water usage by customers in recent years for the SJWC service area can be attributed to several factors including the economic downturn, (cooler) weather, and the conservation efforts of the water utility and its customers. However, there has not been a study of how these or other factors actually influence water usage and by how much. The factors mentioned are likely applicable to all or many water utilities in California and are not unique to SJWC. Although recycled water is being promoted and the infrastructure is being expanded by SJWC, it remains a relatively small percentage of the overall supply portfolio. It is not likely that expanded recycled water use is a contributing factor to the decline in usage by SJWC customers at this time.**

San Jose Water Company

(U-168-W)

Information-Only Filing Low-Income Data Report

As Required by California Public Utilities Commission's

Decision No.11-05-004

March 31, 2013



## INTRODUCTION

In compliance with California Public Utilities Commission (“CPUC”) Decision (“D.”) 11-05-004 SJWC provides the following information:

- Average estimated monthly or bimonthly (depending on billing cycle) per customer or service connection low income customer consumption in one hundred cubic feet by ratemaking district<sup>1</sup>, separated by meter size;

Meter Size	Low-Income (ccf/connection/month)
5/8”	13.1
3/4”	12.1
1”	14.0
1 1/2”	20.9
2”	82.6
3”	1330.4
4”	608.8
6”*	1,367.4
8”*	4,118.3
Total	13.4

\*Master metered mobile home parks

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<sup>1</sup> SJWC is a single district utility

- Average estimated monthly or bimonthly (depending on billing cycle) consumption per tier or block separated by ratemaking district, by meter size, and by customer class for low-income customers and the number of customers in each sub-grouping;

Meter Size	Single Quantity Rate (ccf/month)	Tier 1 (ccf/month)	Tier 2 (ccf/month)
5/8"	39.8	941.7	329.0
3/4"	1,977.9	219,692.1	61,205.3
1"	2,338.3	10,605.0	4,699.9
1 1/2"	384.9	578.3	309.7
2"	1,472.7	165.1	97.0
3"	7,982.4	N/A	N/A
4"	1,217.6	N/A	N/A
6"	20,511.6	N/A	N/A
8"	12,355.0	N/A	N/A
Total	48,280.2	231,982.2	66,640.9

- Estimated monthly or bimonthly (depending on billing cycle) number of participating low-income customers by district, monthly or bimonthly number of disconnection notices generated to those customers, number of customers disconnected for non-payment and number of customers reconnected, for all low-income customers;

	Monthly Customers
Number of Customers	2,078
Number of Disconnect Notices	1,145
Number of Disconnects for Non-Payment	186
Number of Reconnections	185

- Average low-income customer household size and average estimated monthly or bimonthly (depending on billing cycle) consumption by ratemaking district for low-income households of 5 or more, and the number of customers in each subgrouping;

**Per D.11-05-004 Conclusion of Law #6, household size data shall be filed concurrently with the 2013 Annual Report.**

- Average water revenue adjustment mechanism/Modified Cost Balancing Accounts (WRAM/MCBA) surcharge(s) bill impact on participating low-income customers by ratemaking district. This bill impact should be compared with the same bill under the uniform/standard rate. The bill impact should separately identify bill components, including applicable rates, WRAM/MCBA surcharge(s), and low-income assistance program discount, calculated at average consumption for the typical meter size;

**SJWC does not have a full WRAM/MCBA.**

- Participating low-income customer inclusion in conservation programs offered by the water utility:
  - describe the water conservation program by ratemaking district(s);

**The ongoing conservation program offered by SJWC consists of the residential and commercial water audit program, distribution of complimentary low-flow showerheads and faucet aerators, public information and education, and participation in various programs offered through SJWC's wholesale water provider, the Santa Clara Valley Water District (SCVWD). SCVWD offers conservation programs that are the most cost effective and sensible to offer at a regional level and such programs are indirectly funded through the wholesale rates paid to SCVWD by SJWC. The programs offered by SCVWD include rebates for residential and commercial High Efficiency Toilets (HETs), residential and commercial high efficiency clothes washing machines, submeters for multi-family properties and a complete landscape rebate program. Additionally, SJWC customers with large landscaped areas can participate in SCVWD's Landscape Survey Program. SCVWD also offers a Water Efficient Technology Program that is available directly to SJWC customers. This program offers rebates for a variety of process improvements that provide measureable water savings at commercial properties. Typically customers are recommended to specific rebate programs during the course of a SJWC water audit based on the customer's specific needs. Customers can also access rebates directly from retail outlets when purchasing new high efficiency appliances.**

**SJWC also collaborates with SCVWD on public outreach and education including such items as customer bill inserts and conservation campaign advertising. Over the last several years, SJWC has also increased the outreach and educational programs on outdoor water use. SJWC constructed a water-smart demonstration garden which is open to the public. Customers can visit the garden in person or take a virtual tour on the SJWC website. SJWC has also developed a dedicated water wise landscaping website where customers can access a plant information database that includes hundreds of low water use plants as well as a photographic database of water wise gardens in the San Jose-Santa Clara County area. The**

landscaping website and the demonstration garden tour can be accessed from the SJWC home web page. There is also a substantial amount of water conservation information, water efficiency tips, and additional reference resources on the SJWC website.

**Water Audits:** The cornerstone of SJWC's conservation programs is the water audit program. Audits are performed at customer request, typically in response to a high water bill concern and/or in response to water efficiency marketing efforts. Audits are performed for both residential and commercial customers. The purpose of a water audit is to educate customers about the efficient use of water in order to make their homes and businesses as water efficient as possible. The audits usually start with SJWC's inspector demonstrating to the customer how to read the water meter for current usage and for signs of leaks. This can help customers become better aware of their own usage and to be proactive when a leak is detected. An examination is then performed throughout the household or business to identify any water leaks and to check the efficiency of all plumbing fixtures. In addition to the indoor component of the audit, SJWC has developed the landscape component of the audit program to provide an extensive evaluation of the customer's landscape irrigation system. During this part of the audit, customers are provided recommendations for an irrigation schedule based on the specific plant materials and irrigation system hardware. The inspector will then check the irrigation system for leaks and efficiency and also offer to program the customer's irrigation controller with the recommended schedule. The following is a summary of the process of a typical water audit:

**Indoors:**

- Check for inefficient plumbing fixtures and appliances and make recommendations for fixture replacement where appropriate; make recommendations to rebate programs if available
- Check for leaking toilets and faucets and inform customer of any leaks found as well as advice on leak repair
- Provide free low-flow showerheads and faucet aerators where needed and install them if requested

**Outdoors:**

- Thoroughly check the irrigation system including inspecting sprinkler heads for proper functioning. Note and describe any excessive runoff, broken sprinkler heads, or any other leaks in the irrigation system
- Review the irrigation schedule with the customer and make recommendations for improving the schedule. If requested, the inspector will implement the new schedule by changing the customer's irrigation controller

- Check all outdoor hose bibs for leaks

**Low-Flow Showerheads and Faucet Aerators:** In addition to audits, SJWC provides free water conserving devices. This ongoing program, which was initiated in 1992, involves the distribution of low-flow showerheads and faucet aerators to customers. Customers can also receive toilet dye tablets that are used to detect toilet leaks. These materials can be obtained in person at SJWC office or during a water audit appointment. Customers can also obtain free literature including guides for plumbing repairs, water wise landscaping, water meter reading instructions, and other materials.

The specific devices that are distributed include:

- Low-flow showerheads (2.0 gallons per minute or less)
- Kitchen faucet aerators (2.2 gallons per minute)
- Bathroom faucet aerators (1.5 gallons per minute)

**Residential Washing Machine Rebates:** SJWC actively participates in SCVWD's residential clothes washer rebate program. Currently SCVWD offers a joint water and energy rebate program in cooperation with Pacific Gas and Electric Company (PG&E). SCVWD and PG&E are offering a \$125 rebate for qualifying high-efficiency clothes washers. Customers are informed of the program through SJWC's water audit program and at retail outlets where washing machines are sold. **High Efficiency Toilet Rebates:** This program provides financial incentives for the replacement of existing toilets using 3.5 or more gallons per flush (gpf) with a toilet meeting the Environmental Protection Agency's Water Sense Specification (WSS). The current WSS is 1.28 gpf or less, which defines a high efficiency toilet (HET). The SCVWD program allows Santa Clara County residents to be eligible for up to \$125 towards the replacement of any toilet that flushes at 3.5 gallons per flush (gpf) or greater, with an approved HET.

**Commercial, Industrial, Institutional Programs:** SJWC, in conjunction with SCVWD, provides personalized water conservation information and audits to commercial customers. Commercial audits are performed by SJWC staff as well as through a SCVWD program. Included in the audits are an inspection of individual plumbing fixtures, the installation of water conservation devices, water conservation brochures, review of landscape irrigation and a complete evaluation of water-using apparatus and processes. Considerable expertise is required to perform audits at businesses that have technical water related processes.

SCVWD also offers a program called **Water Efficient Technologies (WET)**. The WET program offers rebates of up to \$50,000 per water conservation project to CII customers for the implementation of process and equipment changes which lead to a reduction in their water usage. Additionally,

SCVWD also has a CII HET direct install program and a CII clothes washer rebate program. The CII HET program provides HETs installed for CII customers free of charge. This program is an excellent way for CII customers such as hotels, restaurants, offices and other high trafficked businesses to reduce their indoor water use. The CII clothes washer program provides a rebate for businesses that purchase commercial HECWs for their laundromats or for multi-family residential properties with common area laundry rooms.

**Large Landscape Conservation Program:** Review of landscape irrigation has always been an important part of SJWC's water audit program. SJWC inspectors perform a comprehensive landscape audit for the customer whenever appropriate. SJWC inspectors perform the landscape audits for all single-family residential properties. For commercial and multi-family residential properties with large landscapes (5,000 square feet or more of irrigated area) SCVWD offers a large landscape survey program. This program was previously called ITAP (irrigation technical assistance program) but is now simply called the large landscape survey program. The large landscape audits are funded through rates paid by SJWC to SCVWD and completed by an outside consultant hired by SCVWD. SJWC and SCVWD jointly market the program to customers who receive the service free of charge. The consultant makes several site visits to the participant's property, analyzing the irrigation system and suggesting changes aimed at improving water-efficiency. In many cases, the consultant utilizes the Cal Poly San Luis Obispo's "catch can" audit methodology, which results in the development of a customized irrigation schedule for the property. Upon completion of the audit, the contractor develops a series of reports aimed at determining how much water was saved as a result of the landscape audit. Twelve months after the initial audit, the consultant mails the customer a follow-up survey to determine if the recommendations have been successful and if the customer would be interested in a follow-up audit.

**Landscape Rebate Program:** Public information involves promoting water efficiency through various means including conservation brochures, bill inserts, advertising, public speaking engagements and postings on SJWC's web site. The goal of this program is to increase customer awareness of habits or procedures that waste water, as well as awareness of water capacity, available sources, system capacity, and treatment and distribution issues. Public information campaigns are designed to promote understanding and create a dialogue in the community on water conservation topics as well as to motivate customers to conserve. Public information is provided directly by SJWC and also in conjunction with SCVWD.

SJWC distributes an average of two conservation bill inserts annually. One such bill insert promotes SJWC's water audit program and the annual Water Awareness Night event. In the fall, SJWC and SCVWD coordinate to jointly prepare a bill insert that focuses on reduction of outdoor water use.

**This “fall back” insert reminds customers to turn off their irrigation systems in the wet winter months.**

**SJWC has developed a variety of water conservation literature. The literature is available free of charge, and is downloadable from the SJWC website. SJWC has developed a booklet called “Guide to Using Water Wisely”. This booklet describes the various conservation programs and rebates that are available to customers. It also describes how to read one’s water meter, how to fix basic leaking toilet issues, and also has a section on water wise landscaping. In addition, SJWC has developed a slide-rule “Water Saving Guide” that describes how much water can be saved by engaging in certain activities. SJWC distributes the CUWCC “Practical Plumbing Handbook”. This booklet describes how to check for leaks and make minor repairs to a variety of household plumbing fixtures. SJWC also distributes a flyer provided by SCVWD describing their rebate programs that are available to all SJWC customers.**

**A variety of public information relating to conservation is available from the SJWC website. First and foremost are water conservation tips. Customers can also download various literature, and can request a water audit via e-mail. The SJWC website also has features and information about water wise landscaping, including links to a specific water wise landscaping website and plant database, as well as a “virtual tour” of the SJWC public water-smart demonstration garden.**

**SJWC also offers several other public information events and services, including:**

- Water Awareness Day – SJWC began sponsoring this annual event in 2002. Through a bill insert and a message on the bill, customers are invited to attend the event, which is part of a San Jose Giants baseball game at San Jose Municipal Stadium. A total of 5,400 people attended the game in 2010. SJWC personnel set up various displays at the entrance to the stadium, including games for the children and conservation information for the adults. Additionally, a special gift was given to the first 500 children attending the game.**
- Speaker’s Bureau - SJWC provides conservation related programs to local service and civic groups, homeowners associations and similar organizations.**

- identify whether it is offered with a third party,

**As noted above, many programs are offered through SJWC’s wholesale water provider Santa Clara Valley Water District.**

- specify how low-income customers are targeted by or included in the program,

**Low-income customers are not generally differentiated in the existing conservation programs. In other words, the programs are open to all customers and low-income customers are not specifically targeted. For example, the long-standing water audit program performed by SJWC is open and inclusive of all SJWC customers regardless of income. This program is marketed the same to all customers. Approximately 380 water audits were performed for low income customers in 2012.**

**Another example is company bill inserts. The bill inserts are sent to all customers; there is not a specific bill insert sent to low-income customers. However, SJWC has done some targeted marketing in the past to low income customers for specific programs and may do so again in the future.**

- describe outreach efforts used to reach low-income program participants (application, re-certification, separate outreach),

**There are not outreach efforts that target low-income customers specifically. Conservation outreach targets all customers as opposed to specific groups of customers.**

- how long has the program been offered,

**The general conservation program has been in existence since the mid-1990s. SJWC does not have a low-income specific conservation program. However, in the 1990s there were programs that were implemented, such as direct-install low-flow toilet programs, which heavily impacted low-income communities.**

**SJWC also offers a low-income water rate assistance program (WRAP). This program provides a 15% discount on the total water bill for eligible low-income customers. There is data available for how many of the participants in the WRAP program have also had water audits:**

- what criteria are used to establish the success of the program.

**SJWC takes a customer service approach to measuring success of the programs. Customer service is evaluated in terms of complaints, response time, etc. Additionally, SJWC monitors reduced usage in relation to the SBX 7-7 conservation goals.**