

San Jose Water Company

(U-168-W)

2013 Annual Report

Compliance Filing as Required by the “Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services” as Authorized in Decision 11-10-034

San Jose Water Company
(U-168-W)
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As required by Affiliate Transactions and Non-Tariffed Products and Services Rule IV.C¹, San Jose Water Company hereby provides a list of all shared directors and officers between the utility and its affiliates.

Shared Directors

Name	Title	SJW Corp.	San Jose Water Company	SJW Land Company	SJWTX, Inc.	Texas Water Alliance Limited
Katharine Armstrong	Director	X	X	X	X	X
Walter J. Bishop	Director	X	X	X	X	X
Mark L. Cali	Director	X	X	X		
Douglas R. King	Director	X	X	X		
Ronald B. Moskovitz	Director	X	X	X		
George E. Moss	Director	X	X	X	X	X
W. Richard Roth	President, Chief Executive Officer and Chairman of the Board	X	X	X	X	X
Rober A. Van Valer	Director	X	X	X	X	X

Shared Officers

Name	Title	SJW Corp.	San Jose Water Company	SJW Land Company	SJWTX, Inc.	Texas Water Alliance Limited
J.P. Lynch	Chief Financial Officer and Treasurer	X	X	X	X	X
S. Papazian	General Counsel & Corp Secretary	X	X	X	X	X
W.R. Roth	President, Chief Executive Officer and Chairman of the Board	X	X	X	X	X

¹On October 20th, 2011 the California Public Utilities Commission issued Decision (“D.”) 11-10-034 – Modified Rules for Water and Sewer Utilities Regarding Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services.

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Modified Rules for Water and Sewer utilities Regarding Affiliate Transaction and the Use of Regulated Assets for Non-Tariffed Utility Services (“Rules”), as adopted in Decision 11-10-034, Rule VIII.F Annual Affiliate Transactions Report

As provided in the biennial San Jose Water Company (“SJWC”) Affiliate Transaction Compliance Plan provided with the 2010 Annual Report in compliance with Rule VIII.C the following table lists San Jose Water Company Affiliates and whether they fall under the provisions of Rule I.B.

Entity Name	Entity’s Line of Business	Primary Location of Entity	Rule I.B Affiliate
SJW Corp	Parent company	San Jose, CA	Yes
San Jose Water Company	Public water utility serving more than one million residents in the Silicon Valley area	San Jose, CA	Yes
SJW Land Company	Owner of commercial buildings and other undeveloped land	San Jose, CA	No
SJWTX, Inc. doing business as Canyon Lake Water Service Company (CLWS)	Public utility in the business of providing water service to approximately 20,000 people in the Canyon Lake area of Texas. Regulated by the Texas Commission on Environmental Quality	Canyon Lake, TX	No
Texas Water Alliance Limited (TWA)	Undertaking activities that are necessary to develop a water supply project in Texas	Austin, TX	Yes. TWAL operates entirely outside of California and thus is exempt from Rules III.B and III.C

Each year, by March 31, the utility shall submit a report to the Director of the Division of Water and Audits and the Director of the Division of Ratepayer Advocates that includes a summary of all transactions between the utility and its affiliated companies for the previous calendar year. The utility shall maintain such information on a monthly basis and make such information available to the Commission’s staff upon request. The summary shall include a description of each transaction and an accounting of all costs associated with each transaction although each transaction need not be separately identified where multiple transactions occur in the same account (although supporting documentation for each individual transaction shall be made available to the Commission staff upon request).

These transactions shall include the following:

- 1. Services provided by the utility to the affiliated companies;**

Services provided to SJW Corp.: Administrative services related to raising capital, conducting shareholder meetings, conducting board meetings, conducting earnings calls, parent company level work with financial auditors, parent company financial statement preparation, SEC filings, financial analysis, tax preparation and filing, etc.

A study is performed annually to determine the allocation of expenses from SJWC to SJW Corp. for services provided. This includes an allocation expenses related to labor, travel & entertainment, vehicle usage, maintenance, auditing and SOX fees, costs of being a publicly traded company, and property and liability insurance. Additionally, SJWC allocates expenses associated with SJWC’s administrative office including building depreciation expenses, property taxes, janitorial & landscaping services, and gas & electric. Finally, SJWC allocates expenses for PCs and computer equipment depreciation and accounting system depreciation. While this allocation study is performed on an annual basis the actual allocations occur on a monthly basis. See Attachment A for a list of the monthly transactions for 2012.

Services provided to TWA: None

2. Services provided by the affiliated companies to the utility;

None

3. Assets transferred from the utility to the affiliated companies;

None

4. Assets transferred from the affiliated companies to the utility;

None

5. Employees transferred from the utility to the-affiliated companies;

None

6. Employees transferred from the-affiliated companies to the utility;

None

7. The financing arrangements and transactions between the utility and the affiliated companies;

On April 3rd, 2013, SJW Corp provided \$26,000,000 in equity financing to SJWC.

An inter-company loan agreement by and between SJW Corp., SJWC, SJW TX, Inc., SJW Land Company, and TWA governs financing arrangements and transactions between the utility and affiliated companies.

Transactions between SJWC and SJW Corp.:

Date	Transfer from SJW Corp to SJWC	Transfer from SJWC to SJW Corp
2/1/2013	310,000	
2/7/2013		2,000,000

2/28/2013		1,800,000
3/31/2013		305,000
5/30/2013		4,000,000
6/18/2013	200,000	
6/24/2013	100,000	
6/27/2013	1,088,000	
6/28/2013	700,000	
6/30/2013	495,000	
7/12/2013	700,000	
7/17/2013	1,800,000	
7/24/2013	550,000	
8/21/2013	300,000	
8/29/2013		1,000,000
9/30/2013	285,000	
11/1/2013		73,000
12/31/2013	610,000	
12/31/2013		1,663,000

Transactions between SJWC and TWA: None

8. Services provided by and/or assets transferred from the parent holding company to affiliate company which may have germane utility regulations impacts; and

None

9. Services provided by and/or assets transferred from affiliated company to the parent holding company which may have germane utility regulation impacts.

None

END OF DOCUMENT

Affiliate Transaction Rule VIII.F Attachment

Document Company	GL Date	Actual Amount	Description	JE Explanation	Remark
00100	6/30/2013	-18,073.00	ADMIN & GENERAL EXP TRANS	JV 6-44A(1) G&A XFER TO CORP	TRUE UP G&A XFER TO CORP
00100	1/31/2013	-42,650.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	2/28/2013	-42,650.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	3/31/2013	-42,650.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	4/30/2013	-42,650.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	5/31/2013	-42,650.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	6/30/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	7/31/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	8/31/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	9/30/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	10/31/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	11/30/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
00100	12/31/2013	-46,265.00	ADMIN & GENERAL EXP TRANS	JV 44A Trans to SJW Corp	Trans exp to SJW Corp
		-555,178.00			

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Modified Rules for Water and Sewer utilities Regarding Affiliate Transaction and the Use of Regulated Assets for Non-Tariffed Utility Services (“Rules”), as adopted in Decision 11-10-034, Rule X.E Annual Report of NTP&S Projects

Annual Report of NTP&S Projects. Each utility shall include information regarding its NTP&S projects in its Annual Reports, including but not be limited to the following:

1. A detailed description of each NTP&S activity;

Telecommunication Antenna Leases

The Company is leasing antenna space to telecommunication companies on various water tanks. The contracts are usually for a period of five years, and may or may not be renewed as telecommunication technology continues to evolve. All risks related to this contract are borne by the shareholders of the Company. The company is working with HomeServe USA to provide customers information regarding water service line responsibility and optional water service line insurance coverage provided by HomeServe through a direct mail campaign executed by HomeServe. The contractual arrangement for coverage is between HomeServe and the customer. Additionally, SJWC does not provide customer information to HomeServe. HomeServe is also cross-selling other insurance products (e.g., wastewater, interior plumbing and drainage) to active water service line policy holders.

Home Emergency Solutions (HomeServe USA)

The company is working with HomeServe USA to provide customers information regarding water service line responsibility and optional water service line insurance coverage provided by HomeServe through a direct mail campaign executed by HomeServe. The contractual arrangement for coverage is between HomeServe and the customer. SJWC does not provide customer information to HomeServe.

City of Cupertino Water System Lease

In October 1997 SJWC was awarded a 25-year lease to operate and maintain the City of Cupertino water system located adjacent (contiguous) to the Company’s regulated service area. The City of Cupertino system, which is operationally interconnected to the SJWC system, provides potable water service to approximately 4,100 customers. Pursuant to the lease agreement the Company will receive all the water rate revenue generated within the City of Cupertino system. In return the Company is responsible for all system upgrades to be completed during the 25-year lease period. Pursuant to the lease agreement SJWC’s rates were phased-in over a three year period ending in 2000.

However, the rates in the City of Cupertino are ultimately subject to the approval of the City Council.

Maintenance and Miscellaneous Services for the City of San Jose Municipal Water System

In March 2003 the San Jose City Council authorized the City of San Jose to enter into a 10-year agreement with SJWC for repair and maintenance services, valve exercising services and some miscellaneous services. In accordance with D.00-07-018 the maintenance and valve exercising services contract is classified as “Active”, resulting in an allocation of 10% to the ratepayers from the contract.

Meter Shop Testing Service

SJWC provides meter testing and repair services to outside water utilities. The intent of the program is to offer outside agencies an inexpensive alternative to full meter replacement. We serve on average 6 water utilities per year.

2. Whether and why it is classified active or passive;

The following designations are based on the “Designation of Active and Passive NTP&S Water and Sewer Utility Projects” table provided in D.11-10-034, page A-16.

Telecommunication Antenna Leases

Category – Use of General Facilities; Designation - Passive

Home Emergency Solutions

Category – Customer Ancillary Services - Active

City of Cupertino Water System Lease

Category – Operation and Maintenance Contracts; Designation - Active

Maintenance and Miscellaneous Services for the City of San Jose Municipal Water System

Category – Operation and Maintenance Contracts; Designation - Active

Meter Shop Testing Service

Category – Meter Services; Designation - Active

3. Gross revenue received;

\$4,903,785

4. Revenue allocated to ratepayers and to shareholders, as established in the company's current general rate case;

Revenue allocated to ratepayers = \$456,044 per D.09-11-032. SJWC does not allocate revenue to shareholders in the general rate case.

5. A complete identification of all regulated assets used in the transaction;

SJWC does not separately track assets used in the provision of NTP&S.

- 6. A complete list of all employees (by position) that participated in providing the non-tariffed service, with amount of time spent on provision of the service;**

See Attachment.

- 7. If the NTP&S has been classified as active through advice letter submission, provide the number of the advice letter and the authorizing Resolution; and**

None

- 8. If the NTP&S did not require approval through advice letter, provide the date notice was given to the Commission.**

Notice for Home Emergency Solutions was provided to the Director of the CPUC's Division of Water and Audits and to the Branch Manager of the Office of Ratepayer Advocates – Water Branch on May 14, 2013.

END OF DOCUMENT

**City of San Jose Maint & Misc Services
Contract**

Employee	Hours Worked
Total Crewleader B I - Swing	44.50
Total DS Worker	24.00
Total Crewleader F	69.00
Total Crewleader A	112.00
Total Sr. DS Support Worker	9.00
Total DS Truck Operator II	103.00
Total Crewleader A	86.25
Total Crewleader A	31.00
Total Sr. DS Support Worker	70.00
Total DS Truck Operator I	73.00
Total Cross Connection Inspector	5.00
Total Crewleader R	73.00
Total Crewleader A	83.50
Total DS Inspector II	35.00
Total DS Worker	68.00
Total Heavy Equipment Operator	163.00
Total DS Construction Crewleader	35.50
Total Heavy Equipment Operator	10.50
Total Sr. DS Worker	79.50
Total Cross Connection Inspector	4.00
Total Heavy Equipment Operator	130.00
Total Dist System Office Supervisor	680.00
Total DS Inspector I	6.00
Total Heavy Equipment Operator	24.50
Total DS Worker	7.00
Total Cross Connection Inspector	15.50
Total DS Inspector I	5.00
Total Cross Connection Inspector	18.50
Total Crewleader H	1.00
Total Cross Connection Inspector	18.50
Total DS Inspector I	3.50
Total Crewleader A	11.50
Total Meter Mechanic	5.00
Total DS Worker	29.00
Total Sr. DS Support Worker	6.00
Total Crewleader C	59.50
Total Crewleader A	108.00
Total DS Truck Operator I	8.50
Total Sr. Cross Connection Inspector	58.00
Total Crewleader A	64.00
Total Crewleader E - Swing	30.00
Total Distribution System Supervisor	25.00
Total Crewleader B I - Swing	56.00
Total Concrete Crewleader	160.50
Total Sr. DS Worker	114.00
Total DS Truck Operator I	77.50
Total DS Worker	58.50
Total DS Worker II	33.50

Total DS Worker II	119.00
Total Heavy Equipment Operator	83.00
Total DS Inspector II	56.00
Total DS Worker	71.50
Total DS Worker - Swing	76.50
Total DS Worker	69.00
Total DS Worker	52.50
Total DS Worker	22.00
Total DS Worker - Swing	59.00
Total DS Worker	12.00
Total DS Worker - Swing	59.00
Total DS Laborer - Swing	74.50
Total DS Worker	83.50
Total DS Worker	21.00
Total DS Worker	50.00
Total DS Worker	81.00
Total DS Worker	117.50
Total DS Worker	32.50
Total Laborer	11.00
Total DS Worker	91.00
Total DS Worker	130.00
Total DS Laborer	76.50
Total DS Laborer	52.00
Total DS Laborer - Swing	46.00
Total DS Worker	80.50
Total DS Laborer	21.00
Total DS Laborer	87.50
Total DS Laborer - Swing	10.00
Total DS Laborer	30.00
Grand Total	4,767.75

Meter Testing

Employee	Hours Worked
Total Meter Mechanic	28.00
Total Meter Mechanic	20.00
Total Meter Mechanic	29.00
Total Meter Mechanic	7.00
Total Meter Mechanic	4.00
Grand Total	88.00

Cupertino O & M

Employee	Hours Worked
Total Crewleader E - Swing	9.00
Total DS Worker	19.50
Total Service Inspector - Swing	72.00
Total Water Conservation Inspector	3.00
Total Service Inspector - Swing	9.00
Total Water Conservation Inspector	9.00
Total Meter Reader *	19.00
Total Meter Reader *	21.00

Total Crewleader A	9.00
Total DS Inspector II	23.00
Total DS Worker	2.00
Total Heavy Equipment Operator	10.00
Total Heavy Equipment Operator	6.50
Total Water Conservation Inspector	16.00
Total Field Cust Service Rep	9.00
Total DS Worker	5.50
Total Meter Reader *	8.00
Total Meter Reader *	6.00
Total DS Inspector I	38.00
Total DS Inspector I	65.50
Total Customer Service Rep.	12.00
Total Meter Reader *	6.00
Total Crewleader C	15.50
Total Crewleader A	19.00
Total Meter Reader *	12.00
Total Crewleader A	22.00
Total Crewleader E - Swing	3.50
Total DS Worker II	9.50
Total DS Worker II	0.50
Total DS Worker II	5.00
Total DS Inspector II	4.50
Total DS Worker	14.00
Total Meter Reader	14.00
Total DS Laborer - Swing	9.50
Total DS Worker	26.00
Total DS Worker	6.50
Total DS Worker	26.00
Total DS Laborer	11.00
Total Laborer	27.00
Total DS Worker	13.00
Total Laborer	8.00
Total DS Laborer	8.00
Total DS Laborer	16.00
Total DS Worker	11.50
Total DS Laborer	12.50
Total DS Laborer - Swing	10.50
Total Laborer	16.00
Total DS Laborer	16.00
Grand Total	715.00

Grand Total **5,570.75**

San Jose Water Company

(U-168-W)

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Compliance Filing as Required by General Order 103A,
Section VII

**San Jose Water Company
U-168-W
2013 Annual Report
General Order 103A, Section VII. Operation and Maintenance Compliance**

Section VII.C. Submission of Summary O&M Plan for Water Utilities to the Commission

- 1) Each water utility shall have on file a summary of its current O&M plan(s), electronically or in hard copy form, with the Division of Water and Audits, or its successor. The submission of these O&M plans shall be subject to the protections against unauthorized disclosure as provided by Public Utilities Code Section 583 and the corresponding exclusion from public inspection provided by General Order 66-C, Section 2.2.**
- 2) When these O&M plans change substantially and at least every five years, the water utility shall file updated summaries.**

San Jose Water Company Response: A Operations & Maintenance Plan Summary was provided with the 2010 Annual Report. The O&M plans have not changed substantially since that submittal.

Section VII.F. Availability of O&M Plan for Commission Review

The latest O&M plans shall be available for Commission review. In its Annual Reports, each water utility shall identify the location(s) of or the method for accessing (e.g., the website) its O&M plan.

San Jose Water Company Response: As noted in the San Jose Water Company 2010 Operations & Maintenance Plan Summary the various documents making up the O&M Plans are maintained electronically on SJWC's server. These documents are available for Commission staff review.

San Jose Water Company

(U-168-W)

Information-Only Filing Low-Income Data Report

As Required by California Public Utilities Commission's

Decision No.11-05-020

May 30, 2014

INTRODUCTION

In compliance with California Public Utilities Commission (“CPUC”) Decision (“D.”) 11-05-0020 SJWC provides the following information:

- For each data file received:
 - Number of CARE customer records received.
Approximately 83,600
 - Number of CARE customers not matched to water utility records.
Approximately 62,779
 - Number of CARE customers successfully matched.
Approximately 20,844
- Enrollment Results:
 - Number of CARE customers automatically enrolled.
Enrollment from 2013 data sharing is ongoing. Approximately 16,200 customers have been automatically enrolled since program implementation
 - Number of customers re-certified for assistance.
Enrollment from 2013 data sharing is ongoing. Approximately 5,200 matched customers were already in SJWC’s program since data sharing implementation.
 - Number of CARE customers ineligible for enrollment due to metering conditions (as compared with water utility records).
This could not be determined from the information provided by PG&E.
 - Number of customers opting-out.
Enrollment from 2013 data sharing is ongoing. Approximately 46 customers have opted out since data sharing implementation.
 - Number of potential customers identified and served with outreach material.
Enrollment from 2013 data sharing is ongoing. Since data sharing implementation 16,200 matched customers not already in SJWC’s program were automatically enrolled and sent opt-out letters.

- Program Costs:
 - Itemized annual expenses specifically incurred for operating and administering the data sharing program, including:
 - Personnel with number of hours allocated to particular data sharing tasks.
**SJWC does not track staff hours spent on data sharing tasks.
Approximately 242 hours of consultant time was spent implementing data sharing**
 - Special equipment.
None
 - Translation services.
None
 - Printing, mailing and other costs. Specify if any costs are included in rates.
\$0 specifically related to data sharing in 2013.

- Summary of annual low-income program discounts, surcharges, and itemized low-income program costs.

Discounts: \$2,483,235; Surcharges: \$699,164; Program Costs: \$29,511 in translation and printing costs.

Specify which costs are included in rates, if any.

These costs are tracked in the WRAP Discount Balancing Account and are not included in base rates.

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

May 30, 2014

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 district¹, separated by meter size;

Meter Size	Low-Income (ccf/connection/month)
5/8”	12.5
3/4”	12.2
1”	14.2
1 1/2”	20.4
2”	73.1
3”	1302.2
4”	1,280.3
6”*	1,758.7
8”*	7,137.0
Total	14.3

*Master metered mobile home parks

¹ 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"	34.3	916.0	272.1
3/4"	1,987.9	215,684.7	63,625.8
1"	2,336.3	10,305.6	4,797.9
1 1/2"	373.1	548.2	300.2
2"	1,407.1	170.3	104.4
3"	7,813.3	N/A	N/A
4"	1,280.3	N/A	N/A
6"	22,863.4	N/A	N/A
8"	7,137.0	N/A	N/A
Total	52,369.8	227,624.8	69,100.4

- 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	2,042
Number of Disconnect Notices	739
Number of Disconnects for Non-Payment	110
Number of Reconnections	117

- 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;

SJWC does not track this data.

- 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. . The landscape rebate program includes rebates for converting lawn to drought tolerant plantings and for upgrading various irrigation hardware equipment. 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

(<http://www.sanjose.watersavingplants.com/>). 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. There is a video that demonstrates what is included during a water audit that is posted on the SJWC website at the following URL:
http://www.sjwater.com/for_your_information/save_water_money/water_audit_program/

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 ,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 \$125 200 rebate for the most efficient qualifying high-efficiency clothes washers. Customers 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.

SJWC customers can also participate in the high efficiency toilet (HET) program. A HET is defined as a toilet that uses 1.28 gallons per flush or less. There are also now “premium” HETs which use 1.0 gallons per flush or less. This program provides rebates for the purchase of premium HETs in an amount up to \$125 per toilet and rebates for standard HETs in the amount of up to \$50 per toilet.

Commercial, Industrial, Institutional Programs:

SJWC, in conjunction with SCVWD, provides personalized water conservation information and audits to commercial customers. Commercial water 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, brochures and review of landscape irrigation. and a At this time SJWC staff do not perform completea complete evaluation of water-using apparatus and processes for operations such as manufacturing or high tech 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 aoffers commercial customers 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. Additionally, SCVWD offers rebates for water submeters installed at mobile home parks or apartment complexes, rebates for connectionless food steamers, rebates for air-cooled ice machines and rebates for high efficiency urinals.

SCVWD also offers commercial customers a custom or measured rebate program. This is a flexible program that allows businesses to propose any process changes that result in measurable water savings. Projects can receive up to \$50,000 based on a rebate of \$4 for each hundred cubic fee t of water saved per year as a result of the process change.

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. Surveyors from the Landscape Survey Program evaluate the entire water delivery system and point out inefficiencies that can add up to significant water losses. Catch-can tests are used to determine the average precipitation rate and distribution uniformity, which helps the site manager understand system performance and leads to more efficient irrigation scheduling strategies. The Surveyors classify plant groups into hydrozones to estimate each site's actual water need. This results in the optimum water budget. At the end of the survey process, the site's property manager/owner will receive a report that evaluates the existing irrigation system and landscape water management. The report also includes a summary of the irrigation system check, irrigation budget, recommended schedule, and irrigation efficiency improvement recommendations. 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:

As a compliment to water audits for residential and commercial customers, the landscape rebate program offers incentives for customers to make improvements to their landscape that result in water savings. There are two components to the program. The first part is the landscape conversion rebate. This rebate is provided to customers who convert qualifying high water using landscapes to water efficient landscape. Specifically, the goal is to have turf removed and low water use plants used in its place. The rebate provides \$1.00 per square foot of turf that is converted. The second part of the program provides a rebate for customers to upgrade qualifying irrigation hardware. The types of hardware included are rain sensors, weather based irrigation controllers, high efficiency sprinkler nozzles and high efficiency rotary sprinkler nozzles.

Public information, education and outreach:

SJWC offers a variety of public information programs and outreach efforts to educate the public about the importance of water conservation.

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.**

• **The wholesale water agency SCVWD also has an extensive school education program. This program consists of school presentations and education for teachers. More information about the school programs can be found at the website:**

<http://www.valleywater.org/Programs/SchoolProgram.aspx>

- 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.

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

May 30, 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"	14.4	10.3	N/A	1.8	N/A
3/4"	13.6	15.6	1.2	6.5	358.8
1"	19.6	33.9	19.3	10.9	194.7
1 1/2"	24.3	70.3	83.2	34.1	718.9
2"	39.1	119.1	119.3	89.3	508.1
3"	223.3	267.6	219.3	328.3	1,649.7
4"	919.4	620.1	407.0	516.6	1,657.0
6"	1,497.4	1,073.6	1,798.4	685.9	N/A
8"	N/A	2,137.2	N/A	701.5	N/A
10"	N/A	1,580.3	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	2013	% Change from Base
5/8"	179.5	N/A	N/A	N/A	N/A	111.6	-37.9%	169.4	-5.6%	172.4	-3.9%
3/4"	174.4	159.8	-8.39%	151.5	-13.14%	149.8	-14.1%	159.6	-8.5%	163.3	-6.3%
1"	214.9	229.0	6.58%	214.8	-0.05%	212.6	-1.1%	230.1	7.0%	235.2	9.5%
1 1/2"	381.9	529.2	38.57%	481.3	26.04%	272.4	-28.7%	313.2	-17.9%	292.0	-23.6%
2"	643.4	817.9	27.13%	814.4	26.58%	371.2	-42.3%	431.2	-32.9%	469.3	-27.1%
3"	N/A	N/A	N/A	N/A	N/A	1,794.8	N/A	834.4	N/A	2,680.2	N/A
4"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,668.0	N/A	11,032.8	N/A
6"	N/A	N/A	N/A	N/A	N/A	11,378	N/A	15,404	N/A	17,968.3	N/A
Total	181.7	171.5	-5.8%	161.8	-11.0%	160.1	-11.9%	172.0	-5.4%	12,796.0	N/A

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"	8,031	3,798
3/4"	1,628,719	665,046
1"	240,241	253,358
1 1/2"	31,815	37,061
2"	11,867	23,328
3"	24	21
Total	1,920,698	982,612

- 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	20,172
Number of Disconnect Notices	3,721
Number of Disconnects for Non-Payment	640
Number of Reconnections	569

- 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.