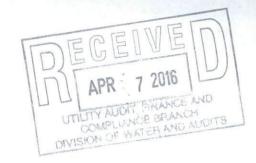


110 West Taylor Street San Jose, CA 95110 408 279-7900 Fax 408 279-7934



April 5, 2016

Rami Kahlon Director – Division of Water and Audits California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Dear Mr. Kahlon,

In response to your letter regarding "Letter or Report Due by April 8, 2016", dated March 25, 2016, I am writing to inform you that the sum of all unregulated affiliates' revenue during the calendar years 2013 and 2014 were less than or equal to 5% of the total revenue of the utility and all of its affiliates. Accordingly, pursuant to Decision 11-10-034, Appendix A, Rule VIII, Section VIII.E, San Jose Water Company is not required to prepare an independent audit of affiliate transactions.

If you have any questions feel free to contact me at (408) 918-7247 or via email at wes.owens@sjwater.com.

Very truly yours,

WES OWENS

Director of Regulatory Affairs

cc:

Palle Jensen, SJWC

Danilo Sanchez, CPUC Office of Ratepayer Advocates