



110 W. Taylor Street
San Jose, CA 95110-2131

October 15, 2021

Public Utilities Commission
of the State of California
505 Van Ness Avenue
San Francisco, CA 94102

Advice Letter No. 569

San Jose Water Company (U-168-W) (SJWC) hereby transmits for filing the following changes in tariff schedules applicable to its service area and which are attached hereto:

<u>Cal. P.U.C Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
2146-W	Schedule 14.1 (Continued)	2140-W
2147-W	Table of Contents	2145-W

With this advice letter, SJWC requests authorization to activate its Schedule 14.1.

These tariffs are submitted pursuant to General Orders (GO) No. 96-B Water Industry Rules 7.3.2. This advice letter is designated as a Tier II Advice Letter.

Background

SJWC filed Advice Letters (AL) 563 and 564 on June 18, 2021 in response to Valley Water's emergency drought declaration and request for 15% mandatory conservation from 2019 consumption. AL 563, which requested authorization to update and activate Stage 3 of Rule 14.1, was approved effective August 5, 2021. AL 564, which requested authorization to establish a Water Conservation Memorandum Account (WCMA) and a Water conservation Expense Memorandum Account (WCEMA), was approved effective July 19, 2021.

On August 5, 2021, SJWC filed AL 567 to update its Schedule 14.1 to align the stages of Conservation Non-Essential or Unauthorized Uses with the stages in Rule 14.1. In the same filing, SJWC also requested to update its Drought Allocation and Drought Surcharges Program. This advice letter was approved with an effective date of September 6, 2021.

Request

With this filing, SJWC requests authorization to activate Stage 3 of Schedule 14.1 and its associated Drought Allocations and Drought Surcharges program.

The current water supply outlook for Santa Clara County and the State is grim. Reservoirs are as low as they have ever been for this time of year and La Nina conditions, which usually portend below average precipitation, is predicted for this fall and winter. The activation of Schedule 14.1 is necessary in order to achieve the required mandatory conservation and to blunt further calls for conservation in 2022 should dry conditions persist.

All drought allocation surcharges will be tracked in the WCMA authorized in Advice Letter 564. The surcharges will offset the expense and revenue impacts of SJWC's response to the drought tracked in the WCMA. Any under or over collection in these accounts will be amortized in accordance with the Commission's practice.

Effective Date

SJWC requests that the updated tariff sheets become effective November 15, 2021.

Public Meeting

In accordance with Schedule 14.1, SJWC anticipates holding a public meeting on the date shown below:

OCTOBER 28, 2021

3:00 PM

Link: <https://sjw.im/drought2021>

The public meeting can be viewed via Zoom, or listened to via phone by using the information above. Customers can provide feedback or ask questions during the meeting.

Customer Noticing

Schedule 14.1 requires that customer notification of its activation and the associated public meeting be provided through bill insert or direct mailing and published in the local newspaper. SJWC's direct mailing notification (Attachment A) will be mailed to customers on or about October 16, 2021. This notice will also be published in the San Jose Mercury News at least 7 days prior to the hearing. Affidavits for both will be provided once available.

Protests and Responses

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds may include the following:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;

- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission).

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date, the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail to us, addressed to:

Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, California 95196
Fax 408.279.7934
regulatoryaffairs@sjwater.com.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in Attachment B.

There are currently no Advice Letters pending before the Commission. This filing will not cause the withdrawal of service nor conflict with other schedules or rules.

Very truly yours,

/s/JOHN TANG
Vice President of Regulatory Affairs

Enclosures

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 569

ATTACHMENT A

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 569

ATTACHMENT B

Index of Work papers

Attachment A

Public Notice

Attachment B

Service List

P U B L I C N O T I C E

Para más información en cómo este cambio impactará su factura, llame al (408) 279-7900.

NOTICE OF PUBLIC MEETING SAN JOSE WATER COMPANY'S ADVICE LETTER 569

How can I participate?

San Jose Water Company (SJWC) would like to hear from you. You are invited to participate in a Public Meeting regarding SJWC's Advice Letter 569.

Where and when will this Public Meeting be held?

DATE	TIME	VIRTUAL/REMOTE DETAILS
October 28, 2021	3:00PM PST	Link: https://sjw.im/drought2021

The public meeting can be viewed via Zoom, or listened to via phone by using the information above. If you wish to make a public comment or ask a question, you will be able to do this via the Q&A at the meeting. If you call in by phone, we will answer questions at the end of the meeting. Your feedback can help the California Public Utilities Commission (CPUC) make an informed decision.

Why am I receiving this notice?

On October 15, 2021, SJWC filed Advice Letter 569 with the CPUC requesting authorization to activate Schedule 14.1 of our Water Shortage Contingency Plan.

Why is SJWC requesting authorization to activate Schedule 14.1?

SJWC is seeking authorization to activate Schedule 14.1 in response to the emergency drought conditions currently experienced in Santa Clara County. Schedule 14.1 compliments our Rule 14.1 with the addition of drought surcharges or penalties for overuse during times of drought emergencies requiring mandatory water use reductions.

The currently approved Schedule 14.1 was prepared in response to the previous drought from 2015-2017. The approved updates to the Drought Allocations and Drought Surcharges program take into account current water supply conditions, Valley Water's call for conservation, and the lessons learned from the Schedule 14.1 activations in 2015 and in the early 1990's.

Our updated plan recognizes the efforts of those customers who have and continue to conserve, while encouraging others to do the same. The proposed updates set a minimum consumption number at which drought surcharges would not apply as shown in the table below. Residential customers whose consumption falls below the system-wide monthly drought allocation, currently calculated, as 85% of the system-wide monthly average, will not incur drought surcharges.

Residential Drought Allocation		
2019 Base Year	2019 Average Monthly Residential Usage (CCF)	15% Reduction Monthly Drought Allocation (CCF)
Jan	10	9
Feb	7	6
Mar	7	6
Apr	7	6
May	9	8
Jun	10	9
Jul	13	11
Aug	13	11
Sep	15	13
Oct	13	11
Nov	14	12
Dec	11	9

Those consuming above the minimum monthly drought allocations will be required to conserve 15% of their actual monthly consumption from 2019 to avoid drought surcharges. **For those who incur drought surcharges, any units of water above the monthly drought allocation will be charged at the Tier 3 rate in effect, currently \$7.13 per unit, in addition to the charges at regular rates for all units of water consumed.**

In line with the focus on reducing outdoor water usage, the monthly drought allocations will also apply to dedicated landscape customers. These customers will need to reduce their monthly consumption by 15% of 2019's usage to avoid drought surcharges. Any amounts above 85% of 2019's consumption will be assessed surcharges at the Tier 3 rate currently in effect, in addition to the charges at regular rates for all units consumed.

How could this affect my water bill?

This filing will have no impact on current water rates. However, customers who consume more than the minimum baseline above and do not conserve 15% of their 2019 usage, will incur surcharges which will increase their bill.

How does the rest of this process work?

This filing will be reviewed by staff in the Water Division of the CPUC. They will determine if the request is reasonable and determine if modifications are necessary.

Protests and Responses to Advice Letter #569

The deadline to protest this advice letter is November 4, 2021. Please include "Advice Letter #569" in any response or protest you submit.

The reasons for the protest can be one of the following:

- 1) The utility did not properly serve or give notice of the advice letter;
- 2) The relief requested in the advice letter would violate statute or CPUC order, or is not authorized by statute or CPUC order on which the utility relies;
- 3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- 4) The relief requested in the advice letter is pending before the CPUC in a formal proceeding;
- 5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- 6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the

CPUC).

If you would like to submit a protest or response about this advice letter, please write to:

California Public Utilities Commission
Water Division, 3rd Floor
505 Van Ness Avenue, San Francisco, CA 94102
Email: Water.Division@cpuc.ca.gov

On the same date, the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy by mail (or email) to SJWC at the following address:

San Jose Water Company
Attn: Regulatory Affairs
110 W. Taylor Street
San Jose, CA 95110
Email: regulatoryaffairs@sjwater.com

Where can I get more information?

Customers with internet access may view and download SJWC's advice letter on its website by visiting: www.sjwater.com/filings-cpuc. If you have technical issues accessing the documents through the website, please email regulatoryaffairs@sjwater.com for assistance and reference Advice Letter #569 in your email.

To request a hard copy or to obtain more information about the Advice Letter, please contact SJWC via mail or email as provided above.



SAN JOSE WATER COMPANY (U-168-W)

ADVICE LETTER 569 SERVICE LIST

Big Redwood Park Water	waldoburford@gmail.com
Brush & Old Well Mutual Water Company	BOWMWC@brushroad.com
Cal Water	cwsrates@calwater.com
City of Campbell	publicworks@cityofcampbell.com
City of Cupertino City Attorney	cityattorney@cupertino.org
City of Cupertino Director of Public Works	rogerl@cupertino.org
City of Milpitas	tndah@ci.milpitas.ca.gov
City of Milpitas	smachida@ci.milpitas.ca.gov
City of Monte Sereno	steve@cityofmontesereno.org
City of Monte Sereno	bmekechuk@cityofmontesereno.org
City of Santa Clara	water@santaclaraca.gov
City of San Jose	jeffrey.provenzano@sanjoseca.gov
City of Saratoga	jcherbone@saratoga.ca.us
County of Santa Clara	county.counsel@cco.sccgov.org
DB Davis	dbdavis@rockwellcollins.com
Dept. of Water Resources, Safe Drinking Water Office	sdwo@water.ca.gov
Valley Water	dtaylor@valleywater.org
Gillette Mutual Water Company	gapowerz@gmail.com
Gillette Mutual Water Company	goldiey@pacbell.net
Gillette Mutual Water Company	keyoung@pacbell.net
Great Oaks Water	jroeder@greatoakswater.com
Great Oaks Water	tguster@greatoakswater.com
Cal Water	jpolanco@calwater.com
James Hunter	j88hunter882@gmail.com
City of Cupertino	KirstenS@cupertino.org
Public Advocates Office	mukunda.dawadi@cpuc.ca.gov
Public Advocates Office	PublicAdvocatesWater@cpuc.ca.gov
Mountain Springs Mutual Water Co.	Lorenroy@icloud.com
Mt. Summit Mutual Water Company	wshoefler@comcast.net
Oakmount Mutual Water Company	gortiz12@comcast.net
Patrick Kearns MD	pjk3@comcast.net
Raineri Mutual Water Company	info@rainerimutual.org
Ridge Mutual Water Company	pmantey@yahoo.com
Rishi Kumar	rkumar@saratoga.ca.us
San Jose Mercury News	progers@bayareanewsgroup.com
Valley Water	afulcher@valleywater.org
Valley Water	abaker@valleywater.org
Saratoga Heights Mutual Water Company	sjw@shmwc.org
Southwest Water Company	kcarlson@swwc.com
Stagecoach Mutual Water Company	stagecoachroadMWC@gmail.com
Summit West	RJonesPE@aol.com
Summit West	board@summitwest.org
Town of Los Gatos Dir. of Public Works	ppw@losgatosca.gov
WRATES	rita_benton@ymail.com
Villa Del Monte	mntmom33@comcast.net

**SCHEDULE No. 14.1
WATER SHORTAGE CONTINGENCY PLAN
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES
(Continued)**

FLOW RESTRICTOR REMOVAL FEE

The charge for removal of a flow-restricting device is:

<u>Meter Size</u>	<u>Removal Fee</u>
5/8" to 1"	\$50
1-1/2 to 2"	\$100
3" and Larger	Actual Cost

SPECIAL CONDITIONS

1. For the purpose of charging Drought Surcharges the effective date is 15th November 2021 (T)
2. Schedule 14.1 is effective until terminated by an advice letter filing to the Commission, on five days' notice, when the utility determines that mandatory restrictions are no longer necessary.
3. Schedule 14.1 shall not apply to those covered under the medical exemption provided for under Rule No. 11.B.1.e(1).
4. Drought Surcharges will be separately identified on each bill.
5. All bills are subject to the reimbursement fee set forth on Schedule No.UF.
6. All monies collected by the utility through surcharges or fees shall be booked to SJWC's existing Water Conservation Memorandum Account (WCMA) or similar Memorandum account to offset lost revenues.
7. All expenses incurred by the utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding shall be recoverable by the utility if determined to be reasonable by the Commission. These additional monies shall be accumulated by the utility in a separate memorandum account, for disposition as directed or authorized from time to time by the Commission.
8. Other restrictions on use of potable water as prescribed in Rule No. 14.1, SWRCB, the CPUC, SJWC, or other governing body or agency may be implemented.
9. None of the restrictions apply to the use of recycled water. The Limits on Watering and Limits on Watering Days shall not apply (except for Stage 4) to commercial nurseries, golf courses, or other water-dependent businesses, unless specifically required by SJWC or a governing jurisdiction.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 569

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates, rules and regulations affecting the rates and service of the Utility, together with information relating thereto:

Subject Matter of Sheet	C.P.U.C. Sheet No.	
Title	1495-W	
Table of Contents	2147-W, 2024-W, 848-W and 2114-W	(T)
Preliminary Statement	919-W, 1303-W, 2032-W, 2033-W, 2034-W, 2035-W, 2058-W, 2037-W 2038-W, 2039-W, 2040-W, 2041-W and 2042-W, 2087-W, 2125-W, 2141-W	(C)
Service Area Map Locator	1266-W	
Service Area Map Locator, Index	1589-W	
Map of Areas with Special Pressure and FireFlow Conditions	2116-W	
Index to Map of Areas With Special Pressure and FireFlow Conditions	1079-W, 2117-W 1082-W, 1087-W and 1404-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	2104-W, 2105-W and 2059-W	
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	2106-W, 1741-W, 1882-W and 2060-W	
Schedule No. 1C, General Metered Service Mountain District	2107-W, 1952-W, 1884-W and 2052-W	
Schedule No. 4, Private Fire Service	2097-W and 2053-W	
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
Schedule No. 10R, Service to Employees	152-W	
Schedule No. 14.1 Water Shortage Contingency Plan with Staged Mandatory Reductions and Drought Surcharges	2131-W, 2132-W, 2133-W 2134, 2135-W, 2136-W, 2137-W 2138-W, 2139-W, 2146-W	(C)
Schedule No. RW, Raw Water Metered Service	2128-W and 2129-W	
Schedule No. RCW, Recycled Water Metered Service	2099-W and 2109-W	
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	2090-W	
Schedule No. WRAP, Water Rate Assistance Program	2111-W and 2056-W	
List of Contracts and Deviations	2092-W and 2103-W	
Rules:		
No. 1 - Definitions	2064-W and 2065-W	
No. 2 - Description of Service	525-W	
No. 3 - Application for Service	2143-W, 2144-W	
No. 4 - Contracts	352-W	
No. 5 - Special Information Required on Forms	2066-W, 2067-W and 2068-W-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	2069-W, 2070-W and 2017-W	
No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

(To be inserted by

Issued by

(To be inserted by Cal. P.U.C.)

utility) Advice No. 569

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Date Filed _____

Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE