# CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS

# **Advice Letter Cover Sheet**

Utility Name:	San Jose Water Company	Date Mailed to Service List:	08/01/19			
District:	N/A					
CPUC Utility #:	U-168-W	Protest Deadline (20 <sup>th</sup> Day):	8/20/19			
Advice Letter #:	534	Review Deadline (30 <sup>th</sup> Day):	8/30/19			
Tier	$\Box 1$ $\Box 2$ $\boxtimes 3$ $\Box$ Compliance	<b>Requested Effective Date:</b>	10/01/19			
Authorization	D.19-06-010	\$1,224,842.43				
Description:	Request authorization to implement 36 month surcharge to amortize Hydro Generation Research, Development and Demonstration Memorandum Account as authorized in D.19-06-010.	Rate Impact:	. , ,			

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact:	John Tang	Utility Contact:	Ann Lindahl
Phone:	408-279-7933	Phone:	408-279-7979
Email:	john.tang@sjwater.com	Email:	ann.lindahl@sjwater.com

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

Email: Water.Division@cpuc.ca.gov

		DWA USE O	NLY		
DATE	<b>STAFF</b>			<b>COMMENTS</b>	
[] APPROVED	)	[] WITHDI	RAWN	[	] REJECTED
Signature:		Comm	ents:		
Date:					



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

August 1, 2019

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

Advice Letter No. 534

To Whom It May Concern:

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:

Cal. P.U.C	Title of Sheet	Cancelling Cal. P.U.C.
Sheet No.		Sheet No.
1975-W	Schedule No. 1	1962-W
	General Metered Service (Continued)	
1976-W	Schedule No. 1B	1963-W
	General Metered Service with	
	Automatic Fire Sprinkler System (Continued)	
1977-W	Schedule No. 1C	1964-W
	General Metered Service	
	Mountain District (Continued)	
1978-W	Schedule 4	1965-W
	Private Fire Service (Continued)	
1979-W	Schedule RW	1966-W
	Raw Water Metered Service (Continued)	
Deleted	Schedule No. RCW	1967-W
	Recycled Water Metered Service (Continued)	
1980-W	Table of Contents	1974-W

### Purpose

With this advice letter, SJWC seeks authorization to recover its September 30, 2016 Hydro Generation Research, Development and Demonstration Memorandum Account over a three year period as authorized in Decision No. (D.) 19-06-010 (Attachment A) issued on June 19, 2019. These tariffs are submitted pursuant to General Order No. 96-B and pursuant to authorization by the California Public Utilities Commission (Commission) in D.19-06-010.

This advice letter is submitted as a Tier III Advice Letter and the accompanying updated tariffs reflect the requirements in Ordering Paragraph 2 of D.19-06-010, which states that:

"2. San Jose Water Company shall submit a Tier 3 Advice Letter to recover its September 30, 2016 Hydro Generation Research, Development and Demonstration Memorandum Account balance over a three-year period. As part of that Advice Letter, its Chief Executive Officer shall certify that the September 30, 2016 balance is true and correct. San Jose Water Company shall subsequently close that memorandum account. "

The Hydro Generation Research, Development and Demonstration Memorandum Account balance of \$1,243,363 represented project costs as of September 30, 2017 as presented in A.18-01-004. The account balance included some project costs that were incurred as of September 30, 2016 but billed after that date. D.19-06-010 specially excludes any project costs included after September 30, 2016 in the memorandum account tracking. The table below lists the expense by major category excluded from this advice letter request:

Major Category	Amount	Date of Invoice
Contracted Labor	-\$4,238.37	Nov, 2016
Construction	-\$127.15	Nov, 2016
Overhead		
Capitalized Interest	-\$18,830.31	Oct-Dec, 2016
Total Adjustment	-\$23,195.83	

As of result of these exclusions the Memorandum Account balance as of September 30, 2016 was \$1,220,161.75. Consideration for appropriate franchise taxes and uncollectables results in a total request for recovery of \$1,224,842.43 via a 36-month surcharge of \$0.00888 per ccf (Attachment B). For a typical residential customer with a 3/4-inch meter using 11 ccf per month, the bill will increase by approximately \$0.10.

Attachment C provides the requested certification of the balance in the memorandum account as of September 30, 2016.

Additionally, this advice letter revises the tariff sheets to remove references to the expired special condition authorized in Advice Letter 530 as a one time surcredit.

### Effective Date

SJWC requests this advice letter become effective on October 1, 2019. Public notice is not required as notice was completed at the time of SJWC's General Rate Case proceeding A.18-01-004. Attachment D provides proof of noticing.

The present rates of the SJWC became effective on January 1, 2019, by Advice Letter No. 528A. SJWC has Advice Letter 532 suspended and pending before the Commission.

### 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;

### CALIFORNIA PUBLIC UTILITIES COMMISSION Advice Letter 534 Page 3

- (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 relitigating 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, 3<sup>rd</sup> 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 95110 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 E.

Very truly yours,

/S/JOHN TANG JOHN TANG Vice President of Regulatory Affairs

Attachments

# **Index of Workpapers**

Attachment A	D.19-06-010
Attachment B	Surcharge Calculations
Attachment C	Memorandum Account Balance Certification
Attachment D	Affidavit of Giving Notice by Mail A.18-01-004
Attachment E	Service List

## SAN JOSE WATER COMPANY

### **ADVICE LETTER NO. 534**

## ATTACHMENT A

ALJ/KJB/jt2

Decision 19-06-010 June 13, 2019

### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOSE WATER COMPANY (U168W) for an Order authorizing it to increase rates charged for water service by \$34,288,100 or 9.76% in 2019, by \$14,231,800 or 3.70% in 2020, and by \$20,581,700 or 5.17% in 2021.

Application 18-01-004

# DECISION RESOLVING REMAINING ISSUES IN SAN JOSE WATER COMPANY'S GENERAL RATE CASE

### Summary

We deny San Jose Water Company's (SJW) request to replace its "Monterey"-style Water Revenue Adjustment Mechanism (WRAM) with a full revenue decoupling WRAM associated with a Modified Cost Balancing Account and a Sales Reconciliation Mechanism. We grant SJW's request to amortize the balance of its Hydro Generation Research, Development and Demonstration Memorandum Account (Memorandum Account) over a three-year period. However, SJW shall limit its recovery of its costs in the Memorandum Account to the balance as of September 30, 2016 and shall file a Tier 3 Advice Letter to recover such cost as a surcharge over a three-year period. The proceeding is closed.

### 1. Background

San Jose Water Company (SJW) filed Application (A.) 18-01-004 on January 4, 2018, proposing increased rates for Test Year 2019 and Escalation Years 2020 and 2021, and to make investments and accounting changes as specified therein.

SJW, the Commission's Office of Public Advocates (Cal Advocates) and Water Rate Advocates for Transparency, Equity, and Sustainability (WRATES) participated in a formally noticed settlement conference on June 12, 2018. The settling parties continued with discussions and resolved certain issues in advance of the evidentiary hearings, which were held July 9 and 11, 2018 at the Commission's hearing rooms in San Francisco. Over the course of these communications, the settling parties ultimately resolved certain issues of concern to Cal Advocates, which were reduced to writing in the form of the proposed Settlement Agreement between Cal Advocates and SJW. Although WRATES did not join in the settlement, it did not oppose it. That proposed settlement agreement was adopted by the Commission in Decision (D.) 18-11-025.

The remaining contested matters are among Cal Advocates, SJW and WRATES: (1) SJW's request for a Water Revenue Adjustment Mechanism (WRAM) with the associated Modified Cost Balancing Account; (2) Sales Reconciliation Mechanism; and (3) disposition of the Hydro Generation Research, Development and Demonstration Memorandum Account.

### 1.1. Water Revenue Adjustment Mechanism with the Associated Modified Cost Balancing Account

SJW seeks to implement a WRAM and Modified Cost Balancing Account (MCBA) to promote the development and implementation of more innovative and aggressive water conservation programs<sup>1</sup> and to recover its fixed costs. The requested WRAM/MCBA is similar to the WRAM/MCBA that the Commission has approved for other Class A Water Utilities.<sup>2</sup> Cal Advocates opposes SJW's request to change from its Monterey-style WRAM to a full WRAM/MCBA. Cal Advocates' opposition is supported by WRATES.

### WRAM/MCBA Background

The purpose of a full WRAM is to promote conservation by removing a disincentive for utilities to adopt aggressive conservation programs by decoupling the link between sales and revenue collection.<sup>3</sup> SJW currently has a Monterey-style WRAM that records the difference between the revenue generated by metered water sales via its tiered rate structure and the revenue it would have received with a single uniform rate. It does not decouple the link between sales and revenues. Therefore, if actual sales are below forecasted levels, revenues and earnings will be less than authorized and SJW will be at risk of not recovering its fixed costs. Lower actual sales may result from voluntary or mandatory conservation measures.

The WRAM used by other Class A Water Utilities ensures recovery of the portion of a utility's fixed costs that are recovered through the quantity charge as

<sup>&</sup>lt;sup>1</sup> SJW-5, Ch. 19 at. 1.

<sup>&</sup>lt;sup>2</sup> See for example, D.08-02-036, D.08-06-030, and D.10-12-029.

<sup>&</sup>lt;sup>3</sup> Cal Advocates 1 at 26.

well as certain variable costs not included in the MCBA. The MCBA recovers actual cost for purchased water, groundwater extraction fees and purchased power.

### WRAM/MCBA Discussion

Cal Advocates opposes SJW's WRAM/MCBA request because SJW's customers have met its state-mandated requirement to reduce potable urban water consumption from 2013 levels, established under Executive Order B-2915 without the need for a full WRAM.<sup>4</sup>

Cal Advocates further opposes SJW's WRAM/MCBA request because the Commission has yet to make definitive findings as to the effectiveness of WRAMs in promoting water conservation and because problems related to higher than expected WRAM balances persist, two reasons the Commission rejected SJW's request for a full WRAM in its 2016 General Rate Case (GRC).<sup>5</sup>

SJW's success in using a Monterey-style WRAM demonstrates that it does not need a full WRAM to achieve its water conservation goals. Although parties did not address the different financial risks of a Monterey-style WRAM and a full WRAM on a utility's return on equity, it is an issue that should be addressed in future WRAM requests. We conclude that SJW should continue using its Monterey-style WRAM pending definitive Commission findings as to the effectiveness of different types of WRAMs in promoting water conservation.

<sup>&</sup>lt;sup>4</sup> Cal Advocates 1 at 25-28.

<sup>&</sup>lt;sup>5</sup> *Id.* at 28-32.

### 1.2. Sales Reconciliation Mechanism

SJW seeks to implement a Sales Reconciliation Mechanism (SRM) to adjust its annual sales forecast between rate cases when actual sales diverge from projected sales by more than five (5) percent. Specifically, SJW proposes that such a divergence for the past year would trigger the SRM; once the SRM is triggered, SJW would then adjust the estimated annual sales forecast during the remainder of the GRC cycle by 50 percent of the difference between the preceding year's actual sales and the GRC adopted forecast. Such changes would be incorporated in rates through the annual escalation year filings.<sup>6</sup> Cal Advocates opposes the adoption of SJW's proposed SRM. WRATES supports Cal Advocates' position against establishing an SRM.

### SRM Discussion

SJW cites two Commission Decisions in support of its requested SRM. First, D.14-08-11 in which the Commission found that a SRM was in the public interest "as it would limit revenue disparity that is tracked by the WRAM by changing rates, as opposed to applying surcharges and surcredits after the fact, when a disparity between adopted and actual sales will contribute to the WRAM balance at the end of the year." Secondly, D.16-12-026 recognized that the implementation of SRM adjustments will provide timely cost information to water customers.<sup>7</sup>

The principal reason for authorizing SRM requests is to address increasing WRAM balances.<sup>8</sup> Cal Advocates' opposition to the SRM is based in part on the

<sup>&</sup>lt;sup>6</sup> SJW Application Exhibit E, Ch. 19 at 14.

<sup>&</sup>lt;sup>7</sup> SJW-5, Ch. 19 at 14.

<sup>&</sup>lt;sup>8</sup> Resolution W-5153 at 5.

Commission's recent rejection of SJW's Resolution W-5153 advice letter request to implement the SRM; and in part on the fact that SJW has not demonstrated that adopting an SRM will lead to a decrease in its current WRAM balance. Further, the implementation of another single-issue-dependent rate change mechanism harms the Commission's ability to issue comprehensive decisions.<sup>9</sup>

We concur with Cal Advocates that the SRM is not appropriate for SJW. SJW should be required to delineate the change in its financial risk and impact on its authorized return on equity as part of any future SRM request.

# 1.3. Hydro Generation Research, Development and Demonstration Memorandum Account

SJW seeks authority to capitalize into rate base its Hydro Generation Research, Development and Demonstration Memorandum Account balance of \$1,243,363 as of September 30, 2017 and to subsequently close that Memorandum Account.<sup>10</sup> Alternatively, in rebuttal testimony, SJW seeks authority to recover its project costs as an expense by amortizing the balance over the three-year rate case period (\$414,454 per year).<sup>11</sup>

# Project Background

SJW established its Hydro Generation Research, Development and Demonstration Memorandum Account to track costs associated with a Research, Development and Demonstration (RD&D) electrical regenerative flow control valve project, pursuant to Resolution W-4854, dated December 2, 2010. The project's purpose was to evaluate new, untested technologies on a small scale to

<sup>&</sup>lt;sup>9</sup> Cal Advocates-1 at 32.

<sup>&</sup>lt;sup>10</sup> Exhibit SJW-5, Ch. 17 at 17-5.

<sup>&</sup>lt;sup>11</sup> Exhibit SJW-2 at 45.

### A.18-01-004 ALJ/KJB/jt2

determine whether replacing existing mechanical Pressure-Reducing Valves (PRVs) with modern electrical regenerative Flow Control Valves would result in a significant increase in efficiency.<sup>12</sup> Pursuant to that Resolution, SJW would work in collaboration with the Commission's Division of Water and Audits Staff to finalize project site details, develop project scope and select a single engineering and design firm. All costs accumulated in this project would be recoverable through a Tier 3 Advice letter filing, subject to prudent administration of the RD&D project.<sup>13</sup>

At the commencement of the project Zeropex, a Norwegian company, was the only known supplier making equipment suitable for PRV modernization. In collaboration with Commission staff, SJW selected a Hostetter site for the project. However, the site proved unsuitable. There was insufficient space in existing below ground vaults to install the Zeropex equipment. Additional equipment and new operating safeguards were also required to bring the project into compliance with the electrical code. The concept of using the existing vaults was abandoned at the end of August 2011 and alternative large vault options were considered.<sup>14</sup>

When the required equipment was laid out with the necessary piping and the existing PRVs, a vault design was arrived at that was much larger than desired but was electrical code compliant and workable from the design, construction, and operation and maintenance standpoints. Bids from qualified contractors were substantially above budget. In addition to project construction

<sup>&</sup>lt;sup>12</sup> Resolution W-4854 at 1.

<sup>&</sup>lt;sup>13</sup> *Id.* at 18.

<sup>&</sup>lt;sup>14</sup> A.18-01-004, Exhibit F, Ch 173 at 7.

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costs, multiple underground utilities in the immediate vicinity of the project would have to be relocated at SJW's expense. Faced with the multiple construction and operation problems uncovered during the RD&D process, SJW concluded that the project was not economically viable and cancelled it.

The Commission in Resolution W-4854 encouraged utilities to test new technologies on a small scale to evaluate whether implementing them on a large scale would be beneficial and feasible. The Commission does not require utilities that undertake RD&D projects like SJW's valve replacement program to guarantee the projects will be successful. In this particular case, SJW was authorized to recover the costs of its RD&D project from its ratepayers, subject to prudent administration of the project.<sup>15</sup>

### **Prudent Administration Issue**

WRATES opposes SJW's request for recovery of costs accumulated in the memorandum account on the basis that SJW imprudently administered the project.<sup>16</sup> The basis of WRATES' imprudent administration contention is that SJW:

- a. Selected the only know supplier making the PRV equipment.
- b. Took a lead role without any prior RD&D experience.
- c. Failed to seek RD&D tax credits.
- d. Failed to conduct adequate preliminary research.
- e. Acted below a standard of prudent administration by actions of other Class A Water Utilities.
- f. Failed to act when it realized the project wasn't feasible.

<sup>&</sup>lt;sup>15</sup> Resolution W-4854 at 14 and 18.

<sup>&</sup>lt;sup>16</sup> WRATES Opening Brief at 10.

g. Delayed closure of the project.

However, none of these contentions substantiates that SJW imprudently administered its project. SJW logically selected, with the support of Commission Staff, the only known supplier making the PVR equipment. Absent any specific actions undertaken by SJW, the taking of a lead role without prior RD&D experience does is not per se imprudent administration. RD&D tax credits were only available if project construction began before the end of 2010 and the new equipment was placed into service by January 1, 2014.<sup>17</sup> Since the project was to evaluate untested technologies in an unknown environment, it is unrealistic to expect "adequate" preliminary research. WRATES' comparison of this project with other utilities' RD&D projects is misplaced. By their nature, such projects are *sui generis* and it is impossible to know how another utility would have administered this project. What we know is that each step taken by SJW in evaluating the new equipment was necessary before an informed judgment about the feasibility and affordability of the project could be made. We conclude that SJW prudently administered its electrical regenerative flow control valve project.

### Cost Recovery Issue

Cal Advocates opposes SJW's request to capitalize the project costs into rate base because it was a failed project, as acknowledged by SJW's own consultant, and it would be unreasonable to include such costs in customer rates while providing SJW shareholders with a return on the same failed project.<sup>18</sup>

<sup>&</sup>lt;sup>17</sup> Resolution W4854 at 7.

<sup>&</sup>lt;sup>18</sup> Cal Advocates Opening Brief at 1415.

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Cal Advocates also opposes SJW's alternative request to recover the existing balance of project costs in rates over the three year rate case period.<sup>19</sup>

We take official notice of the Uniform System of Accounts for Class A Water Utilities (USOA) to consider the appropriate treatment of the project costs. For the project to be capitalized as utility plant in service, the USOA requires that project to be useful in providing utility operations. In this case, the project was abandoned. Therefore, we cannot find that it resulted in a useful asset for utility operations and we concur with Cal Advocates that the Hydro Generation Research, Development and Demonstration Memorandum Account balance should not be transferred to rate base.

The USOA also gives direction on the treatment of abandoned project costs. Account 142 – Preliminary Survey and Investigation Charges -- provides for abandoned projects, such as the project before us, to be charged to Miscellaneous Income Deductions or Miscellaneous Deductions to Surplus, *unless otherwise authorized or directed by the Commission*. In this instance, the Commission directed in Resolution W-4854 that SJW should be authorized to recover its project cost, subject to its prudent administration of the project. Having found that SJW prudently administered its project and in compliance with Ordering Paragraph 2 of the Resolution, SJW should be authorized to recover reasonable costs in its Memorandum Account as an operating expense.

SJW's contractor, retained for the project, issued a September 2016 report that provided "third-party verification" that SJW's project was unsuccessful and

<sup>&</sup>lt;sup>19</sup> *Id.* The existing balance already includes returns allowed to accumulate on project costs as they were incurred.

### A.18-01-004 ALJ/KJB/jt2

should be abandoned.<sup>20</sup> The record in this proceeding does not identify what the Hydro Generation Research, Development and Demonstration Memorandum Account balance was as of September 30, 2016. The \$1,243,363 project cost SJW seeks to recover is the balance as of September 30, 2017, a year after its own contractor concluded that the project should be abandoned. Although SJW should have submitted a Tier 3 Advice Letter for recovery of its project costs shortly after September 30, 2016, it is still entitled to recover its reasonable project costs. Costs accumulated into the memorandum account after September 2016 are not reasonable and should not be recovered. SJW shall submit a Tier 3 Advice Letter to recover its September 30, 2016 accumulated project costs over a three-year time period. As part of that Advice Letter filing, SJW's shall identify the balance in its memorandum account as of September 30, 2016,<sup>21</sup> by major category and its Chief Executive Officer shall certify that the September 30, 2016 accounting is true and correct.

### 2. Comments on Proposed Decision

The proposed decision of ALJ Bemesderfer was mailed to the parties on May 13, 2019. Comments were received from SJW on June 3, 2019 and reply comments were received from Cal Advocates on June 10, 2019.

SJW's comments regarding its WRAM repeated arguments formerly made and were accorded no additional weight. Its request to shorten the period of amortization for its Hydro Generation Research, Development and Generation Memorandum Account from the three-year period approved in the Proposed

<sup>&</sup>lt;sup>20</sup> SJW2 at 45.

<sup>&</sup>lt;sup>21</sup> Refer to Application Exhibit F, WP 173.

Decision to a one-year period repeats arguments rejected in the Proposed Decision and is denied.

### 3. Assignment of Proceeding

Liane Randolph is the assigned Commissioner and Karl J. Bemesderfer is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. The purpose of the WRAM is to promote conservation by removing a disincentive for utilities to adopt aggressive conservation programs by decoupling the link between sales and revenue collection.

2. SJW operates with a Monterey-style WRAM, and its water conservation programs have met or exceeded the state's conservation mandates.

3. The Commission has yet to make definitive findings as to the effectiveness of WRAMs in achieving conservation.

4. The principal reason for authorizing SRM requests is to address increasing WRAM balances.

5. Official notice is taken of the Uniform System of Accounts for Class A Water Utilities (USOA).

6. The USOA requires a project to be useful in providing utility operations to be capitalized as utility plant in service.

7. USOA allows abandoned project costs to be recovered as directed by the Commission.

8. SJW established its Hydro Generation Research, Development and Demonstration Memorandum Account to track costs associated with a RD&D of its electrical regenerative flow control valve project, pursuant to Resolution W-4854. 9. SJW worked in collaboration with the Commission's Division of Water and Audits Staff.

10. Resolution W-4854 authorized SJW to recover the costs of its RD&D project from its ratepayers, subject to a prudent administration of the project.

11. SJW's contractor, retained for the project, issued a September 2016 report that SJW's project was unsuccessful and should be abandoned.

### **Conclusions of Law**

1. SJW should continue using its Monterey-style WRAM pending Commission findings as to the effectiveness of WRAM.

2. The SRM is not appropriate for SJW.

3. SJW should be required to delineate the change in its financial risk and impact on its authorized return on equity as part of any future WRAM and SRM request.

4. SJW prudently administered its electrical regenerative flow control valve project.

5. SJW should be authorized to recover the costs in its RD&D electrical regenerative flow control valve project Memorandum Account as of September 30, 2016 as an expense by amortizing the balance over a three-year period.

6. This proceeding should be closed.

# ORDER

### IT IS ORDERED that:

1. San Jose Water Company shall continue using its Monterey-style Water Revenue Adjustment Mechanism. 2. San Jose Water Company shall submit a Tier 3 Advice Letter to recover its September 30, 2016 Hydro Generation Research, Development and Demonstration Memorandum Account balance over a three-year period. As part of that Advice Letter, its Chief Executive Officer shall certify that the September 30, 2016 balance is true and correct. San Jose Water Company shall subsequently close that memorandum account.

3. Application 18-01-004 is closed

This order is effective today.

Dated June 13, 2019, at Sacramento, California.

MICHAEL PICKER President MARTHA GUZMAN ACEVES CLIFFORD RECHTSCHAFFEN GENEVIEVE SHIROMA Commissioners

Commissioner Liane M. Randolph being necessarily absent did not participate.

### SAN JOSE WATER COMPANY

### **ADVICE LETTER NO. 534**

# ATTACHMENT B

### SAN JOSE WATER COMPANY (U-168-W)

ADV 534

WP 17-3

#### HYDRO-TURBINE GENERATOR RD&D PROJECT AS OF SEPTEMBER 30, 2017 (Dollars)

Plant Additions			Amount	
Labor			\$6,187.77	
Payroll Taxes & Insurance			\$3,225.94	
Construction Contract	\$12,528.44			
Contract Labor	\$313,288.80			
Materials			\$541,768.24	
Licenses & Permits			(\$1,200.00)	
Construction Overhead			\$72,743.50	
Capitalized Interest			\$294,819.89	
TOTAL HYDRO-TURBINE GENERATION H10120 AS OF LESS CONTRACTED LABOR NOV LESS CONSTRUCTION OVERHE/ LESS CAPITALIZED INTEREST C TOTAL HYDRO-TURBINE GENERATION H10120 AS OF	\$1,243,362.58 (\$4,238.37) (\$127.15) (\$18,830.31) \$1,220,166.75			
Adjustment in Local Franchise Tax: Adjustment in Uncollectibles:	D.18-11-025 D.18-11-025	0.2508% 0.13240%		\$3,060.18 \$1,615.50
Total Undercollection Requested to be Recovered Percentage of 2019 Est. Gross Revenue				\$1,224,842.43
Total Potable Authorized Usage (ccf) in 2019	D.18-11-025			45,980,000

Memorandum Account Undercollection Amortization in Quantity Surcharge 36 Months Or Until Recovered

0.008880 /ccf

### SAN JOSE WATER COMPANY

### **ADVICE LETTER NO. 534**

# ATTACHMENT C

### DECLARATION OF ERIC THORNBURG REGARDING THE HYDRO GENERATION RESEARCH, DEVELOPMENT AND DEMONSTRATION MEMORANDUM ACCOUNT BALANCE

I, Eric Thornburg, declare and state:

1. I am Chief Executive Officer at San Jose Water Company.

2. I have reviewed and/or am familiar with the materials contained in Advice

Letter 534.

3. I certify that the balance in the Hydro Generation Research, Development

and Demonstration Memorandum Account on September 30, 2019, is \$1,224,842.43

including appropriate gross-up amounts.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 1, 2019, at San Jose, California.

/S/ ERIC THORNBURG

Eric Thornburg Chief Executive Officer, San Jose Water Company

### SAN JOSE WATER COMPANY

### **ADVICE LETTER NO. 534**

### ATTACHMENT D

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOSE ) WATER COMPANY (U 168 W) for an Order ) authorizing it to increase rates charged for water service by \$34,288,100 or 9.76% in 2019, ) Application No. A.18-01-004 by \$14,231,800 or 3.70% in 2020, and by ) Filed January 4, 2018

Application No. 18-01-004

Filed January 4, 2018

**AFFIDAVIT OF GIVING NOTICE BY MAILING** 

STATE OF CALIFORNIA ) ) ss. County of LOS ANGELES

\$20,581,700 or 5.17% in 2021

Silva Brian , being first duly sworn, deposes and says:

That he/she is over eighteen years of age and that he is and at all times herein mentioned has been an employee of Kubra Data Transfer Ltd. a California corporation that San Jose Water Company has filed an application with the Public Utilities Commission of the State of California in the above entitled matter, that affiant caused to be mailed to each customer a notice as detailed in Attachment A, a "SAN JOSE WATER COMPANY NOTICE OF GENERAL RATE CASE APPLICATION FILING APPLICATION NO. 18-01-004" by including such notice in a mailing or EBill delivered with the customer's billing statement mailed between January \_\_\_\_\_, 2018 and March  $15^{+-}$ , 2018. A copy of the notice is attached hereto.

<u>Monica</u> D. Vasquez (Print Name)

Subscribed and sworn to before me

this 44h day of April, 2018

By Bryan Alexander Predas Silver See affaction nent NOTARY PUBLIC in and for the County of LOS Angeles State of California.



A notary public or other of certificate verifies only the who signed the document is attached, and not the tri validity of that document.	identity of the individual to which this certificate		
State of California County of Los Angeles			
Subscribed and sworn to ( day of <u>April</u> , 20	for affirmed) before me on 0_18_, by Brian Alexander	this <u>4th</u> Predas Silva	
proved to me on the basis person(s) who appeared b MONICA D. V COMM. # 22 NOTARY PUBLIC LOS ANGELES Comm. Exp. OC	ASQUEZ S CALIFORNIA S COUNTY	o be the	
(Seal)	Signature Mando	a D. Vasque	iz

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VASQUEZ 217448 • CALIFORNAA S COUNTY CT. 8, 2021

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### Attachment A

After considering all proposals and all evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision, determining whether to adopt SJWC's request, modify it, or deny it. Any of the CPUC's Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled Commission Voting Meeting.

#### STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: http://subscribecpuc.cpuc.ca.gov/.

If you have been given official party status, formal protests to this application must be filed with the CPUC's Docket Office no later than 30 days from the date the application first appears in the CPUC's Daily Calendar. Hard copies must be addressed to CPUC Docket Office, 505 Van Ness Ave., San Francisco, California 94102. If you wish to file electronically you can do so through the following link http://efile.cpuc.ca.gov/thin/cp.exe.

If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's webpage at www.cpuc.ca.gov/puc and click on "Public Advisor" from the CPUC Information Menu. You may also contact the Public Advisor as follows:

Write:	CPUC Public Advisor's Office, Room 2103 505 Van Ness Avenue San Francisco, CA 94102
Email:	public.advisor@cpuc.ca.gov
-	

Phone: 1.866.849.8390 (toll-free) or 1.415.703.2074 1.866.836.7825 (toll-free) or TTY 1.415.703.5282

Please reference SJWC Application No. A.18-01-004 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.



110 West Taylor Street • San Jose, CA 95110 408.279.7900 • <u>www.sjwater.com</u> • Se habla español

30316-I-0058

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# PUBLIC NOTICE

PARA INFORMACIÓN EN ESTE AVISO EN ESPAÑOL, POR FAVOR LLAME 408.279.7900

### SAN JOSE WATER COMPANY NOTICE OF GENERAL RATE CASE APPLICATION FILING APPLICATION NO. A.18-01-004

n January 4, 2018, San Jose Water Company (SJWC) filed its General Rate Case (GRC) Application A.18-01-004, seeking authority from the California Public Utilities Commission (CPUC) to increase rates in 2019, 2020 and 2021. As part of its decisionmaking process, the CPUC is interested in hearing from you, and invites you to provide your comments on any aspect of the company's operations including proposed rates, service quality issues or any other matter related to the request that may be of concern to you.

Under SJWC's proposal, rates for each year would become effective on January 1 for that particular year. Rate increases for 2020 and 2021 are derived using an escalation procedure and inflation factors provided by the CPUC. The factors used to calculate rates in these years will be the most recent inflation forecast at that point in time. In its application, SJWC has requested to increase its rates by actual inflation without further notice to customers. This means that if inflation is greater or lower than that assumed in the application, rates for 2020 and 2021 may be higher or lower than shown in this notice, and no further notification would be required to adjust the rates accordingly.

#### CUSTOMER IMPACT

SJWC filed a GRC application requesting authority for an increase in revenues of \$34,288,000 or 9.76 percent in 2019, \$14,232,000 or 3.70 percent in 2020, and \$20,582,000 or 5.17 percent in 2021. SJWC also seeks authority for: (1) recovery of \$13,612,774 for its balancing account via a \$0.2973/ccf customer surcharge beginning January 1, 2019, until recovered and (2) recovery of \$7,112,350 for its memorandum account via a monthly surcharge to customers of \$0.1553/ccf beginning January 1, 2019, until recovered.

A balancing account tracks the incremental over and under collection of rates, surcharges, and other expenses for future recovery by the utility, such as purchased water and groundwater extraction charges. A memorandum account tracks specific expenses assigned for possible future recovery, such as water quality and conservation expenses.

If approved by the CPUC, the following tables provide a comparison of SJWC's requested rate increases for Schedule 1 and Schedule 1C Mountain Districts by meter size. The Mountain District is located in the hills above Los Gatos, CA.

#### Attachment A

Schedule 1 and Schedule 1C- General Metered Service Rate Impact	Schedule 1	and	Schedule	1C-	General	Metered	Service	Rate Impact
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Monthly Service Charge		Rates Proposed in SJWC's Application			
Meter Size	Present Rates	2019 Rates \$ (% increase)	2020 Rates \$ (% increase)		
5/8 x 3/4-inch	\$25.45	\$39.00 (53%)	\$42.40 (9%)	\$44.34 (5%)	
3/4-inch	\$25.45	\$39.00 (53%)	\$42.40 (9%)	\$44.34 (5%)	
1-inch	\$42.37	\$67.80 (60%)	\$70.66 (4%)	\$73.90 (5%)	
1 1/2-inch	\$84.78	\$135.60 (60%)	\$141.33 (4%)	\$147.80 (5%)	
2-inch	\$135.68	\$217.10 (60%)	\$226.12 (4%)	\$236.47 (5%)	
3-inch	\$254.37	\$407.00 (60%)	\$423.98 (4%)	\$443.39 (5%)	
4-inch	\$423.96	\$678.30 (60%)	\$706.63 (4%)	\$738.98 (5%)	
6-inch	\$847.91	\$1,357.00 (60%)	\$1,413.26 (4%)	\$1,477.96 (5%)	
8-inch	\$1,356.67	\$2,171.00 (60%)	\$2,261.22 (4%)	\$2,364.74 (5%)	
10-inch	\$1,950.24	\$3,120.00 (60%)	\$3,250.51 (4%)	\$3,399.31 (5%)	

#### Schedule 1 and 1C - Per Ccf Rate Impact

Present Quantity Charges (Per Ccf) All Residential Customers:		Rates Proposed in SJWC's Application		
Usage	Present Rates*	2019 Rates \$ (% increase)	2020 Rates \$ (% increase)	
0 to 3 Ccf	\$4.96	\$3.34 (-33.1%)	\$3.38 (1.1%)	\$3.54 (4.8%)
3+ to 18 Ccf	\$5.43	\$5.01 (-7.7%)	\$5.06 (1.1%)	\$5.31 (4.8%)
Over 18 Ccf	\$5.91	\$6.68 (13.0%)	\$6.75 (1.1%)	\$7.07 (4.8%)
All Other Cust	omers: (Business, In	dustrial, Public	: Authority, Re	sale)
All Usage	\$5.43	\$5.01 (-7.7%)	\$5.06 (1.1%)	\$5.31 (4.8%)

\*Quantity Charge Present Rates include current Santa Clara Valley Water District expense offset surcharges

For the typical residential customer with a  $\frac{1}{2}$ -inch meter using 11 ccf (one ccf = 748 gallons) of water per month, the monthly water bill will increase by 5.40 or 6.36 percent from 84.94 at present rates, to 90.35 in 2019, by 4.00 or 4.42 percent to 94.34 in 2020, and by 4.42 or 4.69 percent to 98.76 in 2021. The rates shown on your water bill may vary from the rates shown above due to temporary credits or surcharges in effect.

#### PRIMARY DRIVERS OF RATE INCREASE

SJWC has been providing safe and reliable water service for more 150 years and many of the facilities used for water service have reached the end of their lives. SJWC is proposing this rate increase due to escalating operating expenses related to water quality and safety requirements, as well as significant system infrastructure replacement requirements as the water system ages over the next several years. In order to maintain safe and reliable water service, infrastructure improvements such as water main and well replacements, enhancements to pumping stations and well fields, as well as water tank upgrades and replacements throughout SJWC's 140 square miles of service area are necessary.

#### TO OBTAIN A COPY OF THE APPLICATION

A copy of SJWC's application and further information may be obtained from the company's customer service office, open Monday through Friday from 8:00 a.m. to 5:30 p.m., located at:

San Jose Water Company 110 West Taylor Street San Jose, CA 95110 Telephone: 408.279.7900 www.sjwater.com

You may also review the application at the CPUC's Central Files Office at 505 Van Ness Avenue, San Francisco, CA 94102, between the hours of 8:00 a.m. to noon Monday through Friday.

#### THE CPUC PROCESS

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investorowned utility customers to obtain the lowest possible rate for service consistent with safety, reliability, and the state's environmental goals. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. Other parties of record will also participate in the CPUC's proceeding to consider this application. For more information about ORA, please call 415.703.1584, e-mail ora@cpuc.ca.gov or visit the Office of Ratepayer Advocate's website at http://ora.ca.gov/default.aspx.

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties," will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding, become part of the formal record that the Judge relies upon when writing a proposed decision to present to the Commissioners for their consideration.

### SAN JOSE WATER COMPANY

### **ADVICE LETTER NO. 534**

### ATTACHMENT E

SAN JOSE WATER COMPANY (U-168-W) Advice Letter No. 534 Attachment E Page 1 of 2

A copy of Advice Letter No. 534 has been sent to the following municipalities, water companies and interested parties:

City of San Jose Municipal Water Dept. Attn: Jeffrey Provenzano 3025 Tuers Road San Jose, CA 95121

California Water Service Co. Attn: Regulatory Affairs 1720 North First Street San Jose, CA 95112

City of Cupertino 10300 Torre Avenue Cupertino, CA 95014

City of Campbell 70 North First Street Campbell, CA 95008

Great Oaks Water Company P.O. Box 23490 San Jose, CA 95153

Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118

County of Santa Clara 70 W. Hedding Street San Jose, CA 95110

Mountain Springs Mutual Water Co. 17956 Greenwood Road Los Gatos, CA 95033 San Jose Mercury News Attn: Paul Rogers 4 N. Second Street, Suite 800 San Jose, CA 95113

Town of Los Gatos Attn: Director of Public Works 110 E. Main Street Los Gatos, CA 95032

City of Monte Sereno Attn: Jessica Kahn, City Engineer 18041 Saratoga-Los Gatos Road Monte Sereno, CA 95030

City of Santa Clara 1500 Warburton Avenue Santa Clara, CA 95050

City of Milpitas Attn: Utilities Engineering 455 East Calaveras Blvd. Milpitas, CA 95035

City of Saratoga Attn: Director of Public Works 13777 Fruitvale Avenue Saratoga, CA 95070

Department of Water Resources Safe Drinking Water Office, Room 804 1416 9<sup>TH</sup> Street Sacramento, CA 95814

### SAN JOSE WATER COMPANY (U-168-W) Advice Letter No. 534

Nina Hawk Chief Operating Officer Water Utility Enterprises Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118

Gillette MutualWater Company 21976 Gillette Drive Los Gatos, CA 95033

Redwood Estates Services Association PO Box 591 Redwood Estates, CA 95044-0591

Big Redwood Park Water & Improvement Assoc. 18522 Mt. View Avenue Los Gatos, CA 95033

Villa Del Monte Mutual Water Company P.O. Box 862 Los Gatos, CA 95031

Ridge Mutual Water Company 22316 Citation Drive Los Gatos, CA 95033

Summitt West Mutual Water Company P.O. Box 974 Los Gatos, CA 95031

Oakmount Mutual Water Company P.O. Box 31536 Stockton, CA 95213

Brush & Old Well Mutual Water Company 21105 Brush Road Los Gatos, CA 95033 Bob Burke Regulatory Liaison For The Six Mutual Water Companies 420 Alberto Way, Unit 49 Los Gatos, Ca 95032

Stagecoach Mutual Water Co 21825 Stagecoach Road Los Gatos, CA 95033

Pat Kearns, MD 7 W Central Ave Los Gatos, CA 95030

Saratoga City Council Member Rishi Kumar 13777 Fruitvale Avenue Saratoga, CA 95070

WRATES Rita Benton 18555 Ravenwood Drive Saratoga, CA 95070

Saratoga Heights Mutual Water Company P.O. Box 337 Saratoga, CA 95071

James Hunter 6475 Dwyer Street San Jose, CA 95120

Raineri Mutual Water Company P.O. Box 11 Los Gatos, CA 95031

Mt. Summit Mutual Water Co P.O. Box 3416 Saratoga, CA 95070

Attachment E Page 2 of 2 Canceling Revised

### Schedule No. 1

### GENERAL METERED SERVICE

(Continued)

- 6. To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.
- 7. To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

(D)

8. To amortize the Hydro Generation Research, Development and Demonstration Memorandum Account (N) balance, a surcharge of \$0.00888 per 100 cu.ft is to be added to the Quantity rate shown for a I 36 month period or until collected beginning with the effective date of Advice Letter 534. (N)

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG Vice President,	Date Filed
Dec. No. <u>D.19-06-010</u>	<u>Regulatory Affairs</u> TITLE	Resolution No

Revised Canceling Revised

Schedule No. 1B

### GENERAL METERED SERVICE WITH AUTOMATIC FIRE SPRINKLER SYSTEM (Continued)

- 7. To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.
- 8. To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

(D)

9. To amortize the Hydro Generation Research, Development and Demonstration Memorandum Account (N) balance, a surcharge of \$0.00888 per 100 cu.ft is to be added to the Quantity rate shown for a I 36 month period or until collected beginning with the effective date of Advice Letter 534. (N)

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG Vice President,	Date Filed Effective
Dec. No. <u>D.19-06-010</u>	Regulatory Affairs TITLE	Resolution No

### Schedule No. 1C

### GENERAL METERED SERVICE Mountain District (Continued)

 Upsize Charges as shown under Schedule No. 1B General Metered Service with Automatic Fire Sprinkler System's Service Charges shall also apply to Schedule No. 1C. Special Conditions 1 and 2 of Schedule No. 1C as noted below shall also apply to this schedule.

"1. Any service to a residential customer who requires a larger meter because of fire flow requirement to a fire sprinkler system will be billed (i) a meter service charge, for the appropriate meter size determined based on the normal water use of the customer excluding the fire flow requirement; and (ii) an upsize charge, determined by the difference between the actual Meter size required including the fire flow requirement and the appropriate meter size required without the fire flow requirement; and (iii) the quantity rate based on the quantity of water used.

2. For the purpose of fire protection under this schedule, the utility will supply only such water at such pressure as may be available from time to time as a result of its operation of the system. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding the provision or maintenance of an adequate water supply, water pressure, equipment or other fire protection facility or service. Acceptance of service under this tariff is acknowledgment of notice of the provisions of Section 774 of the Public Utilities Code."

The addition of General Metered Service with Automatic Fire Sprinkler System's Service Charges to this tariff shall be subject to Special Condition 4 – Interruptible Service of this Schedule.

- 9. To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.
- 10. To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

(D)

To amortize the Hydro Generation Research, Development and Demonstration Memorandum Account (N) balance, a surcharge of \$0.00888 per 100 cu.ft is to be added to the Quantity rate shown for a I 36 month period or until collected beginning with the effective date of Advice Letter 534. (N)

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG Vice President,	Date Filed Effective
Dec. No. <u>D.19-06-010</u>	Regulatory Affairs TITLE	Resolution No.

Canceling <u>Revised</u>

Cal. P.U.C. Sheet No. <u>1978-W</u> Cal. P.U.C. Sheet No. <u>1965-W</u>

#### Schedule No. 4

PRIVATE FIRE SERVICE (Continued)

SPECIAL CONDITIONS

- 4. For water delivered for other than fire protection purposes, charges shall be made under Schedule No. 1, General Metered Service.
- 5. The utility undertakes to supply only such water at such pressure as may be available any time through the normal operation of its system. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding the provision or maintenance of an adequate water supply, water pressure, equipment or other fire protection facility or service. Acceptance of service under this tariff is acknowledgment of notice of the provisions of Section 774 of the Public Utilities Code.
- 6. The minimum diameter for fire protection service shall be two inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
- 7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(D)

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG	Date Filed
Dec. No. <u>D.19-06-010</u>	Vice President, <u>Regulatory Affairs</u>	Effective Resolution No
	TITLE	

SAN JUSE WATER COMPANY (UT)	0000)	Revised	Cal. P.U.C. Sheet No. <u>197</u>	79-W
San Jose, California	Canceling	Original	Cal. P.U.C. Sheet No. <u>196</u>	66-W
	Schedule No.	RW		
RA	W WATER METER	ED SERVICE		
	(Continued	d)		
<ol> <li>To amortize the under-collection in Basis to be added to the Quantity rate shout the effective date of Advice Letter 528</li> </ol>	own for a 12 month pe	•	•	
<ol> <li>To amortize the under-collection of th is to be added to the Quantity rate sh the effective date of Advice Letter 528</li> </ol>	own for a 12 month pe			
9. To refund prorated service charge ra	<b>e</b> .			
December 31, 2016, a one-time surc			5:	
For 2/4 inch mater		Surcredit:		
		\$6.36		
		10.59		
-		21.17		
		33.89		
		63.55		
		105.91		
		211.83		
-		338.93		
For 10-inch meter		487.21		
10. To amortize the Hydro Generation I balance, a surcharge of \$0.00888 pe				(N) I
36 month period or until collected be				(N)

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG	Date Filed
	Vice President,	Effective
Dec. No. <u>D.19-06-010</u>	Regulatory Affairs	Resolution No.
	TITLE	

Revised Canceling Revised

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(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
Advice No. <u>534</u>	JOHN TANG	Date Filed
Dec. No. <u>D.19-06-010</u>	Vice President, Regulatory Affairs	Resolution No
	TITLE	