

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

NOTICE OF PUBLIC PARTICIPATION HEARING AND INFORMATION SESSION FOR SAN JOSE WATER COMPANY'S GENERAL RATE CASE APPLICATION NO. 18-01-004

Information Session
Wednesday, May 30, 2018
San Jose City Council Chambers
200 E. Santa Clara St.
San Jose, CA 95113
6:00 p.m.

Public Participation Hearing
Wednesday, May 30, 2018
San Jose City Council Chambers
200 E. Santa Clara St.
San Jose, CA 95113
6:30 p.m.

ABOUT PUBLIC PARTICIPATION HEARINGS

A Public Participation Hearing (PPH) has been scheduled at the date and time shown above to **receive your comments** about San Jose Water Company's (SJWC) General Rate Case (GRC) Application No. 18-01-004. This application requests to increase rates for 2019, 2020, and 2021.

The hearing's location is wheelchair accessible. If you need a language interpreter or special assistance, please contact the Commission's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend the PPH you may submit your comments via a letter or email to the PAO.

A CPUC Administrative Law Judge (Judge) will be presiding at this PPH to listen to concerns, comments, and opinions on the application. One or more Commissioners may attend, but no decisions will be reached at this hearing. All public comments from this PPH will be included in the formal public record.

INFORMATION SESSION

The CPUC is adding a new information session component to this PPH, at the time noted above, as an opportunity for the public to obtain more proceeding specific information. The information session segment will give the public a chance to ask parties specific questions, provide more education on the proceeding, and empower them to participate in the PPH that follows. Members of the public are highly encouraged to attend the information session. However, **you do not have to attend the information session to attend or provide comment at the PPH.**

SUMMARY

SJWC filed a GRC application requesting authority for an increase in revenues of \$34,288,100 (or 9.76 %) in 2019, \$14,231,800 (or 3.70%) in 2020, and \$20,581,700 (or 5.17%) in 2021. SJWC also seeks authority for: (1) recovery of \$13,612,774 for its balancing account via a 12-month \$0.2973/ccf¹ customer surcharge beginning 2019, and (2) recovery of \$7,112,350 for its memorandum account via a surcharge of \$0.1553/ccf until recovered.

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

¹ One ccf = 748 gallons

Under SJWC's proposal, rates and surcharges for each year would become effective on January 1 for that particular year. Rate increases for 2020 and 2021 are calculated using inflation factors provided by the CPUC and will use the most recent inflation forecast at that point in time. SJWC has requested to increase rates by actual inflation without further notice to customers. This means, if inflation is higher or lower than estimated in the application, rate changes for 2020 and 2021 may be higher or lower than shown in this notice. In either case, SJWC would not have to give customers any further notification to adjust the rates accordingly.

CUSTOMER IMPACT

SJWC's proposed rate increases shift more of the cost of service into the monthly service charge, while reducing the quantity charges.² This will help stabilize collection of fixed costs when usage changes. If approved by the CPUC, SJWC customers would see the following increases to the monthly service charge and changes to usage rates per ccf. **The current rates shown do not reflect rate changes since the filing.**

Current and Proposed Monthly Service Charge Increases by Meter Size

Meter Size	Current Rates	2019 Rates \$ (% increase)	2020 Rates \$ (% increase)	2021 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%) (4%)	\$1,477.96 (5%)
8-inch	\$1,356.67	\$2,171.00 (60%)	\$2,261.22(4%) (4%)	\$2,364.74 (5%)
10-inch	\$1,950.24	\$3,120.00 (60%)	\$3,250.51(4%) (4%)	\$3,399.31 (5%)

Current and Proposed Changes to Usage Rate (Per ccf)

Usage	Current Rates ³	2019 Rates \$ (% change)	2020 Rates \$ (% increase)	2021 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%)

² In accordance with the CPUC's Balanced Rates Decision 16-12-026,

³ Quantity Charge Present Rates include current Santa Clara Valley Water District expense offset surcharges

Over 18 Ccf	\$5.91	\$6.68 (13.0%)	\$6.75 (1.1%)	\$7.07 (4.8%)
All Other Customers: (Business, Industrial, Public Authority, Resale)				
All Usage	\$5.43	\$5.01 (-7.7%)	\$5.06 (1.1%)	\$5.31 (4.8%)

Typical residential customers with a 3/4-inch meter using 11 ccf per month will see a monthly bill increase of \$5.40 (or 6.36%) from \$84.94 at present rates, to \$90.35 in 2019, an increase of \$4.00 (or 4.42%) to \$94.34 in 2020, and an increase of \$4.42 (or 4.69%) to \$98.76 in 2021. **The amounts shown on your water bill may vary from the dollar amounts shown above due to temporary credits or surcharges in effect.**

PRIMARY DRIVERS FOR RATE INCREASE

SJWC has been providing water service for over 150 years and many of the facilities used for water service have reached the end of their useful lives. SJWC is proposing this rate increase for the following reasons:

1. Escalating operating expenses related to water quality and safety requirements,
2. Infrastructure improvements such as water main and water well replacements,
3. Improvements to pumping stations and well fields, and
4. Water tank and reservoir upgrades and replacements throughout SJWC's 140 square miles of service area.

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 between the hours of 8:00 a.m. to 5:30 p.m., Monday through Friday 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 in San Francisco by appointment. For more information, contact aljcentralfilesid@cpuc.ca.gov or 1-415-703-2045. The application may also be reviewed on the Proceeding Docket Card webpage on the CPUC's website at [www.http://cpuc.ca.gov/proceedings/](http://cpuc.ca.gov/proceedings/).

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 would like to learn how you can participate in this proceeding, have informal comments, or if you have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office webpage at www.cpuc.ca.gov/pao. You may also contact the Public Advisor's Office as follows:

Write: Public Advisor's Office - CPUC
505 Van Ness Avenue
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
Phone: 1-866-849-8390 (toll-free)

Please reference **SJWC GRC Application No. 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 to the assigned Judge, the Commissioners, and appropriate CPUC staff.