

PRELIMINARY STATEMENT

A. Territory Served by the Utility

The area in which service is or will be furnished under its extension rule by this utility is identified in the Service Area Maps and described as follows: (T)
(T)

Portions of Cupertino, San Jose, and Santa Clara, and in Campbell, Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

B. Types and Classes of Service

The types and classes of service rendered are described in Rule No. 2, "Description of Service", and as may be further limited or amplified in the section of each rate schedule designated "Applicability."

C. Procedure to Obtain Service

Service as described herein will be rendered to any applicant whose premises are within the utility's service area, as identified in the Service Area Maps, provided application is made in accordance with Rule No. 3, credit established as required in Rule No. 6 and a contract signed in certain cases as specified in Rule No. 4. Where an extension of the utility's mains is necessary, Rule No. 15 applies, and if the project is of a temporary or speculative nature, Rule No. 13 is applicable. (T)
(T)

Applicants for service and customers must also conform to and comply with the other established rules as provided herein.

D. Margin Symbols

- (C) To signify changed listing rule, or condition which may affect rates or charges
- (D) To signify discontinued material, including listing rate, rule or condition
- (I) To signify increase
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition
- (N) To signify new material including listing, rate, rule or condition
- (R) To signify reduction
- (T) To signify change in wording of text but not change in rate, rule or condition.

(To be inserted by utility)

Issued by

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

Advice No. 279

Fred R. Meyer

Date Filed AUG 21 1996

Vice President

Effective SEP 30 1996

Dec. No.

Regulatory Affairs

Resolution No.

TITLE

PRELIMINARY STATEMENT
(Continued)

E. Military Family Relief Program (MFRP) Memorandum Account

1. The Company shall establish a Memorandum Account to provide for review and potential future recovery of reduced revenues resulting from implementation of its MFRP as described in Rule Number 21.
2. Charges to the Memorandum Account shall consist of MFRP credits on customer bills and the costs of publishing related notices and applications plus interest consistent with Commission Memorandum Account Procedures.
3. Credits to the Memorandum Account shall consist of amounts recovered through authorized surcharge collections plus interest consistent with Commission Memorandum Account Procedures.
4. The Company shall include cumulative balances in this Memorandum Account in its annual request for account review required by Commission Decision 03-06-072.

F. Water Quality Expense Memorandum Account

1. In compliance with Commission Decision No. (D.) 06-11-015 the Company shall establish a Water Quality Expense Memorandum Account.
2. The expenses charged to the memorandum account are related to new federal and state and water quality standards with a total not to exceed \$500,000.
3. The Company shall include cumulative balances in this Memorandum Account for review in its General Rate Case filings as required by D.06-04-072.

G. Water Infrastructure Act Memorandum Account

1. In compliance with Commission Decision No. (D.) 06-05-041 the Company has established a Water Infrastructure Act Memorandum Account (WIAMA) in order to track the net proceeds from sales of real property that was at any time, but is no longer, necessary and useful in the performance of the Company's duties as a public utility (Infrastructure Act Property). These WIAMA funds shall be used as the primary source of capital for investment in utility infrastructure. (N)
2. The net proceeds from sales of Infrastructure Act Property shall be credited to the WIAMA. In accordance with Standard Practice U-27-W, the WIAMA accrues interest on the average account balance at the 90-day commercial paper rate and such accrued interest shall be credited to the WIAMA on a quarterly basis. In compliance with D.06-05-041 and Public Utilities Code Section 790, the Company's investments in water system infrastructure shall be charged to the WIAMA on a quarterly basis to the full extent that any balance exists in the WIAMA on the date such charge is recorded.
3. The Company shall provide cumulative balances of and details of all activity in the WIAMA (with supporting documentation) to Commission staff for their review in each General Rate Case (GRC), or at other times upon request.
4. Pursuant to D.06-05-041, Ordering Paragraph 19, the Company will provide the Director of the Water Division of the Division of Ratepayer Advocates 30 days' advance written notice whenever the Company plans to sell land, buildings, water rights, or all or part of a water system. This notice requirement applies to water company assets the company believes are no longer used and useful. This notice will not preclude later review of such sales in a water company's GRC or a later proceeding. The notice shall include the following heading in at least 16 point bold type: "Notice under Rulemaking 04-09-003. Commission staff must respond within 30 days." The notice also shall include the name, address, phone and email address of the potential purchaser(s). If the Commission staff objects to the proposed sale, it may send an objection in any form to the Company and to proposed purchaser(s). Mailing of such an objection shall prevent the proposed purchaser from claiming it is a bona fide purchaser of the property at issue until the issues raised in the objection are resolved. (N)

(To be inserted by utility)

Issued by

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

Advice No. 383

PALLE JENSEN

Date Filed OCT 11 2007

06-05-041

Vice President,

Effective OCT 19 2007

Dec. No. D-06-11-015

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT

(Continued)

H. Mandatory Conservation Memorandum Account

1. Purpose

The purpose of the Mandatory Conservation Memorandum Account (MCMA) is to track all operational and administrative costs associated with the implementation of Rule 14.1, Section A, as requested in AL 456-A.

2. Applicability

The MCMA will track the operating and administrative costs incurred in developing and implementing expanded and/or new conservation programs under Rule 14.1, Section A, including:

- a. Customer education and outreach activities.
- b. Program monitoring, data recording and reporting expense.
- c. Operational costs, such as water supply cost changes, associated with mandatory conservation compliance.
- e. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

If the accumulated balance for the MCMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the Mandatory Conservation Memorandum Account are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

4. Effective Date

The MCMA shall go into effect on the effective date of Advice Letter No. 456-A.

I. Water Conservation Memorandum Account

1. Purpose

The purpose of this Water Conservation Memorandum Account (WCMA) is to track revenue losses due to reduced sales and related changes in water production costs as the result of mandatory conservation for future disposition. The Commission has determined that this mechanism is appropriate in coordination with increasing water conservation activities or mandatory conservation required by outside governmental agencies or entities and the methodology was authorized in Decision (D.) 90-08-055 and D.91-10-042. The water revenues subject to this account include but are not limited to those which may be affected by Rule 14.1.

2. Applicability

The WCMA is applicable to all quantity related rate revenue except Recycled Water under Schedule RW.

3. Definitions

- a. Non-WCMA revenue is all revenue excluded from the WCMA account, such as metered service charges and public and private fire protection service. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, will be excluded from WCMA tracking.
- b. WCMA-eligible revenue is all revenue not excluded in 3.a, above.
- c. Recorded WCMA-eligible revenue is the amount of quantity rate revenue collected from customers in any particular period.
- d. Adopted WCMA-eligible revenue is the amount of quantity related revenue necessary in conjunction with adopted non-WCMA revenue to generate the adopted revenue requirement.

(D)
(N)

(N)

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 479

PALLE JENSEN
Senior Vice President,
Regulatory Affairs

Date Filed DEC 10 2013

Effective MAR 3 2014

Dec. No. _____

TITLE

Resolution No. W-5071

PRELIMINARY STATEMENT
(Continued)

I. Water Conservation Memorandum Account (Continued)

SLIP/SUB SHEET

(D)
(N)

4. Accounting Procedure
- a. The following entries will be recorded monthly in the WCMA:
1. Recorded Monthly Water Sales by customer class.
 2. Normalized Monthly Sales- Most recently adopted annual water use per customer by customer class normalized by month using an average of the last three years' monthly sales data prior to mandatory conservation multiplied by the number of monthly recorded customers by customer class.
 3. Authorized Uniform Rate applicable to each customer class.
 4. Most recently adopted variable expenses for purchased water, pump tax, power and any other volume related costs per ccf multiplied by (1 minus 2) above.
 5. Total net WCMA balance = ((1 minus 2) multiplied by 3) minus 4
 6. A negative (-) balance in the memorandum account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.
- b. The Company will record the accumulated WCMA balance monthly, by adding its entry in Section a.5. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
- d. Before seeking recovery of the WCMA balance, the balance shall be reduced by an amount equal to a 20-basis point reduction in the most recently adopted return on equity.
- f. Before seeking recovery of the WCMA balance, the balance shall be reduced by the amount of monies collected by the utility through surcharges and fees, including interest accrued at the rate identified in Section 4.c above, under Schedule 14.1 for the period of recovery being requested.

5. Disposition
If the accumulated balance for the WCMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the WCMA are subject to a reasonableness review. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

6. Effective Date
The WCMA shall be effective as of March 31, 2014.

7. Sunset Date
The WCMA will remain in effect until the Wholesaler declares the water shortage is over and the mandatory conservation mandates are ceased.

(N)

(To be inserted by utility)

Issued by

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

Advice No. 479

PALLE JENSEN
Senior Vice President,
Regulatory Affairs

Date Filed DEC 10 2013

Effective MAR 3 2014

Dec. No. _____

TITLE

Resolution No. W-5071

PRELIMINARY STATEMENT
(Continued)

(D)

J. Water Revenue Adjustment Mechanism (WRAM) Balancing Account

1. Purpose

The purpose of the WRAM Balancing Account is to track differences between recorded quantity rate water revenues received under tiered rates to the equivalent rate revenues received if San Jose Water Company had single quantity rates, known as uniform rates, for residential customers. The Commission has determined that the accounting mechanism is appropriate in coordination with a trial program of increasing block rate structures and increased conservation activities.

2. Applicability

The WRAM Balancing Account is applicable to all areas served.

3. Definitions

a. Non-WRAM revenue is all revenue excluded from the WRAM account, including metered service charges, residential quantity charges billed at the uniform rate, non residential quantity charges, and public and private fire protection service and other unmetered miscellaneous revenue. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, will be excluded from WRAM tracking.

b. WRAM-eligible revenue is all revenue not excluded in 3.a, above.

Generally, WRAM eligible revenue results from potable quantity charges to residential customers being charged tiered rates and not uniform rates.

(To be inserted by utility)

Issued by

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

Advice No. 448A

PALLE JENSEN

Date Filed APR 29 2013

Sr. Vice President,

Effective APR 29 2013

Regulatory Affairs

Resolution No. _____

Dec. No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

J. Water Revenue Adjustment Mechanism Balancing Account
(Continued)

- c. Recorded WRAM-eligible revenue is the amount of residential tiered usage-related revenue billed to qualifying customers in a particular period.
- d. Adopted WRAM-eligible revenue is the amount of residential tiered rate quantity related revenue calculated at uniform rates using actual quantity billed.

4. Accounting Procedure

- a. The following entries will be recorded monthly in the WRAM:
 - 1. Recorded WRAM-eligible revenue.
 - 2. Adopted WRAM-eligible revenue.
 - 3. Total net WRAM balance = (1) minus (2)
 - 4. A negative (-) balance in the memorandum account reflects a utility over collection to be refunded, while a positive balance reflects a utility under collection to be recovered in rates.
- b. The Company will record the accumulated WRAM balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

If the accumulated balance for the WRAM exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in San Jose's next General Rate Case. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

(N)

K. Pension Expense Balancing Account

(N)

1. Purpose

The purpose of the Pension Expense Balancing Account is to track differences between recorded cash Contributions to the San Jose Retirement Plan with San Jose Water Company's recovery of this expense for ratemaking purposes capped at the level of pension expense calculated according to the method prescribed by Statement of Financial Accounting Standards #87 for each concurrent year.

2. Applicability

The Pension Expense Balancing Account is applicable to all pension expenses.

3. Definitions

a. Recorded Cash Contributions to Retirement Plan are all recorded payments made to San Jose Water Company's Pension Plan Expenses capped at the level of pension expense calculated according to the method prescribed by Statement of Financial Accounting Standards Number 87 for each concurrent year.

b. Authorized Pension Expense for Ratemaking Purposes are the authorized amounts included for ratemaking purposes per D.09-11-032.

4. Accounting Procedure

a. The following entries will be recorded monthly in the Pension Balancing Account:

- 1. Recorded Cash Contributions to Retirement Plan.
- 2. Authorized Pension Expense for Ratemaking Purposes
- 3. Total net Pension Balancing Account balance = (1) minus (2)
- 4. A negative (-) balance in the memorandum account reflects a utility over collection to be refunded, while a positive balance reflects a utility under collection to be recovered in rates.

(To be inserted by utility)

Issued by

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

Advice No. 410

PALLE JENSEN
Vice President,
Regulatory Affairs

Date Filed
Effective

DEC 23 2009
JAN 1 2010

Dec. No. D.08-08-030 & D.09-11-032

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

K. Pension Expense Balancing Account
(Continued)

- b. The Company will record the accumulated Pension balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition
If the accumulated balance for the Pension Balancing Account exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in San Jose's next General Rate Case. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

L. Cost of Capital Memorandum Account

(N)

- 1. Purpose
The purpose of the Cost of Capital Memorandum Account is to track difference between current rates based on San Jose most recently authorized cost of capital, and rates based on the new cost of capital to be adopted in a final decision in A. 09-05-001.
- 2. Applicability
The Cost of Capital Memorandum Account is applicable to all areas served
- 3. Definitions
 - a. Revenues based on rates based on currently authorized cost of capital are revenues derived using currently authorized tariffs.
 - b. Revenues based on rates based on proposed cost of capital are revenues computed using the proposed cost of capital filed in A.09-05-001
- 4. Accounting Procedure
 - a. The following entries will be recorded monthly in the Cost of Capital Memorandum Account:
 - 1. Revenue based on rates based on currently authorized cost of capital.
 - 2. Revenue based on rates based on proposed cost of capital.
 - 3. Total net Cost of Capital Memorandum Account balance = (1) minus (2)
 - 4. A positive (+) balance in the memorandum account reflects a utility over collection to be refunded, while a negative balance reflects a utility under collection to be recovered in rates.
 - b. The Company will record the accumulated Cost of Capital balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
 - c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
- 5. Disposition
After the Commission adopts a final cost of capital for A. 09-05-001, the memorandum account will be adjusted to reflect the actual difference and disposed via and advice letter filing in a surcharge or surcredit.(N)

(To be inserted by utility)

Issued by

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

Advice No. 411

PALLE JENSEN

Date Filed

DEC 23 2009
JAN 1 2010

Dec. No. D.09-12-019

Vice President,
Regulatory Affairs

Effective

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

M. Operational Energy Efficiency Program Memorandum Account (OEEPMA)

1. Purpose

The purpose of the Operational Energy Efficiency Program Memorandum Account (OEEPMA) is to track the Operational Energy Efficiency Program (OEEP) project expenditures incurred by SJWC and any reimbursements received from Pacific Gas and Electric Company.

2. Accounting Procedure

SJWC shall track all OEEP related costs paid by SJWC including the cost of equipment, outside contractors, software, and administrative support. OEEP administrative support is shared equally between California American Water Company, California Water Service, Golden State Water Company, and San Jose Water Company. SJWC shall also track any reimbursement for OEEP related costs paid by Pacific Gas and Electric Company.

A debit entry will be created each month to record costs. A credit entry will be created each month for any reimbursements.

Interest shall accrue to the OEEPMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery of the OEEPMA in its next general rate case or through a Tier 3 advice letter filing.

4. Effective Date

The OEEPMA is effective as of November 23, 2009.

N. Conservation Oil Legal and Regulatory Expense Memorandum Account

(N)

1. Purpose

The purpose of the Conservation Oil Legal and Regulatory Expense Memorandum Account is to track legal and related expenses for participating in Oil 07-01-002 and pursuant to D.08-02-036/D.10-04-001

2. Applicability

The Conservation Oil Legal and Regulatory Expense Memorandum Account is applicable to all areas served

3. Definition

a. Legal and Related Expenses are legal and related expenses pursuant to D.08-02-036/D.10-04-001

4. Accounting Procedure

- a. Legal and related expenses pursuant to D.08-02-036/D.10-04-001 shall be recorded on a monthly basis in the month incurred.
- b. The Company will record the accumulated Conservation Oil Legal and Related Expense balance monthly, by adding its entry in Section a. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

The Company may seek recovery of the expenses booked to the memorandum account in their next General Rate Case or by filing a Tier 3 advice letter.

6. Effective Date

The Conservation Oil Legal and Regulatory Expense Memorandum Account shall be effective May 29, 2007.

(N)

(To be inserted by utility)

Issued by

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

Advice No. 413-B

PALLE JENSEN

Date Filed

MAY 25 2010
MAY 29 2010

Dec. No. D.08-02-036/D.10-04-001

Vice President,

Effective

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

O. Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA)

1. Purpose

The purpose of the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) is to track all of the costs associated with the Research, Development and Demonstration of SJWC's electrical regenerative flow control valve project.

2. Accounting Procedure

SJWC shall track all PRVMA related costs paid by SJWC including, but not limited to, the cost of engineering and design, equipment, installation, outside contractors, software, administrative support, legal consulting and evaluation, measurement, and verification (EM&V).

A debt entry will be created each month to record costs.

Interest shall accrue to the PRVMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery of the PRVMA in its next general rate case or through a Tier 3 advice letter filing.

4. Effective Date

The PRVMA is effective as of December 7, 2010.

P. Cost of Capital Cost Tracking Memorandum Account (COCMA)

(N)

1. Purpose

The purpose of the Cost of Capital Cost Tracking Memorandum Account (COCMA) is to record all of the costs associated with SJWC's Base Year 2012 Cost of Capital Application.

2. Accounting Procedure

SJWC shall record all costs paid by SJWC relating to the Base Year 2012 Cost of Capital Application including, but not limited to, legal fees, consultant fees, printing and postage.

A debt entry will be created each month to record costs.

Interest shall accrue to the COCMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery for one-third of the costs recorded in the COCMA in its next general rate case.

4. Effective Date

The COCMA is effective as of May 3, 2011.

(N)

(To be inserted by utility)

Issued by

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

Advice No. 426

PALLE JENSEN

Date Filed MAY - 3 2011

Decision 10-10-035

Vice President,
Regulatory Affairs

Effective MAY - 3 2011
Resolution No. _____

TITLE

Q. Data Sharing Cost Tracking Memorandum Account (DSCMA)

1. Purpose

The purpose of the Data Sharing Cost Tracking Memorandum Account (DSCMA) is to record all one-time and on-going data sharing costs associated with implementing CPUC Guidelines for Sharing Low-Income Customer Information not already included in rates.

2. Accounting Procedure

SJWC shall record all one-time and ongoing costs paid by SJWC relating to low-income customer data sharing with energy utilities.

A debt entry will be created each month to record costs.

Interest shall accrue to the DSCMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery for the costs recorded in the DSCMA in its next general rate case after the data sharing program is fully implemented or by filing a Tier 3 advice letter.

4. Effective Date

The DSCMA is effective as of July 8, 2011.

R. Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 Memorandum Account (N)

1. Purpose

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 Memorandum Account ("2010 Tax Act Memorandum Account") is established in accordance with CPUC Resolution L-411A. The purpose of this memorandum account is to track on a CPUC-jurisdictional, revenue requirement basis the impacts of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 ("The New Tax Law") not otherwise reflected in rates from April 14, 2011 until the effective date of the revenue requirement changes in the Utility's next General Rate Case ("Memo Account Period"). The Utility shall record in this memorandum account: (a) decreases in revenue requirement resulting from increases in deferred tax reserve; (b) offsets to reflect additional costs or expenses, not otherwise recovered in rates, incurred as a result of additional utility infrastructure investment enabled by the bonus depreciation provisions of the New Tax Law, to the extent allowed by Ordering Paragraph 5 of Resolution L-411A; and (c) amounts to reflect the impacts of any decrease in Section 199 deductions resulting from bonus depreciation taken, changes in working cash resulting from the New Tax Law, and any other direct changes in revenue requirement resulting from the Utility's taking advantage of the New Tax Law.

The 2010 Tax Act Memorandum Account shall be used in determining whether any future rate adjustment is appropriate to reflect impacts of the New Tax Law during the memorandum account period. This memorandum account shall not be used to recover any random revenue requirement increase recorded during the memorandum account period. If, at the end of the memorandum account period, this memorandum account reflects a net revenue requirement increase, the memorandum account shall be terminated without any impact on rates.

The following limits allowed by Ordering Paragraph 5 of Resolution L-411A apply to the additional needed utility infrastructure investments that may be tracked in the 2010 Tax Act Memorandum Account: (a) the property in which the investment is made must be Commission-jurisdictional; (b) the property in which the investment is made must itself be eligible for bonus depreciation; (c) at least 90% of the investment must have a tax depreciable life of at least 15 years, and any remaining investments must be ancillary to such investment; and (d) if a utility determines that it would be best to invest in something other than the typical types of projects included in general rate case type applications, the utility must file an application or advice letter seeking

(To be inserted by utility)

Issued by

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

Advice No. 432-A

PALLE JENSEN

Date Filed 'AUG 18 2011'

Vice President,

Effective APR 14 2011

Dec. No. Res. L-411-A

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
 (Continued)

Commission approval in order to record the revenue requirement impact of that investment as an offset in the memorandum account.

2. Applicability

The 2010 Tax Act Memorandum Account applies to each ratemaking area within Utility's service areas tracking the revenue requirement impact of each change resulting from the New Tax Law.

3. Memorandum Account Entries

The entries made to the 2010 Tax Act Memorandum Account may include the following:

- a. Debit for a decrease in revenue requirement resulting from an increase in deferred tax reserve.
- b. Credit for an increase in revenue requirement resulting from the impact of any decrease in Section 199 deductions resulting from bonus depreciation taken.
- c. Credit or debit for increase or decrease, respectively, in revenue requirement resulting from the impact of any calculations in working cash resulting from the New Tax Law or from bonus depreciation taken.
- d. Credit or debit for increase or decrease, respectively, in revenue requirement resulting from any other direct change in revenue requirement resulting from the Utility's taking advantage of the New Tax Law.
- e. Credit for increase in revenue requirement resulting from additional Utility infrastructure investment consistent with the limitations set forth by Ordering Paragraph 5 of Resolution L-411A and detailed in Purpose of this Preliminary Statement
- f. Balances in the Tax Memorandum Account will accrue interest at the 90 day commercial paper rate.

This is a memorandum account which is to be tracked "off balance sheet" and no general ledger entries are required at this time.

4. Disposition

In the Utility's first General Rate Case (GRC), following expiration of the 2010 Tax Act Memorandum Account or at such other time as ordered in that GRC decision, the Commission shall address the disposition of amounts (a) recorded in the 2010 Tax Act Memorandum Account and (b) forecast for the remainder of the Memo Account Period, and may cause any net revenue requirement decrease to be reflected in prospective rates.

5. 2012 Cost of Capital Memorandum Account

(N)
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |
 |

1. Purpose

The purpose of the Cost of Capital Memorandum Account is to track difference between current rates based on San Jose most recently authorized cost of capital, and rates based on the new cost of capital to be adopted in a final decision in A. 11-05-002.

2. Applicability

The Cost of Capital Memorandum Account is applicable to all areas served

3. Definitions

- a. Revenues based on rates based on currently authorized cost of capital are revenues derived using currently authorized Cost of Capital as determined in D. 10-10-035.
- b. Revenues based on rates based on updated Cost of Capital are revenues computed using the Cost of Capital that will be determined in A.11-05-002.

(To be inserted by utility)

Issued by

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

Advice No. 436

PALLE JENSEN

Date Filed JAN - 5 2012

Dec. No.

Vice President,

Effective JAN - 1 2012

Regulatory Affairs

Resolution No.

TITLE

PRELIMINARY STATEMENT
(Continued)

4. Accounting Procedure

a. Beginning January 1, 2012 through the effective date of the decision for A.11-05-002, the following entries will be recorded monthly in the Cost of Capital Memorandum Account:

1. Revenue based on rates based on currently authorized cost of capital.
2. Revenue based on rates based on updated cost of capital.
3. Total net Cost of Capital Memorandum Account balance = (1) minus (2)
4. A positive (+) balance in the memorandum account reflects a utility over collection to be refunded, while a negative balance reflects a utility under collection to be recovered in rates.

b. The Company will record the accumulated Cost of Capital balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.

c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

After the Commission adopts a final cost of capital for A. 11-05-002, the memorandum account will be adjusted to reflect the actual difference and disposed via and advice letter filing in a surcharge or surcredit or in the next General Rate Case.

T. 2016 GRC Interim Rates Memorandum Account

(D)
(N)

1. Purpose

The purpose of the 2016 GRC Interim Rates Memorandum Account is to track difference between interim rates and new rates to be adopted in a final decision in A.15-01-002.

2. Applicability

The 2016 GRC Interim Rates Memorandum Account is applicable to all areas served.

3. Definitions

a. Revenues based on interim rates are revenues derived using interim rates authorized via AL480 and any subsequent rates authorized until a final decision is issued in A.15-01-002.

b. Revenues based on updated rates are revenues computed using final rates that will be determined in A.15-01-002.

4. Accounting Procedure

a. Beginning January 1, 2016 through the effective date of the decision for A.15-01-002, the following entries will be recorded monthly once a decision has been rendered in the 2016 GRC Interim Rates Memorandum Account:

1. Revenues based on interim rates.
2. Revenues based on updated rates.
3. Total net 2016 GRC Interim Rates Memorandum Account balance = (1) minus (2)
4. A positive (+) balance in the memorandum account reflects a utility over collection to be refunded, while a negative balance reflects a utility under collection to be recovered in rates.

b. Once a decision has been rendered in A.15-01-002, the Company will record the accumulated balance monthly, by adding its entry in Section 4.a.3. above to the prior accumulated monthly balance.

c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

After the Commission adopts updated rates in A.15-01-002, the memorandum account will be adjusted to reflect the actual difference and disposed via an advice letter filing in a surcharge or surcredit. (N)

(To be inserted by utility)

Issued by

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

Advice No. 480

PALLE JENSEN

Date Filed DEC 1 2015

Dec. No. D.07-05-062

Senior Vice President,
Regulatory Affairs

Effective JAN - 2016

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

U. Ground Water Regulation Legal Expense Memorandum Account

1. Purpose

The purpose of the Ground Water Regulation Legal Expense Memorandum Account (GWRLEMA) is to track litigation and consensus building legal and related expenses associated with the evaluation of the character of San Jose Water Company's water rights and water rights issues related to AB 1739, SB 1168 and SB 1139 as authorized in D.16-06-004.

2. Applicability

The GWRLEMA will track the legal and related expenses incurred related to ground water regulation including:

- a. Consensus Building – expenses related to legal advice in developing a consensus groundwater management plan with the Santa Clara Valley Water District and other stakeholders.
- b. Litigation – expenses related to litigation for SJWC to defend its water supply interests and water rights.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

If the accumulated balance for the GWRLEMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the Ground Water Regulation Legal Expense Memorandum Account are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

4. Effective Date

The GWRLEMA shall go into effect on the effective date of Advice Letter No. 496.

V. Drinking Water Fees Memorandum Account

(N)

1. Purpose

The purpose of the Drinking Water Fees Memorandum Account (DWFMA) is to track the difference between actual drinking water fees charged by the State Water Resources Control Board (based on the revised fee structure) and the drinking water fees authorized in San Jose Water Company's General Rate Case Decision D.16-06-004 (based on the previous fee structure).

2. Applicability

The DWFMA will track the difference between the annual drinking water fees charged by the State Water Resources Control Board and the drinking water fees authorized in general rate case decision D.16-06-004. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

(N)

(continued)

10-24-2016
11-23-2016

(To be inserted by utility)

Issued by

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

Advice No. 497

PALLE JENSEN

Date Filed _____

Senior Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

V. Drinking Water Fees Memorandum Account (Continued)

3. Disposition

If the accumulated balance for the DWFMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the DWFMA are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing. The recovery of over or under-collections will be passed on to the customers through volumetric surcredits or surcharges.

4. Effective Date

The DWFMA shall go into effect on the effective date of Advice Letter No. 497. The DWFMA will sunset with the effective date of SJWC's next General Rate Case Decision..

W. School Lead Testing Memorandum Account

(N)

1. Purpose

The purpose of the School Lead Testing Memorandum Account (SLTMA) is to track incremental expenses associated with conducting lead monitoring and lead sample results interpretations at any Kindergarten to 12th grade (K-12) schools within SJWC's service territory, that requests this service. The SLTMA is being established pursuant to the Amendment to the Domestic Water Supply permit issued by the State Water Resources Control Board Division of Drinking Water to SJWC on January 17, 2017.

2. Applicability

The SLTMA will track the incremental operating and administrative costs incurred in developing and implementing Lead testing at K-12 schools and shall include, but is not limited to:

- a. Incremental and necessary labor costs associated with the planning and coordination with K-12 schools to develop individual sampling plans, collecting and submitting of samples to laboratories, and administering program requirements including assisting the school with interpretation of laboratory results, and contracted labor;
- b. Laboratory fees for all Lead sampling and reporting of the results to the Division of Drinking Water and the school, and all laboratory coordination and instruction;
- c. Incremental customer outreach costs that are necessary in coordination with the local school districts, local communities and local officials in compliance with the the Division of Drinking Water's Lead Testing Program;
- d. A debit entry shall be made to the SLTMA at the end of each month to record the expensed as discussed above.
- e. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

If the accumulated balance for the SLTMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the SLTMA are subject to a reasonableness review in the Company's next General Rate Case or in an appropriate advice letter filing or regulatory proceeding. The recovery of over or under-collections will be passed on to the customers through volumetric surcredits or surcharges.

4. Effective Date

The SLTMA shall go into effect on January 17, 2017.

5. Sunset Date

The SLTMA will remain in effect until new rates incorporating the requirements for School Lead Testing are placed into effect under the Company's next General Rate Case decision.

(N)

(To be inserted by utility)

Issued by

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

Advice No. 504A

PALLE JENSEN

Date Filed 3-8-2017

Senior Vice President,

Effective 1-17-2017

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

- X. **2018 Tax Accounting Memorandum Account.**
1. **Purpose**
The purpose of the 2018 Tax Accounting Memorandum Account (Memo Account) is to track on a CPUC-jurisdictional revenue requirement basis the impacts of the 2018 Federal Tax Law (2018 FTL) not otherwise reflected in rates from January 1, 2018 until the effective date of the revenue requirement changes in the Utility's next General Rate Case (Memo Account Period). (N)
2. **General Information.**
The Utility shall record in this Memo Account realized increases or decreases in its CPUC-jurisdictional revenue requirement resulting from the 2018 FTL. The Memo Account shall be used in determining whether any rate adjustment is necessary to reflect impacts of the 2018 FTL during the Memo Account Period.
3. **Memo Account Entries.**
The entries in the Memo Account may include the following:
a. Realized decreases in revenue requirement resulting from the 2018 FTL during the Memo Account Period.
b. Realized increases in revenue requirement resulting from the 2018 FTL during the Memo Account Period.
c. Balances in the Memo Account will accrue interest at the 90-day commercial paper rate.
4. **Disposition of Memo Account Balance.**
In the Utility's next General Rate Case, or at such other time as ordered by the CPUC, the balance in the Memo Account shall be addressed and rates shall be adjusted accordingly, as appropriate. (N)

(To be inserted by utility)

Issued by

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

Advice No. 515

JOHN TANG

Date Filed 12-28-2017

Vice President,

Effective 1-1-2018

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

X. 2018 Tax Accounting Memorandum Account.

1. Purpose
 The purpose of the 2018 Tax Accounting Memorandum Account (Memo Account) is to track on a CPUC-jurisdictional revenue requirement basis the impacts of the 2018 Federal Tax Law (2018 FTL) not otherwise reflected in rates from January 1, 2018 until the effective date of the revenue requirement changes in the Utility's next General Rate Case (Memo Account Period).
2. General Information.
 The Utility shall record in this Memo Account realized increases or decreases in its CPUC-jurisdictional revenue requirement resulting from the 2018 FTL. The Memo Account shall be used in determining whether any rate adjustment is necessary to reflect impacts of the 2018 FTL during the Memo Account Period.
3. Memo Account Entries.
 The entries in the Memo Account may include the following:
 - a. Realized decreases in revenue requirement resulting from the 2018 FTL during the Memo Account Period.
 - b. Realized increases in revenue requirement resulting from the 2018 FTL during the Memo Account Period.
 - c. Balances in the Memo Account will accrue interest at the 90-day commercial paper rate.
4. Disposition of Memo Account Balance.
 In the Utility's next General Rate Case, or at such other time as ordered by the CPUC, the balance in the Memo Account shall be addressed and rates shall be adjusted accordingly, as appropriate.

Y. SRF Loan I Balancing Account

(N)

1. Purpose
 The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan I and the payments of principal and interest for the Safe Drinking Water State Revolving Fund (SDWSRF) loan pursuant to D.03-07-013 dated July 10, 2003
2. Applicability
 The SRF Loan I Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan I.
3. Definitions
 - a. Recorded SFR Loan I Surcharge Revenue are revenues recorded for the SFR Loan I Surcharge authorized per D.03-07-013, D.04-08-022 and Advice Letters 364A and 452.
 - b. Payments of Principal and Interest for SFR Loan I are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.03-07-013 and D.04-08-022
4. Accounting Procedure
 - a. The following entries will be recorded monthly in the SRF Loan I Balancing Account:
 1. Recorded Revenue from SFR Loan I Surcharges.
 2. Recorded Principal and Interest Payments made by SJWC for SRF Loan I
 3. Total net SFR Loan I Account balance = (1) minus (2)
 4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.
 - b. The Company will record the accumulated SRF Loan I balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
 - c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

(To be inserted by utility)

Issued by

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

Advice No. 526

JOHN TANG

Date Filed 09/21/2018

Vice President,

Effective 10/21/2018

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

Y. SRF Loan I Balancing Account
(Continued)

5. Disposition

When the accumulated balance for the SRF Loan I Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge I surcharge and file an advice letter to remove the SRF Loan I surcharge authorized in AL 452 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case. (N)

Z. SRF Loan II Balancing Account

1. Purpose

The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan II and the payments of principal and interest for the Safe Drinking Water Sate Revolving Fund (SDWSRF) loan pursuant to D.05-01-048 dated January 27, 2005.

2. Applicability

The SRF Loan II Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan II.

3. Definitions

- a. Recorded SFR Loan II Surcharge Revenue are revenues recorded for the SFR Loan II Surcharge authorized per D.05-01-048 and Advice Letters 395.
- b. Payments of Principal and Interest for SFR Loan II are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.05-01-048.

4. Accounting Procedure

- a. The following entries will be recorded monthly in the SRF Loan II Balancing Account:
 - 1. Recorded Revenue from SFR Loan II Surcharges.
 - 2. Recorded Principal and Interest Payments made by SJWC for SRF Loan II
 - 3. Total net SFR Loan II Account balance = (1) minus (2)
 - 4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.
- b. The Company will record the accumulated SRF Loan II balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

When the accumulated balance for the SRF Loan II Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge II surcharge and file an advice letter to remove the SRF Loan II surcharge authorized in AL 395 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case. (N)

(To be inserted by utility)

Issued by

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

Advice No. 526

JOHN TANG

Date Filed 09/21/2018

Vice President,

Effective 10/21/2018

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

- AA. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (N)**
1. Purpose (N)
The Commission's blanket authorization to establish Catastrophic Event Memorandum Accounts (Commission Resolution No. E-3238, dated July 24, 1991) will ensure that all potentially affected utilities are provided the maximum incentive to restore service immediately after declared disasters. Resolution E-3238 required the utilities to notify the Commission's Executive Director by letter within 30 days after the catastrophic event, if possible, if it has started booking costs to the CEMA.
2. Applicability (N)
The CEMA will record costs associated with:
(a) restoring utility service to its customers;
(b) repairing, replacing or restoring damaged utility facilities; and
(c) complying with government agency orders resulting from declared disasters.
Entries to the account will be segregated by qualifying event.
3. Disposition (N)
If the accumulated balance for the CEMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the CEMA are subject to a reasonableness review. The recovery of under-collections will be passed on to the customers through volumetric surcharges." (N)

(To be inserted by utility)

Issued by

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

Advice No. 536A

JOHN TANG

Date Filed 09/20/2019

Vice President,

Effective 09/09/2019

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE