



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

August 31, 2020

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

Advice Letter No. 548A

Dear Madame/Sir:

San Jose Water Company (U-168-W) (SJWC) hereby transmits for filing Supplemental Letter 548A with the following changes in tariff schedules applicable to its service area and which are attached hereto:

<u>Cal. P.U.C Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
2058-W	Preliminary Statement (Continued)	2036-W
2059-W	Schedule No. 1 General Metered Service (Continued)	2050-W
2060-W	Schedule No. 1B General Metered Service with Automatic Fire Sprinkler System (Continued)	2051-W
2061-W	Schedule No. 1C General Metered Service Mountain District (Continued)	New
2062-W	Schedule RW Raw Water Metered Service (Continued)	2054-W
2063-W	Schedule No. RCW Recycled Water Metered Service (Continued)	2055-W
2089-W	Table of Contents	2088-W

Purpose

With this supplemental advice letter and in accordance with Resolution (Res.) W-5228 (Attachment A) approved on August 27, 2020, SJWC seeks authorization to recover its September 30, 2016, Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) over a three-year period. As required by Res. W-5228, SJWC is:

1. Including workpapers showing the recalculations of the balance of its Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) and the resulting three-year surcharge (Attachment B) based on an authorized balance of \$1,218,991.75 and resulting three-year surcharge of \$0.00884.

2. Requesting authorization to establish the Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account (PRVBA), transfer the authorized balance of \$1,218,991.75 from the PRVMA to the PRVBA, and close the PRVMA.

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 and D.20-04-003 issued on June 19, 2019, and April 10, 2020, respectively, and Res. W-5228.

Additional background information is available in Advice Letter 548.

#### Effective Date

The effective date of this advice letter is the filing date of August 31, 2020, per Res. W-5228.

#### Protests and Responses

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

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

Due to the shelter-in-place order, a response or protest must be made 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  
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 electronic mail to us, addressed to:

Regulatory Affairs  
San Jose Water Company  
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. Public notice required under General Order 96-B, Rule 4.2, and industry Rule 3.1 was previously completed.

The present rates of the SJWC became effective on January 1, 2020, by Advice Letter No. 541. SJWC has Advice Letter 552 pending before the Commission.

In compliance with Paragraph 4.3 of GO 96-B, a copy of this advice letter has been sent via electronic mail to all interested and affected parties as detailed in Attachment C.

This filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Very truly yours,

/S/ JOHN TANG

JOHN TANG  
Vice President of Regulatory Affairs

Enclosure

## **Index of Workpapers**

<b>Attachment A</b>	<b>Resolution W-5228</b>
<b>Attachment B</b>	<b>Surcharge Calculations</b>
<b>Attachment C</b>	<b>Service List</b>

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 548A**

**ATTACHMENT A**

# PROPOSED RESOLUTION

Resolution W-5228  
WD

Agenda ID #18640 (Rev. 1)  
Item #16 8/18 1pm

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION W-5228  
August 27, 2020

### RESOLUTION

**(RES. W-5228) THIS RESOLUTION APPROVES IN PART AND DENIES IN PART SAN JOSE WATER COMPANY'S REQUEST TO AMORTIZE ITS PRESSURE-REDUCING VALVE MODERNIZATION AND ENERGY RECOVERY MEMORANDUM ACCOUNT VIA SURCHARGES OVER A THREE-YEAR PERIOD TO BE PAID BY THE RATEPAYERS.**

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By Advice Letter AL 548 filed on April 24, 2020

### SUMMARY

This Resolution responds to San Jose Water Company's (SJWC) Advice Letter (AL) 548-W requesting to amortize the balance of its Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) via surcharges over a thirty-six-month period. SJWC was granted authority by Resolution W-4854 to establish the PRVMA and to file a Tier 3 AL requesting to amortize the balance of its PRVMA. D.19-06-010 and D.20-04-003 reiterated the authority granted to SJWC to file a Tier 3 AL requesting to amortize the balance in the PRVMA via surcharges to its customers' bills. Decision 19-06-010 specified the amortization to be over a 3-year period and the balance requested to be amortized is limited to only include the expenses accrued up to September 30, 2016. On April 24, 2020, SJWC filed AL 548-W pursuant to General Order 96-B as well as the authorization granted by Resolution W-4854, D.19-06-010, and D.20-04-003. However, the balance in the PRVMA requested to be amortized in AL 548-W and the resulting surcharge are not consistent with the limitation established by D.19-06-010. This Resolution approves in part and denies in part SJWC's AL 548-W. SJWC shall file a supplement to AL 548-W that corrects the balance in the PRVMA requested to be amortized and revises the proposed tariffs to include a recalculated surcharge consistent with the limitation required by D.19-06-010.

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## **BACKGROUND**

### *Establishment of the PRVMA*

On December 2, 2010, Resolution W-4854 was made effective and authorized four Class A water utilities, including San Jose Water Company (SJWC), to establish separate memorandum accounts, each thereon known as the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA). SJWC's PRVMA tracked the costs associated with the research, development, and demonstration of its electrical regenerative flow control valve project. Resolution W-4854 also authorized SJWC to file a Tier 3 Advice Letter (AL) to request amortization of the balance in the PRVMA.

### *Authority to Amortize the HGRDDMA*

On June 13, 2019, D.19-06-010 granted authority to SJWC to file a Tier 3 AL requesting the recovery of the balance of its Hydro Generation Research, Development and Demonstration Memorandum Account (HGRDDMA) as settled in its 2018 General Rate Case proceeding. D.19-06-010 ordered that the balance in the HGRDDMA was to be amortized over a three-year period and stated that the authorized balance to be amortized was \$1,243,362.58. In SJWC's Comments to the Proposed Decision in A.18-01-004 (Comments), which were filed on June 3, 2019, SJWC stated that \$23,196.83 in project invoices were posted to the balance after September 30, 2016 end date, resulting in an authorized balance of \$1,220,166.75.

### *Request to Amortize the HGRDDMA*

On August 1, 2019, SJWC filed AL 534-W to request the amortization of the balance of its HGRDDMA via a thirty-six-month surcharge. AL 534-W states that the total amount of invoices posted to the project after September 30, 2016 was \$23,195.83 instead of the \$23,196.83 previously stated in the Comments. This amount was clarified to have included capitalized interest incurred during October, November, and December of 2016 as well as contracted labor and construction overhead expenses posted on November 2016. Additionally, AL 534-W included in the balance requested to be amortized a total of \$4,671.18 in adjustments for Uncollectibles and Local Franchise Tax. The balance in the HGRDDMA that AL 534-W requested to be amortized was \$1,224,842.43.

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On October 10, 2019, the Water Division of the California Public Utilities Commission (Water Division) rejected AL 534-W without prejudice on the following grounds:

- Before D.19-06-010, there was no prior decision or resolution authorizing either the establishment of the HGRDDMA or the recovery of the balance in the HGRDDMA. D.19-06-010 erroneously states the HGRDDMA to be the memorandum account established pursuant to Resolution W-4854.
- There is no indication, prior or current, of the existence of the HGRDDMA in the Preliminary Statements of SJWC's tariffs. The PRVMA, which was established pursuant to Resolution W-4854, is the correct account intended to track the SJWC's project expenses and is present in the Preliminary Statements.

In its disposition letter for AL 534-W, Water Division instructed SJWC to correct the error of referencing the HGRDDMA in D.19-06-010 so that it instead referenced the correct memorandum account established pursuant to Resolution W-4854, the PRVMA. On April 10, 2020, D.20-04-003 was made effective and replaced all references of the HGRDDMA in D.19-06-010 with the PRVMA.

## Request to Amortize the PRVMA

On April 24, 2020, SJWC filed AL 548-W requesting to amortize the balance of its PRVMA via a thirty-six-month surcharge. AL 548-W again noted the \$23,195.83 in invoices posted after September 30, 2016 as well as the \$4671.18 in adjustments for Uncollectibles and Local Franchise Tax that were both stated in the previously rejected AL 534-W. Additionally, AL 548-W noted that a duplicate freight charge of \$1,175 was inadvertently posted to the project and would be deducted from the balance requested to be amortized. AL 548-W requested authority to amortize a balance of \$1,223,662.93 with a surcharge of \$0.00887 per Ccf.

In the original filing of AL 548-W, SJWC did not provide data substantiating the \$23,195.83 in invoices nor the \$1,175 duplicate freight charge. On June 3, 2020, SJWC provided a detailed cost report of its project to Water Division to substantiate the expenses posted after September 30, 2016 as well as the duplicate freight charge. SJWC also provided workpapers which removed the adjustments for Uncollectibles and Local Franchise Tax from the balance to be amortized, resulting in a balance of \$1,218,991.75 and a three-year surcharge of \$0.00884. Along with providing the detailed cost report, SJWC clarified to Water Division that the amount of project invoices posted after September 30, 2016 should have been stated in SJWC's Comments as \$23,195.83 instead



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of \$23,196.83. Water Division finds that the \$23,195.83 in project invoices posted after September 30, 2016, the duplicate freight charge of \$1,175, the recalculated balance of \$1,218.991.75, and the resulting three-year surcharge of \$0.00884 per Ccf are all correct.

## NOTICE AND PROTESTS

Pursuant to General Rules 4.3 and 7.2 as well as Water Industry Rule 4.1 of General Order 96-B, San Jose Water Company (SJWC) served copies of Advice Letter (AL) 548-W to adjacent utilities and to other interested parties on April 24, 2020.

Approximately two hundred SJWC customers timely e-mailed comments in response to AL 548-W opposing rate increases in general. Additionally, the customer advocacy group, Water Rates Advocates for Transparency, Equity, and Sustainability (WRATES), filed a timely protest in response to AL 548-W. WRATES' protest indicated that data was not provided in AL 548-W to substantiate either the \$23,195.83 in invoices posted after September 30, 2016 or the \$1,175 duplicate freight charge. It also asserts that the proposed adjustments for Uncollectibles and Local Franchise Tax added to the balance to be amortized were not reasonable since these would be costs accrued after the September 30, 2016 end date established in D.19-06-010.

On May 19, 2020, SJWC issued a reply to customer comments. The response identified customer comments to be addressing General Rule 7.4.2(6) of General Order 96-B:

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).

SJWC also stated in its reply that recovery of the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account is authorized in D.19-06-010 and D.20-04-003 and is subject to further review and approval by the California Public Utilities Commission.

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## DISCUSSION

Both AL 534-W and AL 548-W included the same amount of adjustments for Uncollectibles and Local Franchise Tax into the balance of the PRVMA that was requested to be amortized. Generally, adjustments for Uncollectibles and Local Franchise Tax cost components are meant to true-up the balance of an account to compensate for authorized expenses that were expected to have occurred over some period. However, D.19-06-010 established the limit of the balance to be collected to the costs accrued up to September 30, 2016. The adjustments for Uncollectibles and Local Franchise Tax are therefore not reasonable since they are both costs that would have been accrued after the September 30, 2016 end date established in D.19-06-010. SJWC is responsible for these costs rather than including these costs into the balance requested to be amortized and the resulting surcharge on customer bills. The authorized balance in the PRVMA to be amortized via three-year surcharges shall be \$1,218,991.75. The history of changes to the balance in the PRVMA is illustrated in Tables 1a and 1b below.

**Table 1a: History of Additions to and Removals from the Balance in the PRVMA**

Amount	Authorized in D.19-06-010 June 13, 2019	SJWC Comments to ALJ Proposed Decision in A.18-01-004 June 6, 2019
Authorized in D.19-06-010	\$1,243,362.58	\$1,243,362.58
Costs posted after September 30, 2016		Less \$23,196.83
<b>Total Undercollection</b>	<b>\$1,243,362.58</b>	<b>\$1,220,165.75</b>

**Table 1b: History of Additions to and Removals from the Balance in the PRVMA**

Amount	Requested in AL 534-W August 1, 2019	Requested in AL 548-W April 24, 2020	Resolution Authorized
Authorized in D.19-06-010	\$1,243,362.58	\$1,243,362.58	\$1,243,362.58
Costs Posted after September 30, 2016	Less \$23,195.83	Less \$23,195.83	Less \$23,195.83
Adjustment for Local Franchise Tax	Add \$3,057.23	Add \$3,057.23	
Adjustment for Uncollectibles	Add \$1,613.95	Add \$1,613.95	

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**Table 1b: History of Additions to and Removals from the Balance in the PRVMA**

Duplicate Freight Charge		Less \$1,175.00	Less \$1,175.00
<b>Total Undercollection</b>	<b>\$1,224,837.93</b>	<b>\$1,223,662.93</b>	<b>\$1,218,991.75</b>

Bill Impact

The balance of the PRVMA that was requested to be amortized in AL 548-W is \$1,223,662.93 and includes unauthorized adjustments for Uncollectibles and Local Franchise Tax. The balance not including these adjustments is \$1,218,991.75. The change in the resulting surcharge is negligible. A typical customer with a ¾-inch meter that uses 11 Ccf of water per month would see a bill increase of approximately \$0.10 per month.

**Table 2: Surcharge Comparison**

	Requested in AL 548-W (Including Adjustments)	Resolution Authorized (Not Including Adjustments)
<b>Total Potable Authorized Usage (Ccf) in 2019<sup>1</sup></b>	45,980,000	45,980,000
<b>Total Undercollection Requested to be Recovered (\$)</b>	\$1,223,662.93	\$1,218,991.75
<b>Surcharge (\$/Ccf)</b>	\$0.00887	\$0.00884
<b>For usage of 11 Ccf/month</b>	\$0.0976/month	\$0.0972/month

<sup>1</sup> D.18-11-025, Decision Approving Settlement Agreement, Attachment A, Table 7

**RECOMMENDATIONS**

Decision 19-06-010 and D.20-04-003 authorized SJWC to file a Tier 3 Advice Letter to amortize the PRVMA. The balance requested to be amortized includes costs that are inconsistent with the cap authorized in D.19-06-010. SJWC shall submit a supplement to AL 548-W to remove the unauthorized adjustments and to recalculate the balance of the PRVMA to be amortized to a balance of \$1,218,991.75 with the resulting surcharge of \$0.00884 shown in Table 2 above. In addition, SJWC shall establish a Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account (PRVBA), transfer the authorized balance of \$1,218,991.75 from the PRVMA to the PRVBA, and close the PRVMA. The supplement to AL 548-W should be submitted within ten days of the effective date of this resolution. The three-year surcharge authorized by this Resolution

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to amortize the balance in the PRVBA is effective on the date the supplement to AL 548-W is submitted.

## COMMENTS

Public Utilities Code Section 311(g)(1) provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

Accordingly, this proposed resolution was mailed to San Jose Water Company (SJWC) and those entities and individuals who submitted protests to AL 548-W for public comment on July 24, 2020. The Public Utilities Commission received a total of 87 e-mailed comments to this proposed resolution, two of which were sent after the end of the 30 days period provided for public review and comment. SJWC did not submit a comment in response to this proposed resolution.

The majority of the comments are from customers of SJWC requesting denial of the three-year surcharge authorized by this proposed resolution. In general, the comments commended the Commission for denying SJWC's inclusion of the adjustments in its Uncollectibles and Local Franchise Tax expenses towards the balance of its Pressure-Reducing Valve Modernization and Energy Recovery Account (PRVMA). The comments also condemned SJWC's accounting errors of including these adjustments into the balance of the PRVMA as well as including and eventually removing the duplicate freight charge from the balance of the PRVMA. Additionally, the customers' comments expressed concern in the affordability of increased rates while expressing opposition to rate increases on a general scope.

No factual or legal issues were raised in the comments. As such, no changes were made to the draft resolution in response to comments received.

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## FINDINGS AND CONCLUSIONS

1. On December 2, 2010, Resolution W-4854 granted authority to San Jose Water Company (SJWC) to establish its Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) and to amortize the balance of this account through a Tier 3 Advice Letter (AL).
2. On June 13, 2019, D.19-06-010 granted SJWC's request to amortize the balance of its Hydro Generation Research, Development, and Demonstration Memorandum Account (HGRDDMA) over a three-year period by submitting a Tier 3 AL.
3. D.19-06-010 limits amortization of the HGRDDMA to be the balance accrued up to, but not beyond, September 30, 2016 and that the authorized balance to be amortized is \$1,243,362.58.
4. SJWC's Comments to the Proposed Decision in A.18-01-004 indicate that \$23,196.83 (later corrected to \$23, 195.83) in project invoices were posted to the project after the September 30, 2016 end date and that the PRVMA balance resulting from the removal of those invoices posted after September 30, 2016 is \$1,220,177.75.
5. On August 2, 2019, SJWC filed AL 534-W as per D.19-06-010. AL 534-W included a total of \$4671.18 in adjustments for Uncollectibles and Local Franchise Tax into the balance of the PRVMA that was requested to be amortized. The balance requested to be amortized in AL 534-W was \$1,224,842.43.
6. On October 10, 2019, Advice Letter 534-W was rejected without prejudice on the grounds that neither the establishment of the HGRDDMA nor the recovery of the balance of the HGRDDMA were authorized by any Commission decision or resolution prior to D.19-06-010 nor does the HGRDDMA exist in the Preliminary Statements of SJWC's tariffs.
7. In its disposition letter for AL 534-W, the Water Division of the California Public Utilities Commission (Water Division) instructed SJWC to correct the error of referencing the HGRDDMA in D.19-06-010 so that the actual memorandum account authorized by Resolution W-4854, the PRVMA, was referenced instead.
8. On April 10, 2020, D.20-04-003 was made effective, replacing all references to the HGRDDMA with the PRVMA in D.19-06-010.
9. On April 24, 2020, SJWC filed AL 548-W requesting to amortize its PRVMA via a 36-month surcharge as authorized by D.19-06-010 and D.20-04-003.

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10. In AL 548-W, SJWC requested to amortize the \$1,223,662.93 balance in its PRVMA, which is the resulting balance after the removal of a duplicate freight charge of \$1,175 from the balance previously requested to be amortized in the rejected AL 534-W.
11. In AL 548-W, the balance in the PRVMA that was requested to be amortized included the same adjustments for Uncollectibles and Local Franchise Tax as was included in the balance stated in AL 534-W.
12. Adjustments for Uncollectibles and Local Franchise Tax would offset expenses that would have been incurred after the September 31, 2016 limitation established in D.19-06-010. These costs are therefore not authorized and should not be included into the balance of the PRVMA to be amortized.
13. Water Division found that the \$23,195.83 amount of project invoices posted after September 30, 2016 and the duplicate freight charge of \$1,175 declared in AL 548-W are correct.
14. SJWC should submit a supplement to AL 548-W that removes the unauthorized adjustments for Uncollectibles and Local Franchise Tax so that the resulting balance in the PRVMA requested to be amortized is instead \$1,218,991.75 with a resulting three-year surcharge of \$0.00884 per Ccf.
15. SJWC should establish a Pressure Reducing Valve Modernization and Energy Recovery Balancing Account (PRVBA), transfer the authorized balance of \$1,218,991.75 from the PRVMA to the PRVBA, and close the PRVMA.
16. The three-year surcharge of \$0.00884 per Ccf authorized by this Resolution is effective on the date the supplement to AL 548-W is submitted.

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## THEREFORE, IT IS ORDERED THAT:

San Jose Water Company shall submit a supplement to Advice Letter 548-W which will do the following:

1. The supplement shall include workpapers showing the recalculations of the balance of its Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) and the resulting three-year surcharge.
2. The workpapers shall exclude the unauthorized adjustments to Uncollectibles and Local Franchise Tax from the recalculated balance of the PRVMA requested to be amortized. The authorized balance is \$1,218,991.75 and the resulting three-year surcharge is \$0.00884.
3. The supplement shall also establish the Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account (PRVBA), transfer the authorized balance of \$1,218,991.75 from the PRVMA to the PRVBA, and close the PRVMA.
4. The supplement shall be submitted within ten days of the effective date of this resolution.
5. The three-year surcharge authorized by this Resolution to amortize the balance in the PRVBA is effective on the date the supplement to AL 548-W is submitted.

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This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on August 27, 2020; the following Commissioners voting favorably thereon:

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ALICE STEBBINS  
Executive Director



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## SAN JOSE WATER COMPANY ADVICE LETTER NO. 548 SERVICE LIST

Public Advocates Office  
[PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov)

Richard Rauschmeier  
[Richard.Rauschmeier@cpuc.ca.gov](mailto:Richard.Rauschmeier@cpuc.ca.gov)

Richard Smith  
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Advice Letter 548 Correspondents

John Tang  
[john.tang@sjwater.com](mailto:john.tang@sjwater.com)

Ann Lindahl  
[ann.lindahl@sjwater.com](mailto:ann.lindahl@sjwater.com)

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

San Jose Mercury News  
Attn: Paul Rogers  
4 N. Second Street, Suite 800  
San Jose, CA 95113

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

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

City of Cupertino  
10300 Torre Avenue  
Cupertino, CA 95014

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

City of Campbell  
70 North First Street  
Campbell, CA 95008

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

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

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

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

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

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

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

Mountain Springs Mutual Water Co.  
17956 Greenwood Road  
Los Gatos, CA 95033

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

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

Gillette Mutual Water Company  
21976 Gillette Drive  
Los Gatos, CA 95033

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

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

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

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

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WRATES  
Rita Benton  
18555 Ravenwood Drive  
Saratoga, CA 95070

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

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

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

James Hunter  
6475 Dwyer Street  
San Jose, CA 95120

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

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

Oakmont Water System  
P.O. Box 31536  
Stockton, CA 95206

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

Brush & Old Well Mutual  
Water Company  
21105 Brush Road  
Los Gatos, CA 95033

**SAN JOSE WATER COMPANY**

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**ATTACHMENT B**

**SAN JOSE WATER COMPANY (U-168-W)**  
**PRESSURE -REDUCING VALVE MODERNIZATION AND ENERGY RECOVERY MEMORANDUM ACCOUNT**  
**HYDRO-TURBINE GENERATOR**

ADV 548

WP 17-3

(Dollars)

<u>Plant Additions</u>	<u>Amount</u>
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
<b>TOTAL HYDRO-TURBINE GENERATION H10120 AS OF SEPTEMBER 30, 2017 PER A.18-01-004</b>	<b>\$1,243,362.58</b>
<b>LESS CONTRACTED LABOR NOV 2016</b>	<b>(\$4,238.37)</b>
<b>LESS CONSTRUCTION OVERHEAD NOV 2016</b>	<b>(\$127.15)</b>
<b>LESS CAPITALIZED INTEREST OCT, NOV, DEC 2016</b>	<b>(\$18,830.31)</b>
<b>TOTAL HYDRO-TURBINE GENERATION H10120 AS OF SEPTEMBER 30, 2016</b>	<b>\$1,220,166.75</b>
<b>LESS DUPLICATE FREIGHT CHARGE JAN 2014</b>	<b>(\$1,175)</b>
	<b>\$1,218,991.75</b>
Total Undercollection Requested to be Recovered	<b>\$1,218,991.75</b>
Percentage of 2019 Est. Gross Revenue	
Total Potable Authorized Usage (ccf) in 2019	<b>45,980,000</b>
D.18-11-025	
Memorandum Account Undercollection Amortization in Quantity Surcharge	<b>0.00884 /ccf</b>
36 Months Or Until Recovered	

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 548A**

**ATTACHMENT C**

A copy of Advice Letter No. 548A 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

San Jose Mercury News  
Attn: Paul Rogers  
4 N. Second Street, Suite 800  
San Jose, CA 95113

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

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

City of Cupertino  
10300 Torre Avenue  
Cupertino, CA 95014

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

City of Campbell  
70 North First Street  
Campbell, CA 95008

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

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

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

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

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

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

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

Mountain Springs Mutual Water Co.  
17956 Greenwood Road  
Los Gatos, CA 95033

Mukunda Dawadi  
Public Advocates Office  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Garth Hall  
Deputy Operating Officer  
Water Utility Enterprises  
Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, CA 95118

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

Gillette Mutual Water Company  
21976 Gillette Drive  
Los Gatos, CA 95033

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

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

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

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

WRATES  
Rita Benton  
18555 Ravenwood Drive  
Saratoga, CA 95070

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

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

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

James Hunter  
6475 Dwyer Street  
San Jose, CA 95120

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

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

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

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

Brush & Old Well Mutual  
Water Company  
21105 Brush Road  
Los Gatos, CA 95033



**PRELIMINARY STATEMENT**  
**(Continued)**

- |           |  |            |
|-----------|--|------------|
|           |  | <b>(D)</b> |
| <b>M.</b> | <b>Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account (PRVBA)</b>   | <b>(N)</b> |
| 1.        | <p><b>Purpose</b><br/>                 The purpose of the Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account is to track the amortization of the Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account balance in surcharges put forth in Advice Letter 548A and authorized by Commission Resolution W-5228.</p>  |            |
| 2.        | <p><b>General Information.</b><br/>                 The Utility shall record in this Balancing Account the balance as authorized in Ordering Paragraph No. 2 and 3 of Resolution W-5228 for amortization. At the end of the amortization period any remaining over or under refunded balance shall be addressed in the context of San Jose Water Company's next general rate case.</p>   |            |
| 3.        | <p><b>Balancing Account Entries.</b><br/>                 The entries in the Balancing Account may include the following:<br/>                 a. The Pressure-Reducing Valve Modernization and Energy Recovery Balancing Account as authorized by Ordering Paragraph No. 2 and 3 of Resolution W-5228 from the closing of the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account.<br/>                 b. The surcharges to customers as authorized in Advice Letter 548-A.<br/>                 c. Balances in the Balancing Account will accrue interest at the 90-day non-financial commercial paper rate.</p> |            |
| 4.        | <p><b>Disposition of Balancing Account Balance.</b><br/>                 At the end of the amortization period any remaining over or under amortized balance shall be addressed in the context of San Jose Water Company's next general rate case.</p>   |            |
|           |  | <b>(N)</b> |

(To be inserted by utility)

Issued by

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

Advice No. 548A

JOHN TANG

Date Filed \_\_\_\_\_

Vice President,

Effective \_\_\_\_\_

Dec. No. 19-06-010 & D.20-04-003

Regulatory Affairs

Resolution No. \_\_\_\_\_

Res. 5228-W

TITLE

Schedule No. 1

GENERAL METERED SERVICE  
 (Continued)

6. To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:

	Surcredit:
For 5/8 x 3/4-inch meter .....	\$20.84
For 3/4-inch meter .....	20.84
For 1-inch meter .....	34.73
For 1-1/2-inch meter .....	69.46
For 2-inch meter .....	111.13
For 3-inch meter .....	208.37
For 4-inch meter .....	347.28
For 6-inch meter .....	694.55
For 8-inch meter .....	1111.29
For 10-inch meter .....	1597.47

7. In accordance with D.20-02-050, a one-time proration refund surcredit will be added to the bill as follows:

	Surcredit:
For 5/8 x 3/4-inch meter .....	\$5.52
For 3/4-inch meter .....	5.52
For 1-inch meter .....	9.19
For 1-1/2-inch meter .....	18.38
For 2-inch meter .....	29.41
For 3-inch meter .....	55.14
For 4-inch meter .....	91.90
For 6-inch meter .....	183.81
For 8-inch meter .....	294.09
For 10-inch meter .....	422.75

8. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (N) balance, a surcharge of \$0.00884 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 548A. (N)

(To be inserted by utility)

Issued by

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

Advice No. 548A

JOHN TANG

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Vice President,

Effective \_\_\_\_\_

Dec. No. 19-06-010 & D.20-04-003

Regulatory Affairs

Resolution No. \_\_\_\_\_

Res. 5228-W

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH  
 AUTOMATIC FIRE SPRINKLER SYSTEM  
 (Continued)

7. To amortize the 2018 Tax Accounting Memorandum Account balance,  
 a one-time surcredit will be added to the bill as follows:

	Surcredit:
For 5/8 x 3/4-inch meter .....	\$20.84
For 3/4-inch meter .....	20.84
For 1-inch meter .....	34.73
For 1-1/2-inch meter .....	69.46
For 2-inch meter .....	111.13
For 3-inch meter .....	208.37
For 4-inch meter .....	347.28
For 6-inch meter .....	694.55
For 8-inch meter .....	1111.29
For 10-inch meter .....	1597.47

8. In accordance with D.20-02-050, a one-time proration refund surcredit will be added to the bill as follows:

	Surcredit:
For 5/8 x 3/4-inch meter .....	\$5.52
For 3/4-inch meter .....	5.52
For 1-inch meter .....	9.19
For 1-1/2-inch meter .....	18.38
For 2-inch meter .....	29.41
For 3-inch meter .....	55.14
For 4-inch meter .....	91.90
For 6-inch meter .....	183.81
For 8-inch meter .....	294.09
For 10-inch meter .....	422.75

9. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (N)  
 balance, a surcharge of \$0.00884 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 548A. (N)

(To be inserted by utility)

Issued by

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

Advice No. 548A  
 Dec. No. 19-06-010 & D.20-04-003  
 Res. 5228-W

JOHN TANG  
 Vice President,  
Regulatory Affairs  
 TITLE

Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

Schedule No. 1C

GENERAL METERED SERVICE  
Mountain District  
(Continued)

- 11. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (N) balance, a surcharge of \$0.00884 per 100 cu.ft is to be added to the Quantity rate shown for a 36 month period or until collected beginning with the effective date of Advice Letter 548A. (N)

(To be inserted by utility)

Issued by

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Advice No. 548A  
Dec. No. 19-06-010 & D.20-04-003  
Res. 5228-W

JOHN TANG  
Vice President,  
Regulatory Affairs  
TITLE

Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

Schedule No. RW

RAW WATER METERED SERVICE

(Continued)

7. To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:

	Surcredit:
For 5/8 x 3/4-inch meter .....	\$20.84
For 3/4-inch meter .....	20.84
For 1-inch meter .....	34.73
For 1-1/2-inch meter .....	69.46
For 2-inch meter .....	111.13
For 3-inch meter .....	208.37
For 4-inch meter .....	347.28
For 6-inch meter .....	694.55
For 8-inch meter .....	1111.29
For 10-inch meter .....	1597.47

8. In accordance with D.20-02-050, a one-time proration refund surcredit will be added to the bill as follows:

	Surcredit:
For 3/4-inch meter .....	5.52
For 1-inch meter .....	9.19
For 1-1/2-inch meter .....	18.38
For 2-inch meter .....	29.41
For 3-inch meter .....	55.14
For 4-inch meter .....	91.90
For 6-inch meter .....	183.81
For 8-inch meter .....	294.09
For 10-inch meter .....	422.75

9. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (N) balance, a surcharge of \$0.00884 per 100 cu.ft is to be added to the Quantity rate shown for a 1 36 month period or until collected beginning with the effective date of Advice Letter 548A. (N)

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 Res. 5228-W

JOHN TANG  
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Regulatory Affairs  
 TITLE

Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

Schedule No. RCW

RECYCLED WATER METERED SERVICE  
 (Continued)

8. To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:

<u>Piped Supply</u>		Surcredit:
For	3/4-inch meter .....	\$20.84
For	1-inch meter .....	34.73
For	1-1/2-inch meter .....	69.46
For	2-inch meter .....	111.13
For	3-inch meter .....	208.37
For	4-inch meter .....	347.28
For	6-inch meter .....	694.55
For	8-inch meter .....	1111.29
For	10-inch meter .....	1597.47

<u>Well Supply</u>		Surcredit:
For	2-inch meter .....	\$17.20
For	3-inch meter .....	22.94
For	4-inch meter .....	25.80
For	6-inch meter .....	43.02
For	8-inch meter .....	51.62
For	10-inch meter .....	80.29

9. In accordance with D.20-02-050, a one-time proration refund surcredit will be added to the bill as follows:

		Surcredit:
For	3/4-inch meter .....	5.52
For	1-inch meter .....	9.19
For	1-1/2-inch meter .....	18.38
For	2-inch meter .....	29.41
For	3-inch meter .....	55.14
For	4-inch meter .....	91.90
For	6-inch meter .....	183.81
For	8-inch meter .....	294.09
For	10-inch meter .....	422.75

<u>Well Supply</u>		Surcredit:
For	2-inch meter .....	\$4.54
For	3-inch meter .....	6.06
For	4-inch meter .....	6.81
For	6-inch meter .....	11.36
For	8-inch meter .....	13.62
For	10-inch meter .....	21.19

10. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (N) balance, a surcharge of \$0.00884 per 100 cu.ft is to be added to the Quantity rate shown for a I  
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Regulatory Affairs

Resolution No. \_\_\_\_\_

Res. 5228-W

TITLE

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Schedule No. 1C, General Metered Service Mountain District	2003-W, 1952-W, 1884-W, and 2061-W	(C)
Schedule No. 4, Private Fire Service	2004-W and 2053-W	
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
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No. 6 - Establishment and Re-establishment of Credit	354-W	
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No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

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TITLE