



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

May 27, 2021

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

Advice Letter No. 561

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

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
2104-W	Schedule No. 1 – General Metered Service (Continued)	1915-W
2105-W	Schedule No. 1 – General Metered Service (Continued)	2059-W
2106-W	Schedule No. 1C – General Metered Service, Mountain District	2096-W
2107-W	Schedule No. 1C – General Metered Service, Mountain District (Continued)	2052-W
	Schedule No. 1C – General Metered Service, Mountain District (Continued)	2061-W
2108-W	Schedule No. RW – Raw Water Metered Service (Continued)	1920-W
	Schedule No. RW – Raw Water Metered Service (Continued)	1956-W
2109-W	Schedule No. RCW – Recycled Water Metered Service (Continued)	1958-W
	Schedule No. RCW – Recycled Water Metered Service (Continued)	2063-W
2110-W	Table of Contents	2102-W

With this advice letter, SJWC requests authorization to implement surcharges to offset the increases to purchased potable water charges, the ground water extraction fee, and purchased recycled water charges that will be implemented by SJWC’s water wholesalers effective July 1, 2021, and to update associated special conditions of Schedules No. 1, 1B, and 1C, RW, and RCW.

These tariffs are submitted pursuant to General Orders (GO) No. 96-B Water Industry Rules 7.3.1(7) and 8.4. This advice letter is designated as a Tier I Advice Letter. SJWC requests that the surcharges become effective on July 1, 2021.

The present rates for SJWC became effective January 1, 2021, by Advice Letter No. (AL) 556.

Background

SJWC did not file a supply offset to update purchased water, pump tax, and recycled water rate since the effective date of the first test year authorized per Decision 18-11-025 (D.18-11-025), which is January 1, 2019. The purchased water, pump tax, and recycled water rate was as authorized by Decision D.18-11-025.

At its May 11, 2021 meeting, the Valley Water's Board of Directors formally adopted water rate increases for the 2021-2022 fiscal year, raising the groundwater rate (pump tax) to \$1,499 per Acre Foot (AF) and purchased water rate to \$1,614/AF effective July 1, 2021. The ground water rate will increase by \$160.36/AF from the adopted rate of \$1338.64/AF and the purchased water rate will increase by \$169.32/AF from the adopted rate of \$1,444.68/AF.

SCVWD's groundwater charge for agricultural water will increase to \$34.15/AF which affects the agricultural discount provided by Valley Water and passed through in SJWC's tariffs. The current discount is \$2.8971/ccf will increase to \$3.3628/ccf ($\$1,499/\text{AF} - \$34.15/\text{AF} = \$1,464.85/\text{AF} = \$3.3628/\text{ccf}$).

This updated to purchased water rate, groundwater rate, and agricultural discount is reflected as Special Conditions in SJWC's tariff for Schedule No. 1 General Metered Service, Schedule No.1C General Metered Service Mountain District, and Schedule No. RW Raw Water Meter Service.

Changes to the rate for untreated water also affect the rate for purchased recycled water. South Bay Water Recycling, SJWC's wholesale recycled water provider, indexes recycled water wholesale rates to the rates charged by Valley Water for untreated water, with appropriate discounts for irrigation, industrial, or agricultural use. The recycled water discount remains at \$105 for irrigation, industrial, and agricultural uses. Effective July 1, 2021, wholesale recycled water rates will be decreased by \$112.43 per AF from adopted January 1, 2019 rate of \$1,506.43 to \$1,394 per AF.

This updated to recycled water rate is reflected as Special Conditions in SJWC's tariff for Schedule No. RCW for Recycled Meter Water Rate.

Please see **Attachment A** for actual rate effective July 1, 2021 and **Attachment B** for adopted rate per Decision 18-11-025.

The following total increase in costs, as detailed in **Attachment B**, is requested to be offset in a surcharge on all potable and raw water use:

Increase in Purchased Water	\$11,530,736
Increase in Ground Water Charge	\$5,950,094
Increase in Purchased Recycled Water	-\$284,397
Increase in Taxes and Uncollectibles	\$65,896
Total Increase in Costs	\$17,262,329

As previously directed by the Commission's Water Division, the requested offset rate change will be added as separate surcharges and will not be included into the base quantity rate. Surcharges of \$0.2505 per ccf for Purchased Water and \$0.1292 per ccf for Groundwater Production Charges will be charged on all potable water usage. Surcredit of \$0.2591 per ccf for Purchased Recycled Water will be charged on all recycled water usage. These surcharges are calculated in **Attachment C** and are derived by dividing the increases in costs for Purchased Water, Groundwater Production Charges, and Purchased Recycled Water by the adopted potable and recycled water usage. The requested offset surcharges will result in a total increase of 4.34% in metered revenue, while the bill for the typical customer using 11 ccf per month will increase \$4.18 per month, or approximately 4.38%. All surcharge and bill comparison calculations are provided in **Attachment C**.

Public notice of the offset rate adjustment will be completed by placing a notice (**Attachment D**) in the San Jose Mercury News as soon as possible. Proof of publication will be submitted to the Commission when the notification has been completed. In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been emailed to all interested and affected parties as detailed in **Attachment E**.

Effective Date

SJWC requests that the updated tariff sheets become effective July 1, 2021.

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).

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

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

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

Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95110
Fax 408.279.7934
regulatoryaffairs@sjwater.com.

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

SJWC has Advice Letters 557 and 560 pending before the Commission.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read 'John Tang', with a large, stylized flourish at the end.

JOHN TANG
Vice President of Regulatory Affairs
Enclosures

SAN JOSE WATER COMPANY (U-168-W)

ADVICE LETTER 561 SERVICE LIST

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

Schedule No. 1

GENERAL METERED SERVICE

(Continued)

SPECIAL CONDITIONS

1. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$3.3628 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill. (l)
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
3. To fund the Water Rate Assistance Program (WRAP) for residential low-income households, a surcharge of \$1.45 per month will be added to the bill.
4. To fund the repayment of a Safe Drinking Water State Revolving Fund loan, pursuant to D.03-07-013 dated July 10, 2003, a monthly surcharge will be added to the bill as follows:

Surcharge:	Year 8-20 Per Meter Per Month
For 5/8 x 3/4-inch meter	\$0.04
For 3/4-inch meter	0.04
For 1-inch meter	0.05
For 1-1/2-inch meter	0.10
For 2-inch meter	0.14
For 3-inch meter	0.28
For 4-inch meter	0.39
For 6-inch meter	0.98
For 8-inch meter	1.59
For 10-inch meter	2.32

5. To fund the repayment of a Safe Drinking Water State Revolving Fund loan, pursuant to D.05-01-048 dated January 27, 2005, a monthly surcharge will be added to the bill as follows:

Surcharge:	Year 1-10	Year 11-20
	Per Meter Per Month	
For 5/8 x 3/4-inch meter	\$0.02	\$0.02
For 3/4-inch meter	0.02	0.02
For 1-inch meter	0.04	0.02
For 1-1/2-inch meter	0.08	0.06
For 2-inch meter	0.13	0.09
For 3-inch meter	0.23	0.18
For 4-inch meter	0.38	0.32
For 6-inch meter	0.74	0.67
For 8-inch meter	1.19	1.08
For 10-inch meter	1.71	1.55

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 561

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. _____

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1

GENERAL METERED SERVICE
(Continued)

- (D)
- (D)
- 6. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account balance, a surcharge of \$0.0084 per 100 cu. ft is to be added to the quantity rate shown for a 36 months period or until collected beginning with the effective date of Advice Letter 548A. (C)
- 7. To offset the July 2021 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in purchased water costs of \$169.32 /acre-foot, relative to the purchase water costs authorized by Advice Letter 528 and associated revenue increase of \$0.2505 per 100 cu.ft. starting on the effective date of Advice Letter 561. (N)
- 8. To offset the July 2021 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in ground water charges of \$160.36 /acre-foot, relative to the purchase water costs authorized by Advice Letter 528 and associated revenue increase of \$0.1292 per 100 cu.ft. starting on the effective date of Advice Letter 561. (N)

(To be inserted by utility)

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Regulatory Affairs

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TITLE

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Los Gatos and in contiguous territory in the County of Santa Clara.

RATES

Quantity Rate Per 100 cu. ft. (Ccf)
Overuse Rates beyond 500 gallons per day limit

Residential Customers with 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$3.3770
For Total Monthly Usage from 4 to 18 Ccf.	\$5.0660
For Total Monthly Usage over 18 Ccf.	\$6.7545

All Other Customers(subject to Special Condition 5)

For all water delivered, per 100 cu.ft.	\$5.0660
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Service Charges:

Per Meter Per Month

For 3/4-inch meter	\$41.69
For 1-inch meter	\$69.48
For 1-1/2-inch meter	\$138.99
For 2-inch meter	\$222.38
For 3-inch meter	\$416.95
For 4-inch meter	\$694.91
For 6-inch meter	\$1,389.83
For 8-inch meter	\$2,223.74
For 10-inch meter	\$3,196.60

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

- Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$3.3628 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill. (I)
- All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(Continued)

(To be inserted by utility)

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TITLE

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District
(Continued)

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

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

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

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

9. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account 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. (D) (C)

10. To offset the July 2021 increase in Purchased Water from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in purchased water costs of \$169.32 /acre-foot, relative to the purchase water costs authorized by Advice Letter 528 and associated revenue increase of \$0.2505 per 100 cu.ft. starting on the effective date of Advice Letter 561 (N)

11. To offset the July 2021 increase in Ground Water Charges from the Santa Clara Valley Water District, as required by Section 792.5 of the Public Utilities Code, an incremental increase in ground water charges of \$160.36 /acre-foot, relative to the purchase water costs authorized by Advice Letter 528 and associated revenue increase of \$0.1292 per 100 cu.ft. starting on the effective date of Advice Letter 561. (N)

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Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. RW

RAW WATER METERED SERVICE
(Continued)

- 3. The utility will supply at the point of connection only such raw water at such pressures as may be available from time to time from the Santa Clara Valley Water District. The customer shall indemnify the utility and save it harmless from any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service under this schedule.
- 4. As a condition for service under this schedule, all customers are required to comply with all San Jose Water Company's tariffs, except for those identified in the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
- 5. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a refund of \$3.3628 cents per 100 cubic feet for the quantities of water used on the effective date of this advice letter. In accordance with Santa Clara Valley Water District procedures customers will be refunded every six months. (l)
- 6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(continued)

(To be inserted by utility)

Issued by

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Advice No. 561

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Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE
(Continued)

- 2. The City of San Jose is responsible for the determination of customer eligibility for the South Bay Water Recycling Program.
- 3. The customer is responsible for notice of and compliance with all Customer Service Rules for use of recycled water as provided by the City of San Jose in addition to all local, state, and federal rules and regulations that apply from time to time to the use of recycled water, as defined in San Jose Water Company's Rule 1.
- 4. The utility will supply at the point of connection only such recycled water at such pressures as may be available from time to time from the San Jose/Santa Clara Water Pollution Control Plant. The customer agrees to make no claims against the utility for loss, damage or injury caused by service interruptions.
- 5. The customer shall defend and indemnify the utility and save it harmless from any and all claims arising out of service and water use under this schedule and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service and water use under this schedule.
- 6. As a condition for service under this schedule, all customers are required to comply with all of San Jose Water Company's tariffs, except for those specifically excluded by Appendix A of the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
- 7. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (D)
(D)
(D)
(D)
- 8. To amortize the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account 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. (C)
- 9. To offset the July 2021 increase in the Recycled Water Wholesale Rate from South Bay Water Recycling, as required by Section 792.5 of the Public Utilities Code, an incremental decrease in recycled water wholesale rates of \$112.43 /acre-foot, relative to authorized recycled purchase water costs authorized by Advice Letter 528, and associated credit of \$0.2591 per 100 cu.ft. starting on the effective date of Advice Letter 561. (N)
|
(N)

(To be inserted by utility)

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Vice President,

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Regulatory Affairs

Resolution No. _____

TITLE

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

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Schedule No. 1C, General Metered Service Mountain District	2106-W, 1952-W, 1884-W and 2107	(C)
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