



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

August 5, 2021

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

Advice Letter No. 567

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>
2131-W		1668-W
2132-W		1669-W
2133-W		1780-W
2134-W		1671-W
2135-W		1672-W
2136-W		1673-W
2137-W		1766-W
2138-W		New
2139-W		1767-W
2140-W		1820-W
2141-W		2126-W
2142-W	Table of Contents	2130-W

With this advice letter, SJWC requests authorization to update its Schedule 14.1.

Background

SJWC filed Advice Letters (AL) 563 and 564 on June 18, 2021, in response to Valley Water’s emergency drought declaration and request for 15% mandatory conservation from 2019 consumption. AL 563 requested authorization to update and align its Water Shortage Contingency Plan with its most recent 2020 Urban Water Management Plan and to activate Stage 3 calling for 15% mandatory conservation. The approval of AL 563 is pending the required customer notification.

AL 564 requested authorization to re-establish memorandum accounts to track the revenue and expense impacts. The Water Conservation Memorandum Account (WCMA) was authorized to track the difference between actual and authorized consumption. The Water Conservation Expense Memorandum Account (WCEMA) was authorized to track to the incremental expenses required to implement SJWC’s conservation response. Both memorandum accounts were authorized effective July 19, 2021.

Request

With this filing, SJWC requests to update its Schedule 14.1 to align its various stages of conservation with its recently updated Urban Water Management Plan and Rule 14.1. In addition, the filing seeks to update its Drought Allocations and Drought Surcharges program.

The currently approved Schedule 14.1 was prepared in response to the previous drought from 2015-2017. The proposed updates to the Drought Allocations and Drought Surcharges program take into account the current water supply conditions, Valley Water's current call for conservation, and the lessons learned from the Schedule 14.1 activations in 2015 and in the early 1990's.

This plan recognizes the efforts of those customers who have and continue to conserve while encouraging others to do the same. The proposed updates sets a minimum consumption number at which drought surcharges would not apply. Residential customers whose consumption falls below this monthly drought allocation will not be subject to drought surcharges. See table below for minimum drought allocation amount:

Residential Drought Allocation		
2019 Base Year	2019 Average Monthly Residential Usage (CCF)	15% Reduction Monthly Drought Allocation (CCF)
Jan	10	9
Feb	7	6
Mar	7	6
Apr	7	6
May	9	8
Jun	10	9
Jul	13	11
Aug	13	11
Sep	15	13
Oct	13	11
Nov	14	12
Dec	11	9

Those consuming above the minimum monthly drought allocation amount will be required to conserve 15% of their actual monthly consumption from 2019 to avoid drought surcharges. For those who incur drought surcharges, any units of water above the monthly allocation will be charged at the Tier 3 rate currently in effect in addition to the charges at baserates for all units of water consumed.

The monthly drought allocations will also apply to dedicated landscape accounts. These accounts will be required to reduce their monthly consumption by 15% of 2019's usage to avoid drought surcharges. Any amounts above 85% of 2019's consumption will be assessed surcharges at the Tier 3 rate currently in effect in addition to the charges at baserates for all units consumed.

All Drought Allocation surcharges will be used to offset SJWC's authorized WCMA account.

At this time, SJWC is not requesting authorization to activate its Schedule 14.1. If or when that is required by the water supply conditions and/or the CPUC, State, or other governmental body, SJWC will file a Tier 2 advice letter requesting authorization to activate Schedule 14.1 and complete the required public hearing.

#### Effective Date

SJWC requests that the updated tariff sheets become effective September 4, 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, 3<sup>rd</sup> floor  
California Public Utilities Commission,  
505 Van Ness Avenue  
San Francisco, CA 94102  
water\_division@cpuc.ca.gov

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

Regulatory Affairs  
San Jose Water Company  
110 West Taylor Street  
San Jose, 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.

In compliance with Paragraph 4.3 of GO 96-B, a copy of this advice letter has been delivered to the service list as detailed in Attachment A. Please note that due to the COVID-19 pandemic, advice letters can only be delivered, served, and filed electronically.

SJWC has Advice Letters 563, and 566 pending before the Commission.

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

Very truly yours,



JOHN TANG  
Vice President of Regulatory Affairs  
Enclosures

**SAN JOSE WATER COMPANY**

**ADVICE LETTER NO. 567**

**ATTACHMENT A**

**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES**

**APPLICABILITY**

This schedule is applicable to water customers served under all potable tariff rate schedules authorized by the Commission for the utility. It is effective in times of mandatory water conservation after Commission approval and only for the period noted in the Special Condition Section below:

**TERRITORY**

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.

**STAGED CONSERVATION NON-ESSENTIAL OR UNAUTHORIZED USES**

If a water supply shortage exists or is threatening, or if SJWC is unable to meet conservation targets as set by a wholesale provider or governing body or agency, in addition to the restrictions on wasteful water use practices outlined above, the following restrictions may be imposed by the utility in stages, as indicated below. Failure to comply with these mandatory restrictions will be deemed a wasteful and unreasonable use of water and may result in the installation of a flow restrictor, discontinuance of service, or other actions as authorized by the utility's Rule 11.

(N)

**STAGE 1 (CONSERVATION AND OUTREACH):** Stage 1 is a call for voluntary conservation. This stage will be called by SJWC when customers are asked to meet conservation targets.

The following non-essential or unauthorized uses of water are declared to be a wasteful use of water and are subject to the terms and conditions of Rule No. 11:

1. Limits on Watering: Watering or irrigating of outside plants, lawn, landscape, and turf areas with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than 15 minutes of watering per day per station, with no watering between 10:00 a.m. and 8:00 p.m. This provision does not apply to landscape irrigation zones that exclusively use drip-type irrigation systems. This provision also does not apply to low precipitation sprinkler systems that apply water at or less than 1.0 inch per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive action shut-off nozzle or device that causes it to cease dispensing water immediately when not in use, or for the express purpose of adjusting or repairing an irrigation system. However no irrigation can occur regardless of method that results in runoff.
2. Use of potable water for watering outside plants, lawn, landscape, and turf areas during and up to 48 hours after measurable rainfall.

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(To be inserted by utility)

Issued by

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

Advice No. 567

JOHN TANG

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

Vice President,

Effective \_\_\_\_\_

Dec. No. \_\_\_\_\_

Regulatory Affairs

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

TITLE

**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES (Continued)**

(N)

**STAGE 1 CONSERVATION NON-ESSENTIAL OR UNAUTHORIZED WATER USES (Continued)**

3. **Obligation to Fix Leaks, Breaks or Malfunctions:** Use of water through any broken or defective plumbing fixture, sprinkler, watering or irrigation system on the customer's premises when the utility has notified the customer in writing to repair the broken or defective plumbing fixture, sprinkler, watering or irrigation system, and the customer has failed to make such repairs within 5 business days after receipt of such notice.
4. **Limits on Washing Vehicles:** Use of potable water through a hand-held hose for washing cars, buses, boats, trailers, aircraft or other vehicles without a positive shut-off nozzle or device that causes it to cease dispensing water immediately when not in use.
5. **Limits on Washing Structures and Paved Surfaces:** Use of potable water through a hand-held hose for washing building, structures, sidewalks, walkways driveways, patios, tennis courts, or other hand-surfaces, non-porous areas without a positive shut-off nozzle or device that causes it to cease dispensing water immediately when not in use.
6. **Limits on the operation of commercial car washes** which do not recycle the potable water used, as required by the California Water Code Section 10950-10953.
7. **The serving of water, other than upon request, in eating and drinking establishments, including but not limited to restaurants, hotels, cafes, bars, or other public places where food or drink are served and/or purchased.**
8. **Operators of hotels and motels are to provide guests with the option of choosing not to have towels and linens laundered daily and/or to require hotels and motels to prominently display a notice of this option in each guest bathroom using clear and easily understood language.**
9. **No Excessive Water Flow or Runoff:** The use of potable water for washing buildings, structures, sidewalks, walkways, driveways, patios, tennis courts, or other hard-surfaced, non-porous areas in a manner that results in excessive run-off onto sidewalks, driveways gutters or streets, or waste of water
10. **The use of potable water in a fountain or other decorative water device that does not have a fully automatic recirculation system, or the filling or topping off of decorative lakes or ponds, except where the water is part of a recirculating system.**
11. **Other restrictions on use of potable water as prescribed from time to time by the Commission, SJWC, or another governing body or agency.**

**STAGE 2 – (WATER REDUCTION NEEDED):** Stage 2 is a call for voluntary conservation. This stage occurs when Stage 1 limitations are deemed insufficient to achieve identified conservation target established by SJWC. In addition to the non-essential or unauthorized uses of water listed in Stage 1, the following non-essential or unauthorized uses of water may be declared:

1. **Limits on Watering Days:** Watering or irrigating of lawns, landscape or other vegetated areas with potable water is limited to no more than three days per week. Irrigation will be allowed Mondays, Thursdays, and Saturdays for odd numbered and numberless addresses; irrigation will be allowed Tuesdays, Fridays, and Sundays for even numbered address.

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**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES (Continued)**

(N)

**STAGE 2 -WATER REDUCTION NEEDED (Continued):**

2. No Runoff: The use of potable water for washing building, structures, sidewalks, walkways, driveways, patios, tennis courts, or other hard surfaces, non-porous areas in a matter that results in run-offs onto sidewalks, driveways, gutters or streets that is not redirected to landscaped or vegetated areas.
3. Obligation to Fix Leaks, Breaks, or Malfunctions: Use of water through any broken or defective plumbing fixture, sprinkler, watering or irrigation system on the customer's premises when the utility has notified the customer in writing to repair the broken or defective plumbing fixture, sprinkler, watering or irrigation system, and the customer has failed to make such repairs within 72 hours after receipt of such notice
4. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

**STAGED REDUCTION OF WATER USAGE AND MANDATORY RESTRICTIONS**

**STAGE 3 – (SEVERE WATER REDUCTION):** Stage 3 (Severe Water Reduction) occurs when Stage 2 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restriction will be enacted:

1. Limits on Watering Days: Watering or irrigation lawns, landscape or other vegetated areas with potable water is limited to two days per week. Irrigation will be allowed Mondays and Thursdays for odd numbered and numberless addresses; irrigation will be allowed on Tuesdays and Fridays for even numbered addresses.
2. Limits on Filling Ornamental Lakes or Ponds: Prohibition of the use of potable water for filling or re-filling decorative fountains, ornamental lakes or ponds more than one foot, except when fountains or ponds/lakes are drained for repairs, and except to the extent needed to sustain aquatic life in ponds/lakes, provided that such animals are of significant value and have been actively managed within the water featured prior to declaration of supply shortage level under Rule 14.1.
3. Limits on Washing Vehicles: Washing of vehicles, except at a commercial car washing facility that utilizes recycled or re-circulating water system to capture or reuse water.
4. Use of potable water for washing buildings, structures, sidewalks, walkways, driveways, patios, tennis courts, or other hard-surfaces, non-porous areas, except to protect the health and safety of the public.
- 5.. Use of potable water for construction purposes, including washing streets, backfill, and dust control, if other actions to accomplish the same purposes without water are feasible and /or permitted or if recycled water is reasonably available as determined by a government agency.
6. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

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**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES (Continued)**

(N)

**STAGE 4 (CRITICAL WATER REDUCTION):** Stage 4 (Critical Water Reduction) occurs when the Stage 3 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted:

1. Limits on Watering Days: Watering or irrigation lawns, landscape or other vegetated areas with potable water is limited to one day per week. Irrigation will be allowed Mondays for odd numbered and numberless addresses; irrigation will be allowed on Tuesdays for even numbered addresses.
2. Limits on filling Residential Swimming Pools or Spas: Prohibition of use of potable water for filling or re-filling residential swimming pools or spas more than one foot, except when pools/spas are drained for repairs.
3. Obligations to Fix Leaks, or Malfunctions: Use of water through any broken or defective plumbing fixture, sprinkler watering or irrigation system on the customer's premises when the utility has notified the customer in writing to repair the broken or defective plumbing fixture, sprinklers, watering or irrigation system, and the customer has failed to make such repairs within 48 hours after receipt of such notice.

**STAGE 5 (EMERGENCY WATER REDUCTION):** Stage 5 (Emergency Water Reduction) occurs when the Stage 4 limitations are deemed insufficient to achieve identified water usage goals established by authorized government entities. The following restrictions will be enacted:

1. No Watering or irrigation: Watering or irrigation of lawn, landscape or other vegetated area with potable water is prohibited. The restriction does not apply to the following categories of use:
  - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar containers, hand-held hose equipped with a positive action shut-off nozzle or device;
  - ii. Maintenance of existing landscape necessary for fire protection, with the exception of turf grass;
  - iii. Maintenance of existing landscape for soil erosion control;
  - iv. Maintenance of plant materials identified to be rare or essential to the well-being of a protected species;
  - v. Maintenance of landscape within active public parks and playing fields, day care centers, golf course greens, fringes and tee boxes, and school grounds, provided that such irrigation does not exceed 2 days per week.
2. Limits on filling Residential Swimming Pools or Spas: Prohibition of use of potable water for filling or re-filling residential swimming pools or spas.
3. Limits on filling Ornaments Lakes or Ponds: Prohibition of the use of potable water for filling or refilling ornamental lakes or ponds, except to the extent needed to sustain aquatic life in ponds/lakes, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Rule 14.1.

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TITLE

**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES (Continued)**

(N)  
|  
(N)

**STAGE 5 EMERGENCY WATER REDUCTION (Continued):**

4. Limits on filling Decorative Fountains: Prohibition of the use of potable water for filling or refilling fountains or other decorative water devices.
5. Other restrictions on use of potable water as prescribed by the Commission, SJWC, or another governing body or agency.

**WATER SHORTAGE CONTINGENCY PLAN WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES – SCHEDULE NO. 14.1**

1. Upon the declaration of a water shortage emergency by a water wholesaler, government agency or the governing body of a distributor of a public water supply (per Water Code Section 350), SJWC may request the addition of a Schedule No. 14.1 – Water Shortage Contingency Plan With Staged Mandatory Reductions and Drought Surcharges tariff, via a Tier 2 advice letter, with full justification. The utility may not activate Schedule No. 14.1 until it has been authorized to do so by the Commission, as delegated to the Division of Water & Audits.
  - a. A staged Schedule No.14.1 that has been authorized by the Commission shall remain dormant until triggered by specific conditions detailed in the Schedule No. 14.1 tariff and SJWC has requested and received authorization for activating a stage by the Commission.
  - b. Notice of the Tier 2 advice letter and associated public participation hearing if required shall be provided to customers through a bill insert or a direct mailing.
  - c. The Utility shall comply with all requirements of Sections 350-358 of the California Water Code.
  - d. The Tier 2 advice letter requesting the addition of a Schedule No.14.1 shall include but not be limited to:
    - i. The proposed Schedule No.14.1 tariff, which shall include but not be limited to:
      1. Applicability;
      2. Applicable Territory;
      3. A detailed description of each Stage of Mandatory Water Reductions;
      4. A detailed description of the Trigger that Activates each Stage of Mandatory Water Reductions;
      5. A detailed description of each water use restriction, prohibition and/or reduction level for each Stage of Mandatory Water Reduction;
      6. Water use violation levels, written warning levels, applicable rate schedules and drought surcharges, associated penalties, surcharges or fees, if applicable, and exception procedures;
      7. Conditions for installation of a flow restrictor;
      8. Charges for removal of flow restrictors, and
      9. Special Conditions.
    - ii. Justification for, and documentation and calculations in support of the Schedule, including but not limited to each item in B.1.d.i above.

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(To be inserted by utility)

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Vice President,  
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Dec. No. \_\_\_\_\_

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

TITLE

**SCHEDULE No. 14.1  
WATER SHORTAGE CONTINGENCY PLAN  
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES  
(Continued)**

**STAGED MANDATORY WATER REDUCTIONS – SCHEDULE NO. 14.1 (Continued)**

2. Number of Stages requested by each utility/district/water system may vary, depending on local conditions and specifics of the water shortage event.
3. SJWC may enact a particular stage of Schedule 14.1:
  - a. If the Commission, wholesale water supplier, or other government agency declares an emergency requiring mandatory water use restrictions, or
  - b. If a government agency declares a state of emergency in response to severe drought conditions, earthquake or other catastrophic event that severely reduces the utility's water supply, or
  - c. If the implementation of mandatory restriction levels set by the Commission, utility, wholesale water supplier, or government agency are insufficient, or
  - d. If the utility is unable to address conservation levels set by itself or governing body or agency, or
  - e. If the utility chooses to subsequently activate a different stage.
4. When enacting a particular stage of Schedule 14.1, SJWC shall file a Tier 2 advice letter to request activation.
5. The Tier 2 advice letter requesting activation of a Schedule No. 14.1 shall include but not be limited to:
  - a. Justification for activating this particular stage of reductions, as well as the period during which this particular stage of mandatory restrictions and reductions measures will be in effect.
  - b. Notification to its customers as detailed below.

**ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS**

1. The staged reduction of water usage and mandatory restrictions in Section C of this Plan become enforceable through additional tariff rates when the Schedule No. 14.1-Water Shortage Contingency Plan with Staged Mandatory Reductions and Drought Surcharges program is implemented.
2. The utility may, after one written warning, install a flow-restricting device on the service line of any customer observed by utility personnel to be using water for any non-essential or unauthorized use as defined in above.
3. A flow restrictor shall be capable of providing the premises with a minimum of 5 gallons per minute. The restricting device may be removed only by the utility, only after a three-day period has elapsed, and only upon payment of the appropriate removal charge as set forth in Schedule No. 14.1.

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TITLE

**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN WITH**  
**STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES (Continued)**

**ENFORCEMENT OF STAGED MANDATORY WATER REDUCTIONS (Continued)**

- 5. Any tampering with flow restricting device by customer can result in discontinuation of water use.
- 6. If, despite installation of such flow-restricting device pursuant to the provisions of the previous enforcement conditions, any such non-essential or unauthorized use of water continues, then the utility may discontinue water service to such customer. In such latter event, a charge as provided in Rule No. 11 shall be paid to the utility as a condition to restoration of service.

**APPEAL PROCEDURE**

- 1. Any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.
- 2. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Water Shortage Contingency Plan.

**NOTICE**

- 1. When SJWC requests the addition of a Schedule 14.1, Water Shortage Contingency Plan with Stage Mandatory Reductions and Drought Surcharges tariff, via a Tier 2 advice letter, it shall provide customer notice of the Tier 2 advice letter and associated public hearing, if necessary. The Notice will be provided to customers through bill inserts or direct mailing, and through a posting in the local newspaper of circulation. The public meeting shall be held after the utility files the Tier 2 advice letter, and before the Commission authorizes the addition of Schedule 14.1 to the tariff except in cases of emergency water shortages approved by the Division of Water & Audits.
  - a. SJWC shall consult with the Division of Water and Audits staff prior to filing the advice letter, in order to determine the details of the public meeting.
- 2. If activation of Schedule No. 14.1 occurs one year or more since the public hearing associated with adding Schedule No. 14.1 to its tariffs, then the utility shall conduct a public hearing pursuant to California Water Code Section 351 prior to activating the rationing stage.
- 3. During the period that a stage of Schedule No. 14.1 is activated, SJWC shall provide customers with updates regarding its water supply status and the results of customers' conservation and water use reduction efforts.
- 4. During the period that a stage of Schedule No. 14.1 is activated, SJWC shall provide customers with updates regarding its water supply status and the results of customers' conservation and water use reduction efforts.

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**SCHEDULE No. 14.1**  
**WATER SHORTAGE CONTINGENCY PLAN**  
**WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES**  
**(Continued)**

(N)

**DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES**

**Residential**

Drought Allocations for residential customers served under all potable tariff rate schedules are based on average residential customer usage in Base Year 2019 by month — equaling a 15% reduction. The percentage of conservation reduction is applied to each customer's account, and this forms the basis for drought surcharges. Any usage below the monthly drought allocation in the table below will not be subject to drought surcharges — ensuring that customers who are already conserving water to this level are not penalized.

There are minimum allocations in place and no residential customer shall be given a lower allocation than shown in the chart below.

Residential Drought Allocation		
2019 Base Year	2019 Average Monthly Residential Usage (CCF)	15% Reduction Monthly Drought Allocation (CCF)
Jan	10	9
Feb	7	6
Mar	7	6
Apr	7	6
May	9	8
Jun	10	9
Jul	13	11
Aug	13	11
Sep	15	13
Oct	13	11
Nov	14	12
Dec	11	9

Allocations falling between full hundredths of cubic feet (CCF) will be rounded to the nearest full one-hundredth of cubic feet.

Minimum Monthly Drought Allocation based on minimum average usage for a residential household.

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**SCHEDULE No. 14.1  
WATER SHORTAGE CONTINGENCY PLAN  
WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES  
(Continued)**

**DROUGHT ALLOCATIONS AND DROUGHT SURCHARGES (continued)**

**Landscape Services**

The Drought Allocation for each landscape customer served under all potable tariff rate schedules is based upon the individual landscape customer's monthly usage from 2019. The Monthly Drought Allocation is then calculated as 100% of monthly usage during 2019 minus the reduction percentage required. In this instance, a 15% required reduction percentage results in an 85% allocation. Allocations falling between a full one hundredth of cubic feet will be rounded to the nearest full one hundredth of cubic feet.

(N)  
|  
(N)

**DROUGHT ALLOCATION ADJUSTMENTS**

1. Any customer who seeks a variance from any of the provisions of this water shortage contingency plan shall notify the utility in writing, explaining in detail the reason for such a variation. The utility shall respond to each such request in writing.
  
2. If the customer disagrees with such disposition, the customer shall have the right to file a formal complaint with the Commission. Except as set forth in this Section, no person shall have any right or claim in law or in equity, against the utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of the Water Shortage Contingency Plan.

**DROUGHT SURCHARGE**

Excess water usage above the Drought Allocation will result in a Drought Surcharge, This Drought Surcharge is in addition to base charges allowed under the applicable tariffs authorized by the CPUC. Each unit (CCF) of water in excess of the Drought Allocation will be charged at the Tier 3 rate in place at the time of billing.

Customers participating in the Utility's Low Income Customer Assistance Program shall be entitled to a 50% reduction in the Drought Allocation Surcharge.

(N)  
|  
(N)

(Continued)

(To be inserted by utility)

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JOHN TANG

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

TITLE

**SCHEDULE No. 14.1  
 WATER SHORTAGE CONTINGENCY PLAN  
 WITH STAGED MANDATORY REDUCTIONS AND DROUGHT SURCHARGES  
 (Continued)**

**FLOW RESTRICTOR REMOVAL FEE**

The charge for removal of a flow-restricting device is:

<u>Meter Size</u>	<u>Removal Fee</u>	
5/8" to 1"	\$50	(I)
1-1/2 to 2"	\$100	(I)
3" and Larger	Actual Cost	

**SPECIAL CONDITIONS**

1. For the purpose of charging Drought Surcharges the effective date is XX, XX 2021 (T)
2. Schedule 14.1 is effective until terminated by an advice letter filing to the Commission, on five days' notice, when the utility determines that mandatory restrictions are no longer necessary.
3. Schedule 14.1 shall not apply to those covered under the medical exemption provided for under Rule No. 11.B.1.e(1).
4. Drought Surcharges will be separately identified on each bill.
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
6. All monies collected by the utility through surcharges or fees shall be booked to SJWC's existing Water Conservation Memorandum Account (WCMA) or a similar memorandum account to offset lost revenues. (T)
7. All expenses incurred by the utility to implement Rule 14.1 and Schedule 14.1 that have not been considered in a General Rate Case or other proceeding shall be recoverable by the utility if determined to be reasonable by the Commission. These additional monies shall be accumulated by the utility in a separate memorandum account, for disposition as directed or authorized from time to time by the Commission.
8. Other restrictions on use of potable water as prescribed in Rule No. 14.1, SWRCB, the CPUC, SJWC, or other governing body or agency may be implemented.
9. None of the restrictions apply to the use of recycled water. The Limits on Watering and Limits on Watering Days shall not apply (except for Stage 4) to commercial nurseries, golf courses, or other water-dependent businesses, unless specifically required by SJWC or a governing jurisdiction.

(To be inserted by utility)

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TITLE

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

**I. Water Conservation Memorandum Account (Continued)**

4. Accounting Procedure

a. The following entries will be recorded monthly in the WCMA:

1. Most recently adopted water sales revenue on the effective date of Advice Letter 564 adjusted for all subsequent rate increases.
2. Actual water sale revenue collected adjusted for existing Revenue Adjustment Mechanism. The actual water sales revenue collected in the WCMA will be kept distinct from revenue Tracked by SJWC's existing Monterey-style WRAM.
3. Most recently adopted variable expenses for purchased water, pump tax and power
4. Actual recorded variable expenses
5. Drought Surcharges collected from Schedule 14.1 (N)
6. Total net WCMA balance = (1 minus 2) minus (3 minus 4) minus 5
7. 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 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.

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 go into effect on the effective date of Advice Letter No. 564

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.

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TITLE



TABLE OF CONTENTS

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:

Subject Matter of Sheet	C.P.U.C. Sheet No.	
Title	1495-W	
Table of Contents	2142-W, 2024-W, 848-W and 2114-W	(T)
Preliminary Statement	919-W, 1303-W, 2032-W, 2033-W, 2034-W, 2035-W, 2058-W, 2037-W 2038-W, 2039-W, 2040-W, 2041-W and 2042-W, 2087-W, 2125-W, 2141-W	(C)
Service Area Map Locator	1266-W	
Service Area Map Locator, Index	1589-W	
Map of Areas With Special Pressure and Fire Flow Conditions	2116-W	
Index to Map of Areas With Special Pressure and Fire Flow Conditions	1079-W, 2117-W 1082-W, 1087-W and 1404-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	2104-W, 2105-W and 2059-W	
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	2106-W, 1741-W, 1882-W and 2060-W	
Schedule No. 1C, General Metered Service Mountain District	2107-W, 1952-W, 1884-W and 2052-W	
Schedule No. 4, Private Fire Service	2097-W and 2053-W	
Schedule No. 9C, Construction and Other Temporary Metered Service	1118-W and 1094-W	
Schedule No. 10R, Service to Employees	152-W	
Schedule No. 14.1 Water Shortage Contingency Plan With Staged Mandatory Reductions And	2131-W, 2132-W, 2133-W, 2134, 2135-W, 2136-W, 2137-W	(C) (C)
Drought Surcharges	2138-W, 2139-W, 2140-W	(C)
Schedule No. RW, Raw Water Metered Service	2128-W and 2129-W	
Schedule No. RCW, Recycled Water Metered Service	2099-W and 2109-W	
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	2090-W	
Schedule No. WRAP, Water Rate Assistance Program	2111-W and 2056-W	
List of Contracts and Deviations	2092-W and 2103-W	
Rules:		
No. 1 - Definitions	2064-W and 2065-W	
No. 2 - Description of Service	525-W	
No. 3 - Application for Service	351-W and 903-W	
No. 4 - Contracts	352-W	
No. 5 - Special Information Required on Forms	2066-W, 2067-W and 2068-W-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	2069-W, 2070-W and 2017-W	
No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

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Regulatory Affairs

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

TITLE

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

### ADVICE LETTER 567 SERVICE LIST

Big Redwood Park Water	waldburford@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 City Attorney	cityattorney@cupertino.org
City of Cupertino Director of Public Works	rogerl@cupertino.org
City of Milpitas	<a href="mailto:tndah@ci.milpitas.ca.gov">tndah@ci.milpitas.ca.gov</a>
City of Milpitas	smachida@ci.milpitas.ca.gov
City of Monte Sereno	steve@cityofmontesereno.org
City of Monte Sereno	bmekechuk@cityofmontesereno.org
City of Santa Clara	water@santaclaraca.gov
City of San Jose	jeffrey.provenzano@sanjoseca.gov
City of Saratoga	jcherbone@saratoga.ca.us
County of Santa Clara	county.counsel@cco.sccgov.org
DB Davis	dbdavis@rockwellcollins.com
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Gillette Mutual Water Company	keyoung@pacbell.net
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