

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 2, 2023

John Tang
Vice President of Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95110-2131

Dear Mr. Tang,

The Water Division of the California Public Utilities Commission has approved San Jose Water Company's Advice Letter No. 592-A (Supplement to Advice Letter No. 592), filed on September 15, 2023, regarding Supplement to AL592 - to revise language in WCMA, WCEMA, and Schedule 14.1.

Enclosed are copies of the following revised tariff sheets effective April 20, 2023, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
2244-W	Preliminary Statement (Continued) W. Water Conservation Expense Memorandum Account; X. Water Conservation Memorandum Account
2272-W	Preliminary Statement (Continued) X. Water Conservation Memorandum Account (Continued)
2273-W	Schedule 14.1 (Continued)
2274-W	Table of Contents

Please contact Eustace Ednacot at ERE@cpuc.ca.gov or 415-703-1492, if you have any questions.

Thank you,

Enclosures

PRELIMINARY STATEMENT
(Continued)

W. Water Conservation Expense Memorandum Account

1. Purpose

The purpose of the Water Conservation Expense Account (WCEMA) is to track all operational and administrative costs associated with the implementation of Rule 14.1, Section A, as requested in AL 564 and surcharges and fees implemented after AL 569 (surcharges and fees implemented from AL 569 will remain in WCMA). (N)

2. Applicability

The WCEMA will track the operating and administrative costs incurred in developing and implementing expanded and/or new conservation program under Rule 14.1, Section A and drought surcharges and fees including: (N)

- a. Customer education and outreach activities.
- b. Program monitoring, data recording and reporting expense.
- c. Operational costs, such as water supply cost changes, associated with mandatory conservation compliance.
- d. 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.
- e. Drought surcharges and fees collected from Schedule 14.1 (with the exception of amount collected from the implementation of AL 569). (N)

3. Disposition

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

4. Effective Date

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

X. Water Conservation Memorandum Account

1. Purpose

The purpose of this Water Conservation Memorandum Account (WCMA) is to track impacts of mandatory or voluntary conservation under Rule 14.1 or Schedule 14.1 on quantity revenues for future disposition. The Commission has determined that this mechanism is appropriate in coordination with increasing water conservation activities or mandatory conservation required by outside governmental agencies or entities. The water revenues subject to this account include but are not limited to those which may be affected by Rule 14.1 and Schedule 14.1. (N)

2. Applicability

The WCMA is applicable to all quantity related rate revenue.

3. Definitions

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

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 592A

JOHN TANG

Date Filed 09/15/2023

Vice President,

Effective 04/20/2023

Dec. No. W-4976

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

X. 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 and fees collected from Schedule 14.1 activated via AL 569 (future surcharges and fees will be tracked in WCEMA) (N)
6. Total net WCMA balance = (1 minus 2) minus (3 minus 4) minus 5 (N)
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 onequity.

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.

Y. 2021 GRC Interim Rates Memorandum Account

1 Purpose

The purpose of the 2021 GRC Interim Rates Memorandum Account is to track the difference between Interim rates and new rates to be adopted in a final decision in A.21-01-003

2 Applicability

The 2021 GRC Interim Rates Memorandum Account is applicable to all areas served.

3 Definitions

a. Revenues based on interim rates are revenues derived using interim rates authorized via AL 573 and any subsequent rates authorized until a final decision is issued in A.21-01-003.

(To be inserted by utility)

Issued by

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

Advice No. 592A

JOHN TANG

Date Filed 09/15/2023

Vice President,

Effective 04/20/2023

Regulatory Affairs

Resolution

Dec. No. _____

No. _____

**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
1-1/2 to 2"	\$100
3" and Larger	Actual Cost

SPECIAL CONDITIONS

1. For the purpose of charging Drought Surcharges the effective date is 15th November 2021
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 authorized via AL 569 shall be booked (N) to SJWC's existing Water Conservation Memorandum Account (WCMA); future implementation of (N) surcharges and fees shall be booked in SJWC's existing Water Conservation Expense (N) Memorandum Account (WCEMA) but would be used to offset lost revenue tracked in WCMA. (N)
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)

Issued by

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

Advice No. 592A

JOHN TANG

Date Filed 09/15/2023

Vice President,

Effective 04/20/2023

Dec. No. _____

Regulatory Affairs

Resolution No. _____

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	2274-W, 2161-W and 2251-W (C)
Preliminary Statement	919-W, 1303-W, 2032-W, 2212-W, 2213-W, 2035-W, 2058-W, 2037-W, 2214-W, 2040-W, 2041-W, 2215-W, 2087-W, 2244-W, 2172-W 2216-W, 2217-W, 2237-W, 2252-W, 2263-W (C)
Service Area Map Locator	1266-W
Service Area Map Locator, Index	2101-W
Map of Areas with Special Pressure and FireFlow Conditions	2116-W
Index to Map of Areas With Special Pressure and FireFlow Conditions	1079-W, 2117-W 1082-W, 1087-W and 1404-W
Rate Schedules:	
Schedule No. 1, General Metered Service	2265-W, 2255-W and 2238-W
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	2266-W, 1741-W, 2183-W, 2239-W
Schedule No. 1C, General Metered Service Mountain District	2267-W, 1952-W, 1884-W and 2184-W, 2240-W
Schedule No. 4, Private Fire Service	2268-W and 2187-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 Drought Surcharges	2131-W, 2132-W, 2133-W 2134-W, 2149-W, 2136-W, 2137-W 2138-W, 2139-W, 2173-W (C)
Schedule No. RW, Raw Water Metered Service	2269-W, 2259-W, 2241-W,
Schedule No. RCW, Recycled Water Metered Service	2270-W, 2242-W
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	2234-W
Schedule No. CAP, Customer Assistance Program	2248-W and 2056-W
List of Contracts and Deviations	2246-W and 2261-W
Rules:	
No. 1 - Definitions	2064-W and 2065-W
No. 2 - Description of Service	525-W
No. 3 - Application for Service	2143-W, 2144-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	2188-W, 2189-W and 2190-W

(Continued)

(To be inserted by

Issued by

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

utility) Advice No. 592A

JOHN TANG
Vice President,
Regulatory Affairs

Date Filed 09/15/2023
Effective 04/20/2023
Resolution No. _____

Dec. No. _____