

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

December 19, 2016

Wes Owens
Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95156

Dear Mr. Owens,

The Commission has approved San Jose Water Company's Advice Letter No. 498, filed on November 15, 2016, regarding the Step Rate Increase for 2017 Escalation Year.

Enclosed are copies of the following revised tariff sheets for the utility's files:

<u>P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
1802-W	Schedule No. 1, General Metered Service
1803-W	Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System
1804-W	Schedule No. 1C, General Metered Service, Mountain District
1805-W	Schedule No. 4, Private Fire Service
1806-W	Schedule No. RW, Raw Water Service
1807-W	Schedule No. RCW, Recycled Water Metered Service
1808-W	Table of Contents

Please contact Tayeb Mogri at (415) 703-2146 if you have any questions.

Thank you,

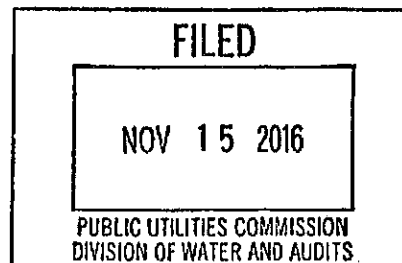
/s/JENNIFER PEREZJennifer Perez
Water & Sewer Advisory Branch
Division of Water and Audits

Enclosures



San Jose
Water
Company

110 W. Taylor St.
San Jose, CA 95110
Phone 408 279-7800
Fax 408 279-7934



November 15, 2016

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

Advice Letter No. 498

The 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>Canceling Cal. P.U.C. Sheet No.</u>
1802-W	Schedule No. 1 General Metered Service	1751-W
1803-W	Schedule No. 1B General Metered Service With Automatic Fire Sprinkler System	1752-W
1804-W	Schedule No. 1C General Metered Service Mountain District	1753-W
1805-W	Schedule No. 4 Private Fire Service	1747-W
1806-W	Schedule No. RW Raw Water Service	1754-W
1807-W	Schedule No. RCW Recycled Water Metered Service	1049-W
1808-W	Table of Contents	1801-W

These tariffs are submitted pursuant to General Orders Nos. 96-B and pursuant to the authority established by the California Public Utilities Commission (Commission) in Decision No. (D) 16-06-004, dated June 9, 2016 (Ordering Paragraphs included as Attachment A). This advice letter is designated a Tier 2 Advice Letter. SJWC requests that the rates become effective January 1, 2017.

With this advice letter SJWC requests authorization to increase revenue requirement by \$13,025,000 or 3.83% via a step rate increase for the first escalation year of 2017. This request is made pursuant to Ordering Paragraph No. 8 of D.16-06-004 (Attachment A), which states that:

"8. For escalation years 2017 and 2018, San Jose Water Company shall file Tier 2 Advice Letters in conformance with General Order 96-B proposing new revenue requirements and corresponding revised tariff schedules. The filing shall include rate procedures set forth in the Commission's Rate Case Plan (Decision 07-05-062) for Class A Water Utilities and shall include appropriate supporting workpapers. The revised tariff schedules shall take effect no earlier than January 1, 2017 and January 1, 2018, respectively, and shall apply to service rendered on and after their effective dates. The proposed revisions to revenue requirements and rates shall be reviewed by the Commission's Division of Water and Audits. The Division of Water and Audits shall inform the Commission if it finds that the revised rates do not conform to the Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing."

Background

The Commission's D.16-06-04 authorized SJWC to file advice letters for step rate increases for the two escalation years of 2017 and 2018 in compliance with the Commission's Rate Case Plan. The Commission's Rate Case Plan requires that the requested rate increase shall be subject to the pro-forma earnings test. SJWC has attached the pro-forma Summary of Earnings as of September 30, 2016 (Attachment B) which shows that the company is currently earning below the authorized Rate of Return on Ratebase of 8.09%, on a proforma basis, as set forth in D.12-07-009 and subsequently revised via AL 444.

SJWC has computed the Escalation year increases (Attachment C) using the authorized Rate of Return of 8.09%, the escalation methodology set forth in D.04-06-018, and the latest available escalation factors published by Division of Ratepayer Advocates Energy Cost of Service Branch Dated October 31st, 2016 and the latest CPI factors from the U.S. Bureau of Labor (Attachment D)

Currently SJWC has Advice Letter No. 497 pending before the Commission

Rate Calculation and Average Bill Comparison

The present rates for SJWC became effective July 1, 2016 by AL 490.

The total escalation revenue impact is \$13,025,000 or about 3.83% of SJWC's authorized and adjusted revenue for 2016 (Attachment C). SJWC seeks to recover 30.00%, or \$3,907,500, of the revenue through the service charge component and the remaining 70.00%, or \$9,117,500, through the quantity rate component. As a result of this rate change, the bill for the average residential customer using 15 ccf per month will increase by \$3.70, or 3.83% per month (Attachment E).

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, California 95196
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 of this filing is not required. In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in Attachment F.

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

Very truly yours,



WES OWENS
Director
Regulatory Affairs

Enclosure

Index of Workpapers

Attachment A	San Jose Water Company General Rate Case Final Decision D.16-06-004 (Ordering Paragraphs)
Attachment B	San Jose Water Company Summary of Earnings dated September 30, 2016
Attachment C	Escalation Attrition Calculation and Workpapers
Attachment D	Escalation Factors
Attachment E	Bill Comparison
Attachment F	Service List

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT A

Decision 16-06-004 June 9, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOSE WATER COMPANY (U 168 W) for an Order authorizing it to increase rates charged for water service by \$34,928,000 or 12.22% in 2016, by \$9,954,000 or 3.11% in 2017, and by \$17,567,000 or 5.36% in 2018.

Application 15-01-002
(Filed January 5, 2015)

**DECISION APPROVING TWO PARTIAL SETTLEMENTS,
RESOLVING DISPUTED ISSUES AND ADOPTING REVENUE
REQUIREMENTS FOR SAN JOSE WATER COMPANY**

(See Attachment A for a list of Appearances)

8. The 2015 payroll expense for non-union employees should be estimated using 2014 payroll expense data and increasing it by the ECOS labor factor of 1.6 percent.

9. The 2016 payroll expense for non-union employees should be estimated using 2.2 percent as an escalation factor.

10. The 2017 and 2018 payroll expense for non-union employees should be escalated using ECOS labor factor for those years.

11. SJWC should be authorized to add six new employees.

12. Overtime expense should be calculated using a three-year average to normalize high overtime years.

13. Regulatory expense should be \$216,000 for Test Year 2016 and \$600,000 for the three-year rate case cycle.

14. Corporate Expenses of \$790,000 should be authorized for Test Year 2016.

15. SJWC's FICA tax estimate should be reduced by 24.17 percent and \$589,000 should be added to utility plant additions to compensate for the loss of overhead.

O R D E R

IT IS ORDERED that:

1. San Jose Water Company is authorized to increase rates by amounts designed to increase revenue by \$25,130,000 or 8.60 percent in Test Year 2016.
2. The joint motion of San Jose Water Company and the Office of Ratepayer Advocates to approve the July 24, 2015, Settlement Agreement is granted.
3. San Jose Water Company is authorized to implement a credit card payment program.

4. San Jose Water Company is authorized to establish a Ground Water Regulation Legal Expense Memorandum Account.

5. The joint motion of San Jose Water Company and the Office of Ratepayer Advocates to approve the August 13, 2015, Supplemental Settlement Agreement is granted.

6. San Jose Water Company shall file a Tier 1 Advice Letter for a surcharge to true-up the difference between interim rates for the period January 1, 2016 to the implementation date of the tariffs included in this order. The surcharge must comply with Standard Practice U-27-W. This calculation will be based on the 2016 tariff schedules attached to this decision that would have been implemented under the present rate design. The difference between the interim and final rates based on the revenue requirement shall be recovered over the balance of the rate case cycle.

7. San Jose Water Company shall file by Tier 1 Advice Letter the revised tariff schedules for 2016 attached to this decision and to concurrently cancel its present schedules for such service. This filing shall be subject to approval by the Commission's Division of Water and Audits. The effective date of the revised schedule shall be no earlier than five days after the effective date of this decision, and shall apply only to service rendered on or after the effective date.

8. For escalation years 2017 and 2018, San Jose Water Company shall file Tier 2 Advice Letters in conformance with General Order 96-B proposing new revenue requirements and corresponding revised tariff schedules. The filing shall include rate procedures set forth in the Commission's Rate Case Plan (Decision 07-05-062) for Class A Water Utilities and shall include appropriate supporting workpapers. The revised tariff schedules shall take effect no earlier than January 1, 2017 and January 1, 2018, respectively, and shall apply to service

rendered on and after their effective dates. The proposed revisions to revenue requirements and rates shall be reviewed by the Commission's Division of Water and Audits. The Division of Water and Audits shall inform the Commission if it finds that the revised rates do not conform to the Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing.

9. San Jose Water Company will compute its payroll expenses for union employees for Test Year 2016 and Escalation Years 2017 and 2018 by using 2014 figures and escalating by 3 percent annually.

10. San Jose Water Company will use Energy Cost of Service escalation factors to compute payroll expenses for its non-union employees.

11. San Jose Water Company is authorized \$318,000 for its School Education Program to be booked to a one-way balancing account.

12. San Jose Water Company is authorized to fund six new positions as specified in Section 4.3.2 of this decision.

13. San Jose Water Company is authorized an aggregate regulatory expense budget of \$600,000, with \$216,000 authorized for Test Year 2016.

14. San Jose Water Company is authorized a Test Year 2016 corporate expense budget of \$790,000.

15. San Jose Water Company must reduce its Federal Insurance Contributions Act taxes estimate by 24.17 percent. San Jose Water Company is authorized to add \$589,000 to its utility plant additions to compensate for the loss of overhead.

16. Application 15-01-002 is closed.

This order is effective today.

Dated June 9, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT B

SAN JOSE WATER COMPANY

(U-168-W)

SUMMARY OF EARNINGS AND RATE OF RETURN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

(\$ Amounts in Thousands)

	Authorized Per <u>AL 490</u>	Recorded	Adjustment	Pro-forma
Operating Revenue:				
Operating Revenues	\$339,886	\$317,097		\$331,453
Other Water Revenues	\$0	\$3,343		\$3,343
Deferred Revenue on CIAC	\$487	\$427		\$487
	\$340,373	\$320,867		\$335,283
Operating Expense:				
Purchased Water - Potable	\$82,727	\$62,029	F	\$80,868
Purchased Water - Recycled	\$1,618	\$1,615	F	\$1,807
Pump Taxes	\$50,810	\$34,182	G	\$49,665
Purchased Power	\$8,915	\$5,207	H	\$9,561
Operations & Maintenance	\$36,464	\$34,389	D	\$36,464
Chemical	\$459	\$331	I	\$449
Administrative & General	\$26,759	\$32,290	D	\$26,759
Depreciation & Amortization	\$42,299	\$39,840	D	\$40,450
	\$250,051	\$209,884		\$246,023
Subtotal				
Uncollectible	\$514	\$461	B	\$507
Taxes Other Than Income	\$11,105	\$10,569	C	\$11,375
Revenue Adjustment Balancing and Memo Acct	\$0	\$26,055	E	\$0
	\$261,670	\$246,969		\$257,905
Total Operating Expense Before Income Taxes				
Operating Revenue Before Income Taxes	\$78,703	\$73,898		\$77,379
State Income Tax	\$3,235	\$5,715	J	\$3,240
Federal Income Tax	\$21,396	\$27,539	J	\$21,465
	\$286,301	\$280,223		\$282,609
Total Operating Expense				
Net Operating Revenue	\$54,072	\$40,644		\$52,674
Weighted Average Rate Base	668,034	659,139		659,139
Earned Rate of Return	8.09%	6.17%		7.99%
Authorized Rate of Return	8.09%		K	8.24%

SAN JOSE WATER COMPANY

(U-168-W)

WEIGHTED AVERAGE RATE BASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

(\$ Amounts in Thousands)

Weighted Averages [2]:

Utility Plant	\$1,439,861
Reserve for Depreciation	\$464,503
Reserve for Amortization	<u>\$483</u>
Net Utility Plant	974,875

Adjustments:

Contributions in Aid of Construction	\$116,481
Total Tax Deferrals	\$155,104
Advances for Construction	<u>\$68,341</u>
Total Adjustments	339,926
Adjusted Net Utility Plant	634,949
Taxes on Contributions & Advances	\$7,963
Total Working Capital	<u>\$16,227</u>
Weighted Average Rate Base	<u><u>\$659,139</u></u>

[2] The weighted average is the sum of the first and last months balance divided by two, plus the sum of the intervening eleven months, divided by twelve.

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT C

ADVICE LETTER 498
ATTACHMENT C - PART 1
ESCALATION INCREASE

Revenue
Increase:
13,025.0
13025

Escalation Year #1, 2017

	2016	Escalation Year #1, 2017					2017
	July 1, 2016 Authorized AL 490	Customer Growth Factor	and Labor Inflation Factor	or Composite Non-Labor Factor	or CPI-U Inflation Factor	=	Projected Escalation Year
	339,886.3	0.30%	1.30%	2.00%	1.50%		352,911.3
	487.0						487.0
PURCHASED WATER	82,727.4	210.5	0.0	0.0	0.0		82,937.9
PURCHASED WATER RECYCLED	1,617.5	3.8	0.0	0.0	0.0		1,621.3
PUMP TAX	50,809.8	127.1	0.0	0.0	0.0		50,936.9
PURCHASED POWER	8,915.0	26.7	0.0	0.0	0.0		8,941.7
OTHER OPERATION AND MAINTENANCE	753.0	2.3	0.0	15.1	0.0		770.3
CHEMICALS	459.0	1.4	0.0	9.2			469.6
UNCOLLECTIBLES	513.8	1.4	0.0	9.6			524.8
O&M PAYROLL	18,915.0	56.7	245.9	0.0	0.0		19,217.6
TRANSPORTATION	3,311.0	9.9	0.0	66.2			3,387.2
PURCHASED SERVICES	10,663.0	32.0	0.0		159.9		10,854.9
CONSERVATION	2,822.0	8.5	0.0		42.3		2,872.8
OTHER ADMIN AND GEN. EXP.	4,132.0	12.4	0.0	82.6			4,227.0
A&G PAYROLL	7,829.0	23.5	101.8				7,954.3
PENSION	6,700.0	20.1	87.1				6,807.2
BENEFITS	3,214.0	9.6	41.8				3,266.4
HEALTH CARE & DENTAL	6,237.0	18.7	81.1				6,336.8
RENTS	498.0	1.5	0.0		7.5		607.0
PROPERTY INSURANCE	234.0	0.7	0.0		3.5		238.2
LIABILITY INSURANCE	2,049.0	6.1	0.0		30.7		2,085.9
A&G PURCHASED SERVICES	3,328.0	10.0	0.0	0.0	49.9		3,387.9
A&G TRANSFERRED SERVICES	-7,462.0	-22.4	0.0	-149.2			-7,633.6
TOTAL O. & M., A. & G., & MISC. EXP.	208,265.6	660.6	557.6	33.6	293.9		209,711.1
AD VALOREM TAXES	8,254.0	24.4	0.0	162.9	0.0		8,441.4
LOCAL FRANCHISE TAXES & BUS. LICENSE	844.6	2.4	0.0	15.8	0.0		862.8
PAYROLL TAXES	2,006.0	6.0	26.1	0.0	0.0		2,038.1
TOTAL GENERAL TAXES	11,104.6	32.8	26.1	178.7			11,342.3
Depreciation	42,289.2	3566.5					45,865.7
SUB - TOTAL -- OPERATING EXPENSES	261,669.3	4,160.0	583.7	212.2	293.9		266,919.1
STATE INCOME TAX	3,256.3						4,637.5
FEDERAL INCOME TAX	21,493.8						23,183.6
	286,329.3						294,740.2
	54,044.0						58,658.0
	668,034.1	66,696.0					724,730.1
	8.09%						8.09%
	8.09%						8.09%

ADVICE LETTER 488
ATTACHMENT C - PART 1
RATEBASE ATTRITION CALCULATION

Total Authorized Ratebase at year end 2016 per AL 489	A	\$668,034
Total Adopted Ratebase for 2017 per D.16-06-004, Attachment D Table D	B	\$715,677
Total Adopted Ratebase for 2016 per D.16-06-004, Attachment D Table D	C	\$658,981
Authorized Increase to Ratebase for 2017 per D.16-06-004	D = B - C	\$56,696
Ratebase for 2017	E = A + D	<u>\$724,730</u>

ADVICE LETTER 498- ATTACHMENT C

SAN JOSE WATER COMPANY
(U-168-W)

COMPUTATION OF TAXES BASED ON INCOME
(2016- 2017)

ESTIMATED AT PRESENT AND PROPOSED RATES

(Thousands of Dollars)

	<u>AL488</u> <u>2016</u>	<u>AL489/490</u> <u>2016</u>	<u>Jan</u> <u>2017</u>
Revenue:			
Operating Revenue	\$316,788.0	\$339,886.3	\$352,911.3
Deferred Revenue	\$487.0	\$487.0	\$487.0
Deductions:			
O & M Expenses (Excluding Uncollectables)	\$160,117.0	\$181,506.6	\$182,010.2
Uncollectibles	\$481.0	\$513.9	\$524.8
A&G Expenses	\$26,759.0	\$26,759.0	\$27,176.1
Taxes Other Than Income	\$10,185.0	\$10,260.0	\$10,479.5
Local Franchise Taxes	\$759.0	\$845.2	\$862.8
Transportation Depreciation	(\$992.0)	(\$992.0)	(\$1,190.0)
Interest Expense	\$21,381.0	\$21,381.0	\$23,224.0
Less 50% Meals Disallowed	\$92.0	\$92.0	\$92.0
Total Deductions	\$218,782.0	\$240,365.7	\$243,179.4
State Corporate Franchise Tax:			
Tax Depreciation	(\$40,114.0)	(\$40,114.0)	(\$43,532.0)
State Tax Deduction on Repairs & Maint	(\$22,613.0)	(\$22,613.0)	(\$13,774.0)
Deferred Revenue (Net of Tax)	\$43.0	\$43.0	\$34.0
Taxable Income Incl Def Revenue	\$35,322.0	\$36,836.5	\$52,459.9
Tax @ 8.84%	\$3,122.5	\$3,256.3	\$4,637.5
Federal Income Tax:			
Tax Depreciation	(\$33,524.0)	(\$33,524.0)	(\$37,407.0)
State Franchise Tax	(\$3,122.5)	(\$3,256.3)	(\$4,637.5)
IRS Sec 199 QPA Deduction	(\$1,338.0)	(\$1,338.0)	(\$1,457.0)
Taxable Income Excluding Deferred Revenue	\$60,021.5	\$61,402.2	\$66,230.4
Tax @ 35.00%	\$21,007.5	\$21,490.8	\$23,180.6
Amortization of Unrecoverable Prepaid Tax on CIAC & Advances	\$3.0	\$3.0	\$3.0
Federal Tax	\$21,010.5	\$21,493.8	\$23,183.6
Total Income Tax	\$24,133.0	\$24,750.1	\$27,821.1

**ADVICE LETTER 488
ATTACHMENT C - PART 3
2017 ESCALATION INCREASE
BASE RATE ALLOCATION**

Revenue To be Recovered in Meter Charge	30.00%	X	Revenue Increase (\$)	
Revenue To be Recovered in Quantity Rate	70.00%	X	13,025,000	\$3,907,500
			13,025,000	\$9,117,500

QUANTITY RATE CALCULATION									
Rate Schedule	AL 488 2016 Authorized Revenue (\$)	2017 Attrition Revenue (\$)	Total Revenue to be Recovered (Att. D) (\$)	Total Revenue Increase (%)	Revenue to be Recovered in Quan. Rate (\$)	2016 Authorized Total Usage* D.16-06-004 (ccf)	Quantity Rate Increase (\$/ccf)	Uniform Quantity Rate 2016 AL 488 (\$/ccf)	New Quantity Rate (\$/ccf)
Total	340,373,280	353,398,280	13,025,000	3.83%	9,117,500	50,365,000 Excludes Recycled Well Users	0.1810	4.5090	4.6900

TOTAL POTABLE REVENUE CALCULATION						
	Percentage of Potable Sales to Total Sales (%)	2016 Authorized Potable Usage D.16-06-004 (ccf)	Revenue to be Recovered in Potable Quan. Rate (\$)	Quantity Rate Increase (\$/ccf)	Uniform Quantity Rate 2016 AL 488 (\$/ccf)	New Potable Quantity Rate (\$/ccf) (MG)
Potable Water	98.87%	49,847,000.00	9,023,727	0.1810	4.5090	4.6900

TOTAL RAW REVENUE CALCULATION						
	Percentage of Raw Sales to Total Sales (%)	2016 Authorized Raw Usage D.16-06-004 (ccf)	Revenue to be Recovered in Raw Quan. Rate (\$)	Quantity Rate Increase (\$/ccf)	Raw Quantity Rate 2016 AL 488 (\$/ccf)	New Raw Quantity Rate (\$/ccf) (MG)
Raw Water	0.03%	11,800.00	2,534	0.1810	4.2784	4.4504

TOTAL RECYCLED PIPED REVENUE CALCULATION						
	Percentage of Recycled Piped Sales to Total Sales (%)	2016 Authorized Recycled Piped Usage D.16-06-004 (ccf)	Revenue to be Recovered in Recycled Piped Quan. Rate (\$)	Quantity Rate Increase (\$/ccf)	Recycled Piped Quantity Rate 2016 AL 488 (\$/ccf)	New Raw Quantity Rate (\$/ccf) (MG)
Recycled Piped	1.00%	504,000.00	91,238	0.1810	4.0384	4.2194

Total Quantity Charges for all Schedules	\$9,117,500
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ADVICE LETTER 498
ATTACHMENT C - PART 3
2017 ESCALATION INCREASE
BASE RATE ALLOCATION

METER CHARGE CALCULATION

Revenue to be Recovered in Meter Charge										
										\$3,907,500
Schedule No. 1. General Metered Service & 1B General Metered Service with Automatic Fire Sprinkler System:										
Meter Size	2016 No. of Customers Authorized	No. of Billings	Meter Ratio (SP U-25)	Meter Ratio Equiv	Meter Charge Increase (\$/Month)	Increase to Total Service Charge	Authorized AL 489 Eff. 6/1/12/2016 Meter Charge (\$/Month)	New Meter Charge (\$/Month)	Meter Charge Increase (%)	
5/8	889	10,428	1.5		15,642	\$1.04	\$10,845	\$23.98	\$25.02	4.34%
3/4	175,315	2,103,780	1.5		3,155,670	\$1.04	\$2,167,951	\$23.98	\$25.02	4.34%
1	34,211	410,532	2.5		1,028,330	\$1.72	\$706,115	\$39.94	\$41.66	4.31%
1 1/2	3,873	47,876	5		238,380	\$3.45	\$164,482	\$79.91	\$83.36	4.32%
2	4,908	58,896	8		471,188	\$5.54	\$326,284	\$127.87	\$133.41	4.33%
3	1,429	17,148	15		257,220	\$10.37	\$177,825	\$239.75	\$250.12	4.33%
4	412	4,944	25		123,600	\$17.29	\$85,482	\$399.58	\$416.87	4.33%
6	184	2,208	50		110,400	\$34.58	\$78,353	\$799.15	\$833.73	4.33%
8	30	360	80		28,800	\$55.33	\$19,919	\$1,278.65	\$1,333.98	4.33%
10	7	84	115		9,860	\$79.55	\$5,882	\$1,838.07	\$1,917.62	4.33%
	221,338	2,656,056			5,495,670		\$3,761,918			
Schedule No. RW. Raw Water Service:										
3/4	0	0	1.5		0	\$1.04	\$0	\$23.98	\$25.02	4.34%
1	0	0	2.5		0	\$1.72	\$0	\$39.94	\$41.66	4.31%
1 1/2	1	12	5		60	\$3.45	\$41	\$79.91	\$83.36	4.32%
2	3	39	8		288	\$5.54	\$199	\$127.87	\$133.41	4.33%
3	0	0	15		0	\$10.37	\$0	\$239.75	\$250.12	4.33%
4	0	0	25		0	\$17.29	\$0	\$399.58	\$416.87	4.33%
6	0	0	50		0	\$34.58	\$0	\$799.15	\$833.73	4.33%
8	0	0	80		0	\$55.33	\$0	\$1,278.65	\$1,333.98	4.33%
10	0	0	115		0	\$79.55	\$0	\$1,838.07	\$1,917.62	4.33%
	4	48			348		\$240			
Schedule No. RCW. Recycled Water Service Piped:										
3/4	0	0	1.5		0	\$1.04	\$0	\$23.98	\$25.02	4.34%
1	2	24	2.5		60	\$1.72	\$41	\$39.94	\$41.66	4.31%
1 1/2	8	96	5		480	\$3.45	\$331	\$79.91	\$83.36	4.32%
2	91	1,092	8		8,736	\$5.54	\$6,050	\$127.87	\$133.41	4.33%
3	31	372	15		5,680	\$10.37	\$3,858	\$239.75	\$250.12	4.33%
4	34	408	25		10,200	\$17.29	\$7,054	\$399.58	\$416.87	4.33%
6	1	12	50		800	\$34.58	\$415	\$799.15	\$833.73	4.33%
8	1	12	80		860	\$55.33	\$684	\$1,278.65	\$1,333.98	4.33%
10	1	12	115		1,380	\$79.55	\$955	\$1,838.07	\$1,917.62	4.33%
	169	2,020			27,965		\$19,368			
Schedule No. RCW. Recycled Water Service Well Users: (1)										
2	1	12			3.83%	\$1.15	\$14	\$30.00	\$31.15	3.83%
3	1	12			3.83%	\$1.53	\$18	\$40.00	\$41.53	3.83%
4	2	24			3.83%	\$1.72	\$41	\$45.00	\$46.72	3.83%
6	1	12			3.83%	\$2.87	\$34	\$75.00	\$77.87	3.83%
8	2	24			3.83%	\$3.45	\$83	\$80.00	\$83.45	3.83%
10	1	12			3.83%	\$5.26	\$64	\$140.00	\$145.26	3.83%
	14	96					\$254			
Schedule No. 4. Private Fire Service: (1)										
2	44	528			3.83%	\$0.94	\$494	\$24.43	\$25.37	3.83%
3	5	60			3.83%	\$1.40	\$84	\$36.03	\$38.03	3.83%
4	1,094	13,128			3.83%	\$1.87	\$24,557	\$48.84	\$50.71	3.83%
6	1,475	17,700			3.83%	\$2.81	\$49,677	\$73.28	\$76.09	3.83%
8	940	11,280			3.83%	\$3.74	\$42,204	\$97.69	\$101.43	3.83%
10	138	1,656			3.83%	\$4.68	\$7,745	\$122.12	\$126.80	3.83%
12	14	168			3.83%	\$5.61	\$943	\$146.64	\$152.15	3.83%
	3,710	44,620					\$125,704			
Total Meter Charges for all Schedules						\$3,907,484				

Calculation of New RW rate	Possible Rate Adjustment for Treatment Charge	\$4.6900 ccf	\$2,042.96 AF
			(\$100.00) AF
	Raw Water	2017	\$4.4604 ccf
			\$1,942.96 AF

(1) Sch No. RCW and Sch No. 4 rates are escalated by the total revenue increase percentage consistent with the methodology used in D.16-06-004

ADVICE LETTER 488
 ATTACHMENT C - PART 4
 2017 ESCALATION YEAR TIER RATE DESIGN

SQR (\$/CCF) \$4.6900 \$ 149,012,706
 New Q Revenue Target

Three Tier Rate Design

Rate Tier Criteria as % of SQR		Revenue Neutrality Test	
Tier	% of SQR	rate	Target at SQR
Tier 1	0.9	\$4.22100	\$ 149,012,706.3
Tier 2	1	\$4.69000	\$ (165,762.24)
Tier 3	1.1	\$5.1590	% tier >SQR -0.111%

Tier	Rationale	Proposed Tiers(ccf)	Tier rate differential	Existing Rates	Proposed New Rates	Ccf estimate sales in tier	Rev estimate \$ sales in tier	Portion of total consumption in tier	Portion of Revenue by Tier
Tier 1	indoor consumption est.*	0 to 3 cdfs	90.00%	\$4.0581	\$4.2210	6,839,694	\$ 28,870,349	21.53%	19.40%
Tier 2	up to annual average	4 to 18 cdfs	100.00%	\$4.5090	\$4.6900	18,446,482	\$ 86,513,999	58.06%	58.12%
Tier 3	Above annual average	19 cdfs and above	110.00%	\$4.9599	\$5.1590	6,486,256	\$ 33,462,597	20.41%	22.48%
						31,772,432	\$ 148,846,944		

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT D

MEMORANDUM

Date : October 31, 2016
 To : D. Sanchez, Program Manager, ORA; R. Kahlon, Director, Water Division
 From : M. Kanter, Regulatory Analyst, ORA Energy Cost of Service & Natural Gas Branch
 J. Montero, Financial Examiner, ORA Water Branch
 File No. : S-2559
 Subject: ORA October 2016 Summary of Compensation Per Hour

The following data are provided to Commission water utilities staff to enable them to utilize ORA's composite non-labor escalation methodology. The numbers are to be used in conjunction with the non-labor factors provided in ORA's monthly escalation memorandum to bring historic dollars to base year dollars and to inflate recorded dollars to test year levels. The annual change in Compensation per Hour is applicable to contracted services, while the non-labor factor is related to material and supply purchases. In accordance with a 1991 agreement between the CPUC Water Division and the California Water Association (CWA), the monthly non-labor rate is to be weighted by 60 percent and the Compensation per Hour Index weighted 40 percent. If you have any questions regarding the application of these factors, please contact me.

COMPENSATION PER HOUR

Annual Rate of Change

Non-farm Business Sector, Seasonally Adjusted

<u>Year</u>	<u>Annual Change</u>
2005	3.6%
2006	3.9%
2007	4.3%
2008	2.7%
2009	1.0%
2010	1.9%
2011	2.2%
2012	2.6%
2013	1.2%
2014	2.8%
2015	2.9%
2016	2.3%
2017	3.7%
2018	3.8%
2019	3.9%
2020	3.9%

Source: IHS Global Insight October 2016 U.S. Economic Outlook

All above data provided by ORA are subject to limited access on an as-needed basis.

MEMORANDUM

Date : October 31, 2016

To : D. Sanchez, Program Manager, ORA; R. Kahlon, Director, Water Division

From : M. Kanter, Regulatory Analyst, ORA Energy Cost of Service & Natural Gas Branch

J. Montero, Financial Examiner, ORA Water Branch

File No. : S-2559

Subject: Office of Ratepayer Advocates: Estimates of Non-labor and Wage Escalation Rates for 2016 through 2020 from the October 2016 IHS Global Insight U.S. Economic Outlook

The purpose of the monthly Escalation Memorandum is to inform division management of the trends in the general price level of utility non-labor expenses and wage contracts. Data are provided for 13 years, which include eight historic years, the estimated current year, and four forecasted years.

The following table summarizes the major changes in forecasted labor and non-labor inflation for years 2016 through 2020. Data for 2015 are provided as benchmarks. The factors for September 2016 are presented for comparison.

	FORECASTED INFLATION			
	Labor		Non-labor	
	<u>10/16</u>	<u>09/16</u>	<u>10/16</u>	<u>09/16</u>
2015	1.6%	1.6%	-2.8%	-2.8%
2016	0.1%	0.1%	-1.3%	-1.2%
2017	1.3%	1.3%	2.0%	1.8%
2018	2.5%	2.3%	2.0%	1.6%
2019	2.4%	2.1%	2.4%	2.2%
2020	2.6%	2.6%	1.9%	1.9%
Compounded	11.0%	10.4%	4.2%	3.4%

A more extensive explanation of the derivation and use of the above factors and a complete presentation of the escalation factors from 2008 through 2020 are provided in the attached appendix.

APPENDIX: EXPLANATION OF ESCALATION RATES

The recommended NON-LABOR ESCALATION RATES for 2016 through 2020 are presented in Table A. The values for 2008 through 2015 are provided for comparison.

TABLE A

Year	Non-Labor Inflation Rate*
2008	6.2%
2009	-3.6%
2010	4.8%
2011	5.5%
2012	0.7%
2013	0.5%
2014	0.9%
2015	-2.8%
2016	-1.3%
2017	2.0%
2018	2.0%
2019	2.4%
2020	1.9%

* Revised 07/17/97 based on 1995 re-weighted purchases. [Source: BLS, Supplement to Producer Price Indexes, 1995, Table 12]

These escalation rates represent the calendar year average, or alternatively stated, the 12-month-ended spot rate at mid-year. These price factors have not been adjusted for real growth of expensed materials and services. The escalation factors are generated from a composite index of 10 Wholesale Price Indexes (WPI) for materials and supplies expenses and the CPI-U weighted 5% for services and consumer-related items. **These non-labor rates are not applicable to plant, contracted services, loans, insurance, rents, and pensions and other utility employee benefits. Escalation of these expenses is addressed on pages 10-15 of D.04-06-018/R.03-09-005 (Water Rate Case Plan).**

cc: M. Pocta D. Sanchez R. Kahlon C. Tang

Economic News Release

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by expenditure category

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, September 2016 [1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Aug. 2016	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Sep. 2015	Aug. 2016	Sep. 2016	Sep. 2015-Sep. 2016	Aug. 2016-Sep. 2016	Jun. 2016-Jul. 2016	Jul. 2016-Aug. 2016	Aug. 2016-Sep. 2016
All items ⁽¹⁾⁽²⁾	100.000	237.945	(U) 240.849	241.428	1.5	(U) 0.2	(U) 0.0	(U) 0.2	(U) 0.3
Food	13.753	248.632	247.719	247.917	-0.3	0.1	0.0	0.0	0.0
Food at home	7.973	243.432	238.088	238.120	-2.2	0.0	-0.2	-0.2	-0.1
Cereals and bakery products	1.078	273.530	273.104	272.089	-0.5	-0.4	-0.2	0.0	0.1
Meats, poultry, fish, and eggs	1.780	263.227	246.547	246.642	-6.3	0.0	-0.6	-0.4	-0.2
Dairy and related products	0.811	222.310	215.506	216.693	-2.5	0.6	-0.4	0.0	0.1
Fruits and vegetables	1.342	295.394	292.156	293.423	-0.7	0.4	0.3	0.0	-0.3
Nonalcoholic beverages and beverage materials	0.957	168.054	167.044	166.573	-0.9	-0.3	0.3	-0.1	-0.4
Other food at home	2.005	210.659	209.761	209.426	-0.6	-0.2	-0.2	-0.2	0.1
Food away from home ⁽³⁾	5.781	257.830	263.649	264.102	2.4	0.2	0.2	0.2	0.2
Energy	7.064	201.641	193.524	195.852	-2.9	1.2	-1.6	0.0	2.9
Energy commodities	3.326	211.099	193.119	197.603	-6.4	2.3	-4.4	-0.9	5.5
Fuel oil ⁽³⁾	0.090	231.835	207.143	212.019	-8.5	2.4	-1.3	-2.5	2.4
Motor fuel	3.155	208.121	190.209	194.660	-6.5	2.3	-4.6	-0.9	5.7
Gasoline (all types)	3.108	207.239	189.375	193.817	-6.5	2.3	-4.7	-0.9	5.8
Energy services ⁽⁴⁾	3.738	201.575	202.521	202.941	0.7	0.2	1.0	0.8	0.7
Electricity ⁽⁴⁾	2.954	214.132	214.222	214.381	0.1	0.1	0.5	0.5	0.7
Utility (piped) gas service ⁽⁴⁾	0.784	161.189	164.715	165.881	2.9	0.7	3.1	2.1	0.8
All items less food and energy ⁽⁵⁾⁽⁶⁾	79.183	243.359	(U) 248.278	248.731	2.2	(U) 0.2	(U) 0.1	(U) 0.3	(U) 0.1
Commodities less food and energy commodities ⁽⁷⁾⁽⁸⁾	19.344	146.500	(U) 145.140	145.562	-0.6	(U) 0.3	(U) -0.1	(U) 0.1	(U) -0.1
Apparel	3.097	128.540	124.871	128.429	-0.1	2.8	0.0	0.2	-0.7
New vehicles	3.673	146.570	146.713	146.499	0.0	-0.1	0.2	0.0	-0.1
Used cars and trucks	2.098	148.520	144.858	142.482	-4.1	-1.6	-1.0	-0.6	-0.3
Medical care commodities ⁽⁹⁾⁽¹⁰⁾	1.859	355.746	(U) 372.106	374.142	5.2	(U) 0.5	(U) 0.5	(U) 1.4	(U) 0.6
Alcoholic beverages	0.948	239.287	242.009	242.614	1.4	0.2	-0.1	0.0	0.3
Tobacco and smoking products	0.657	938.348	969.004	970.921	3.5	0.2	-0.5	0.7	0.4
Services less energy services ⁽¹¹⁾⁽¹²⁾	59.839	302.663	(U) 311.746	312.205	3.2	(U) 0.1	(U) 0.2	(U) 0.3	(U) 0.2
Shelter	33.387	280.814	289.605	290.445	3.4	0.3	0.2	0.3	0.4
Rent of primary residence ⁽⁴⁾	7.769	288.306	297.916	298.962	3.7	0.4	0.3	0.3	0.3
Owners' equivalent rent of residences ⁽⁴⁾⁽¹³⁾	24.316	287.916	296.521	297.636	3.4	0.4	0.3	0.3	0.4
Medical care services ⁽¹⁴⁾⁽¹⁵⁾	6.681	476.466	(U) 499.187	499.483	4.8	(U) 0.1	(U) 0.5	(U) 1.0	(U) 0.0
Physicians' services ⁽⁴⁾	1.704	367.176	382.156	382.134	4.1	0.0	0.7	0.7	0.0
Hospital services ⁽⁴⁾⁽¹⁶⁾	2.236	289.134	305.972	306.404	6.0	0.1	0.4	1.7	0.0
Transportation services	5.865	289.576	298.876	298.129	3.0	-0.2	-0.2	0.1	0.0
Motor vehicle maintenance and repair ⁽³⁾	1.159	271.119	275.923	275.331	1.6	-0.2	0.2	0.0	-0.2

Table 1. Consumer Price Index for All Urban Consumers (CPI-U); U. S. city average, by expenditure category

Motor vehicle insurance	2.419	462.467	491.047	492.119	6.4	0.2	0.4	0.5	0.4
Airline fare	0.632	274.897	268.040	267.457	-2.7	-0.2	-4.9	-0.1	0.4
Footnotes	Unadjusted indexes		Unadjusted percent change		Seasonally adjusted percent change				
(1) Revised seasonally adjusted index: May, 2016=239.403. Revised seasonally adjusted index: Jun. 2016=239.907. Revised seasonally adjusted index: Jul. 2016=239.810. Associated calculations, including percent change, may also have changed.	Relative importance		Sep. change		Jun. 2016	Jul. 2016	Aug. 2016	Sep. 2016	Aug. 2016
(2) Revised index: May, 2016=240.229. Revised index: Jun. 2016=241.018. Revised index: Jul. 2016=240.628. Associated calculations, including percent change, may also have changed.	Aug. 2016	Sep. 2015	Aug. 2016	Sep. 2016	Sep. 2016	Jul. 2016	Aug. 2016	Sep. 2016	Aug. 2016
(3) Not seasonally adjusted.	Expenditure category								
(4) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.									
(5) Revised seasonally adjusted index: May, 2016=247.064. Revised seasonally adjusted index: Jun. 2016=247.468. Revised seasonally adjusted index: Jul. 2016=247.689. Associated calculations, including percent change, may also have changed.									
(6) Revised index: May, 2016=247.544. Revised index: Jun. 2016=247.794. Revised index: Jul. 2016=247.744. Associated calculations, including percent change, may also have changed.									
(7) Revised seasonally adjusted index: May, 2016=145.604. Revised seasonally adjusted index: Jun. 2016=145.223. Revised seasonally adjusted index: Jul. 2016=145.022. Associated calculations, including percent change, may also have changed.									
(8) Revised index: May, 2016=146.230. Revised index: Jun. 2016=145.517. Revised index: Jul. 2016=144.832. Associated calculations, including percent change, may also have changed.									
(9) Revised seasonally adjusted index: May, 2016=361.801. Revised seasonally adjusted index: Jun. 2016=364.698. Revised seasonally adjusted index: Jul. 2016=366.473. Associated calculations, including percent change, may also have changed.									
(10) Revised index: May, 2016=361.866. Revised index: Jun. 2016=364.501. Revised index: Jul. 2016=366.784. Associated calculations, including percent change, may also have changed.									
(11) Revised seasonally adjusted index: May, 2016=309.423. Revised seasonally adjusted index: Jun. 2016=310.385. Revised seasonally adjusted index: Jul. 2016=310.861. Associated calculations, including percent change, may also have changed.									
(12) Revised index: May, 2016=309.770. Revised index: Jun. 2016=310.680. Revised index: Jul. 2016=311.072. Associated calculations, including percent change, may also have changed.									
(13) Indexes on a December 1982=100 base.									
(14) Revised seasonally adjusted index: May, 2016=492.084. Revised seasonally adjusted index: Jun. 2016=492.975. Revised seasonally adjusted index: Jul. 2016=495.674. Associated calculations, including percent change, may also have changed.									
(15) Revised index: May, 2016=493.270. Revised index: Jun. 2016=493.438. Revised index: Jul. 2016=495.431. Associated calculations, including percent change, may also have changed.									
(16) Indexes on a December 1996=100 base.									
(r) Revised									
NOTE: Index applies to a month as a whole, not to any specific date.									

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SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT E

**ADVICE LETTER 498
ATTACHMENT E
BILL COMPARISON**

BILL COMPARISON UNIFORM RATES

Bill Comparison Uniform Rates 3/4-Inch Meter					
Usage (ccf)	Current Rates AL 489/490	Proposed Rates AL 498	Increase	Increase	Increase
5	\$48.64	\$50.58	3.99%	\$1.94	
10	\$73.30	\$76.15	3.89%	\$2.85	
Average: 15	\$97.96	\$101.71	3.83%	\$3.75	
20	\$122.62	\$127.28	3.80%	\$4.66	
30	\$171.94	\$178.41	3.76%	\$6.47	
50	\$270.58	\$280.67	3.73%	\$10.09	
100	\$517.17	\$536.31	3.70%	\$19.14	

BILL COMPARISON RESIDENTIAL TIERED RATES

Tiered Rate Bill Comparison 3/4-Inch Meter					
Usage (ccf)	Current Rates AL 489/490	Proposed Rates AL 498	Increase	Increase	Increase
5	\$47.29	\$49.18	4.00%	\$1.89	
10	\$71.95	\$74.74	3.88%	\$2.79	
Average: 15	\$96.61	\$100.31	3.83%	\$3.70	
20	\$122.17	\$126.81	3.80%	\$4.64	
30	\$176.00	\$182.63	3.77%	\$6.63	
50	\$283.65	\$294.27	3.74%	\$10.62	
100	\$552.79	\$573.36	3.72%	\$20.57	

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT F

A copy of Advice Letter No. 498 has been sent to the following municipalities, water companies and interested parties:

City of San Jose
Municipal Water Dept.
Attn: Mansour Nasser
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: Director of Public Works
18014 Saratoga-Los Gatos Road
Monte Sereno, CA 95030

City of Campbell
70 North First Street
Campbell, CA 95008

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

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

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

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

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

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

James M. Fiedler P.E., D. WRE
Chief Operating Officer
Water Utility Enterprises
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

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

Bob Burke
Regulatory Liaison For The Six
Mutual Water Companies
420 Alberto Way, Unit 49
Los Gatos, Ca 95032

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

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

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

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

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

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

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

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

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

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

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

James Hunter
6475 Dwyer Street
San Jose, CA 95120

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

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

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.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.2210	(I)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	|
For Total Monthly Usage over 18 Ccf.	\$5.1590	(I)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.6900	(I)
--	----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 25.02	(I)
For 3/4-inch meter	\$ 25.02	|
For 1-inch meter	\$ 41.66	|
For 1-1/2-inch meter	\$ 83.36	|
For 2-inch meter	\$ 133.41	|
For 3-inch meter	\$ 250.12	|
For 4-inch meter	\$ 416.87	|
For 6-inch meter	\$ 833.73	|
For 8-inch meter	\$ 1333.98	|
For 10-inch meter	\$ 1917.62	(I)

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.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN

Date Filed _____

Dec. No. D.16-06-004

Senior Vice President,

Effective _____

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH
AUTOMATIC FIRE SPRINKLER SYSTEM

APPLICABILITY

Applicable to all detached single family structures whose automatic fire sprinkler system is served through the meter providing residential water service.

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.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.2210	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	|
For Total Monthly Usage over 18 Ccf.	\$5.1590	(l)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.6900	(l)
--	----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 25.02	(l)
For 3/4-inch meter	\$ 25.02	|
For 1-inch meter	\$ 41.66	|
For 1-1/2-inch meter	\$ 83.36	|
For 2-inch meter	\$ 133.41	|
For 3-inch meter	\$ 250.12	(l)

Upsize Charges:

For 1/4-inch meter upsize	\$ 1.51
or 1/2-inch meter upsize	\$ 3.01
For 3/4-inch meter upsize	\$ 4.52
For 1-inch meter upsize	\$ 6.03
For 1-1/2-inch meter upsize	\$ 9.05

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN
Senior Vice President,
Regulatory Affairs

Date Filed _____
Effective _____
Resolution No. _____

Dec. No. D.16-06-004

TITLE

Schedule No. 4

PRIVATE FIRE SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

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.

RATES

Per Service Connection
Per Month

For each 2-inch service	\$25.37	(1)
For each 3-inch service	38.03	|
For each 4-inch service	50.71	|
For each 6-inch service	76.09	|
For each 8-inch service	101.43	|
For each 10-inch service	126.80	|
For each 12-inch service	152.15	(1)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal service, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall then be installed by the utility and the cost paid by applicant. Such payment shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN
 Senior Vice President,
 Regulatory Affairs

Date Filed _____

Dec. No. D.16-06-004

Effective _____

Resolution No. _____

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.	\$4.2210	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	|
For Total Monthly Usage for 19 to 20 Ccf.	\$5.1590	(l)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

All Other Customers(subject to Special Condition 5)

For Total Monthly Usage from 0 to 20 Ccf.	\$4.6900	(l)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

Service Charges:

Per Meter Per Month

For 3/4-inch meter	\$ 25.02	(l)
For 1-inch meter	\$ 41.66	|
For 1-1/2-inch meter	\$ 83.36	|
For 2-inch meter	\$ 133.41	|
For 3-inch meter	\$ 250.12	|
For 4-inch meter	\$ 416.87	|
For 6-inch meter	\$ 833.73	|
For 8-inch meter	\$ 1333.98	|
For 10-inch meter	\$1917.62	(l)

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

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 \$2.0033 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN

Date Filed _____

Dec. No. D.16-06-004

Senior Vice President,

Effective _____

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. RW

RAW WATER SERVICE

APPLICABILITY

Applicable to raw water metered service.

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.

RATES

Quantity Rate:			
Per 100 cu. ft.	.....	\$4.4604	(1)
Service Charges:		Per Meter Per Month	
For 5/8 x 3/4-inch meter	.....	\$ 25.02	(1)
For 3/4-inch meter	.....	\$ 25.02	|
For 1-inch meter	.....	\$ 41.66	|
For 1-1/2-inch meter	.....	\$ 83.36	|
For 2-inch meter	.....	\$ 133.41	|
For 3-inch meter	.....	\$ 250.12	|
For 4-inch meter	.....	\$ 416.87	|
For 6-inch meter	.....	\$ 833.73	|
For 8-inch meter	.....	\$ 1333.98	|
For 10-inch meter	.....	\$ 1917.62	(1)

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

1. The customer is responsible for notice of and compliance with all local, state, and federal rules and regulations that apply from time to time to the use of raw water, as defined in San Jose Water Company's Rule 1.
2. The customer must provide and/or contribute all facilities needed to transport the water from its source to the customer's point of service in accordance with the utility's Rule 15.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN
 Senior Vice President,
 Regulatory Affairs

Date Filed _____

Effective _____

Dec. No. D.16-06-004

Resolution No. _____

TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

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.

RATES

Quantity Rate:

Currently effective quantity rate as reflected in "Schedule No. 1, General Metered Service" less the treated water surcharge currently added to potable deliveries from the Santa Clara Valley Water District and less any applicable discount from the South Bay Water Recycling Program.

Service Charges:

Currently effective monthly service charge for the applicable meter size as reflected in "Schedule No. 1, General Metered Service".

SPECIAL CONDITIONS

- For the purposes of this tariff a well user is defined as a customer of the Santa Clara Valley Water District who procures his/her non-potable supply from an on-site well as of the first effective date of this tariff. The service charge for well users will be in accordance with the following schedule:

<u>Meter Size</u>	<u>Per Meter Per Month</u>	
2-inch	\$31.15	(l)
3-inch	\$41.53	|
4-inch	\$46.72	|
6-inch	\$77.87	|
8-inch	\$93.45	|
10-inch	\$145.36	(l)

The monthly service charge will change in an amount equal to changes in the monthly service charge for similarly sized meters under "Schedule No. 1, General Metered Service". In addition to the service charge, such customers will be charged for the quantity of recycled water used at that site in the same amount billed to San Jose Water Company by the South Bay Water Recycling Program.

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN
 Senior Vice President,
 Regulatory Affairs

Date Filed _____

Dec. No. D.16-06-004

TITLE

Effective _____

Resolution No. _____

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	1808-W, 1795-W, 848-W and 1725-W	(T)
Preliminary Statement	919-W, 1303-W, 1699-W, 1700-W, 1702-W, 1420-W, 1423-W, 1427-W, 1469-W, 1492-W, 1508-W, 1542-W, 1799-W and 1800-W	
Service Area Map Locator	1266-W	
Service Area Map Locator, Index	1589-W	
Map of Areas With Special Pressure and Fire Flow Conditions	1590-W	
Index to Map of Areas With Special Pressure and Fire Flow Conditions	1079-W, 1591-W 1082-W, 1087-W and 1404-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	1802-W, 1756-W and 1785-W	(C)
Schedule No. 1B, General Metered Service With Automatic Fire Sprinkler System	1803-W, 1741-W, 1786-W and 1787-W	(C)
Schedule No. 1C, General Metered Service Mountain District	1804-W, 1744-W, 1789-W and 1790-W	(C)
Schedule No. 4, Private Fire Service	1805-W and 1621-W	(C)
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	1668-W, 1669-W, 1780-W, 1671-W, 1672-W, 1673-W, 1766-W, and 1767-W	
Schedule No. RW, Raw Water Metered Service	1806-W, 1791-W and 1792-W	(C)
Schedule No. RCW, Recycled Water Metered Service	1807-W and 1775-W	(C)
Schedule No. UF, Surcharge to Fund Public Utilities Commission, Reimbursement Fee	1697-W	
Schedule No. WRAP, Water Rate Assistance Program	1723-W and 1211-W	
List of Contracts and Deviations	1636-W	
Rules:		
No. 1 - Definitions	764-W and 976-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	821-W thru 823-W	
No. 6 - Establishment and Re-establishment of Credit	354-W	
No. 7 - Deposits	355-W and 356-W	
No. 8 - Notices	1054-W and 825-W	
No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

(Continued)

(To be inserted by utility)

Issued by

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

Advice No. 498

PALLE JENSEN

Date Filed _____

Dec. No. D.16-06-004

Senior Vice President,
Regulatory Affairs

Effective _____

Resolution No. _____

TITLE

CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

Utility Name: San Jose Water Company
District: N/A
CPUC Utility #: U-168-W
Advice Letter #: 498
Tier 1 2 3 Compliance
Authorization D.16-06-004
Date Mailed to Service List: 11/15/16
Protest Deadline (20th Day): 12/05/16
Review Deadline (30th Day): 12/15/16
Requested Effective Date: 01/01/2017
Rate Impact: \$13,025,000
3.83%
Description: Step Rate Increase for 2017 Escalation Year

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Wes Owens
Phone: 408-918-7247
Email: wes.owens@sjwater.com

Utility Contact: Ann Lindahl
Phone: 408-279-7979
Email: ann.lindahl@sjwater.com

DWA Contact: Tariff Unit
Phone: (415) 703-1133
Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

Signature: _____

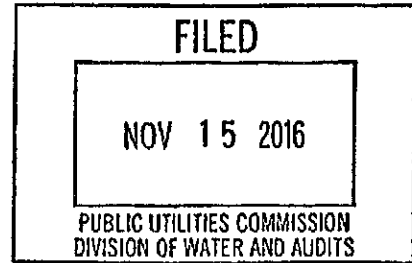
Comments: _____

Date: _____



**San Jose
Water
Company**

110 W. Taylor St.
San Jose, CA 95110
Phone 408 279-7800
Fax 408 279-7934



November 15, 2016

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

Advice Letter No. 498

The 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>Canceling Cal. P.U.C. Sheet No.</u>
1802-W	Schedule No. 1 General Metered Service	1751-W
1803-W	Schedule No. 1B General Metered Service With Automatic Fire Sprinkler System	1752-W
1804-W	Schedule No. 1C General Metered Service Mountain District	1753-W
1805-W	Schedule No. 4 Private Fire Service	1747-W
1806-W	Schedule No. RW Raw Water Service	1754-W
1807-W	Schedule No. RCW Recycled Water Metered Service	1049-W
1808-W	Table of Contents	1801-W

These tariffs are submitted pursuant to General Orders Nos. 96-B and pursuant to the authority established by the California Public Utilities Commission (Commission) in Decision No. (D) 16-06-004, dated June 9, 2016 (Ordering Paragraphs included as Attachment A). This advice letter is designated a Tier 2 Advice Letter. SJWC requests that the rates become effective January 1, 2017.

With this advice letter SJWC requests authorization to increase revenue requirement by \$13,025,000 or 3.83% via a step rate increase for the first escalation year of 2017. This request is made pursuant to Ordering Paragraph No. 8 of D.16-06-004 (Attachment A), which states that:

"8. For escalation years 2017 and 2018, San Jose Water Company shall file Tier 2 Advice Letters in conformance with General Order 96-B proposing new revenue requirements and corresponding revised tariff schedules. The filing shall include rate procedures set forth in the Commission's Rate Case Plan (Decision 07-05-062) for Class A Water Utilities and shall include appropriate supporting workpapers. The revised tariff schedules shall take effect no earlier than January 1, 2017 and January 1, 2018, respectively, and shall apply to service rendered on and after their effective dates. The proposed revisions to revenue requirements and rates shall be reviewed by the Commission's Division of Water and Audits. The Division of Water and Audits shall inform the Commission if it finds that the revised rates do not conform to the Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing."

Background

The Commission's D.16-06-04 authorized SJWC to file advice letters for step rate increases for the two escalation years of 2017 and 2018 in compliance with the Commission's Rate Case Plan. The Commission's Rate Case Plan requires that the requested rate increase shall be subject to the pro-forma earnings test. SJWC has attached the pro-forma Summary of Earnings as of September 30, 2016 (Attachment B) which shows that the company is currently earning below the authorized Rate of Return on Ratebase of 8.09%, on a proforma basis, as set forth in D.12-07-009 and subsequently revised via AL 444.

SJWC has computed the Escalation year increases (Attachment C) using the authorized Rate of Return of 8.09%, the escalation methodology set forth in D.04-06-018, and the latest available escalation factors published by Division of Ratepayer Advocates Energy Cost of Service Branch Dated October 31st, 2016 and the latest CPI factors from the U.S. Bureau of Labor (Attachment D)

Currently SJWC has Advice Letter No. 497 pending before the Commission

Rate Calculation and Average Bill Comparison

The present rates for SJWC became effective July 1, 2016 by AL 490.

The total escalation revenue impact is \$13,025,000 or about 3.83% of SJWC's authorized and adjusted revenue for 2016 (Attachment C). SJWC seeks to recover 30.00%, or \$3,907,500, of the revenue through the service charge component and the remaining 70.00%, or \$9,117,500, through the quantity rate component. As a result of this rate change, the bill for the average residential customer using 15 ccf per month will increase by \$3.70, or 3.83% per month (Attachment E).

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, California 95196
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 of this filing is not required. In compliance with Paragraph 4.3 of General Order 96-B, a copy of this advice letter has been mailed to all interested and affected parties as detailed in Attachment F.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'Wes Owens', with a long horizontal flourish extending to the right.

WES OWENS
Director
Regulatory Affairs

Enclosure

Index of Workpapers

Attachment A	San Jose Water Company General Rate Case Final Decision D.16-06-004 (Ordering Paragraphs)
Attachment B	San Jose Water Company Summary of Earnings dated September 30, 2016
Attachment C	Escalation Attrition Calculation and Workpapers
Attachment D	Escalation Factors
Attachment E	Bill Comparison
Attachment F	Service List

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT A

Decision 16-06-004 June 9, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN JOSE WATER COMPANY (U 168 W) for an Order authorizing it to increase rates charged for water service by \$34,928,000 or 12.22% in 2016, by \$9,954,000 or 3.11% in 2017, and by \$17,567,000 or 5.36% in 2018.

Application 15-01-002
(Filed January 5, 2015)

**DECISION APPROVING TWO PARTIAL SETTLEMENTS,
RESOLVING DISPUTED ISSUES AND ADOPTING REVENUE
REQUIREMENTS FOR SAN JOSE WATER COMPANY**

(See Attachment A for a list of Appearances)

8. The 2015 payroll expense for non-union employees should be estimated using 2014 payroll expense data and increasing it by the ECOS labor factor of 1.6 percent.

9. The 2016 payroll expense for non-union employees should be estimated using 2.2 percent as an escalation factor.

10. The 2017 and 2018 payroll expense for non-union employees should be escalated using ECOS labor factor for those years.

11. SJWC should be authorized to add six new employees.

12. Overtime expense should be calculated using a three-year average to normalize high overtime years.

13. Regulatory expense should be \$216,000 for Test Year 2016 and \$600,000 for the three-year rate case cycle.

14. Corporate Expenses of \$790,000 should be authorized for Test Year 2016.

15. SJWC's FICA tax estimate should be reduced by 24.17 percent and \$589,000 should be added to utility plant additions to compensate for the loss of overhead.

O R D E R

IT IS ORDERED that:

1. San Jose Water Company is authorized to increase rates by amounts designed to increase revenue by \$25,130,000 or 8.60 percent in Test Year 2016.
2. The joint motion of San Jose Water Company and the Office of Ratepayer Advocates to approve the July 24, 2015, Settlement Agreement is granted.
3. San Jose Water Company is authorized to implement a credit card payment program.

4. San Jose Water Company is authorized to establish a Ground Water Regulation Legal Expense Memorandum Account.

5. The joint motion of San Jose Water Company and the Office of Ratepayer Advocates to approve the August 13, 2015, Supplemental Settlement Agreement is granted.

6. San Jose Water Company shall file a Tier 1 Advice Letter for a surcharge to true-up the difference between interim rates for the period January 1, 2016 to the implementation date of the tariffs included in this order. The surcharge must comply with Standard Practice U-27-W. This calculation will be based on the 2016 tariff schedules attached to this decision that would have been implemented under the present rate design. The difference between the interim and final rates based on the revenue requirement shall be recovered over the balance of the rate case cycle.

7. San Jose Water Company shall file by Tier 1 Advice Letter the revised tariff schedules for 2016 attached to this decision and to concurrently cancel its present schedules for such service. This filing shall be subject to approval by the Commission's Division of Water and Audits. The effective date of the revised schedule shall be no earlier than five days after the effective date of this decision, and shall apply only to service rendered on or after the effective date.

8. For escalation years 2017 and 2018, San Jose Water Company shall file Tier 2 Advice Letters in conformance with General Order 96-B proposing new revenue requirements and corresponding revised tariff schedules. The filing shall include rate procedures set forth in the Commission's Rate Case Plan (Decision 07-05-062) for Class A Water Utilities and shall include appropriate supporting workpapers. The revised tariff schedules shall take effect no earlier than January 1, 2017 and January 1, 2018, respectively, and shall apply to service

rendered on and after their effective dates. The proposed revisions to revenue requirements and rates shall be reviewed by the Commission's Division of Water and Audits. The Division of Water and Audits shall inform the Commission if it finds that the revised rates do not conform to the Rate Case Plan, this order, or other Commission decisions, and if so, reject the filing.

9. San Jose Water Company will compute its payroll expenses for union employees for Test Year 2016 and Escalation Years 2017 and 2018 by using 2014 figures and escalating by 3 percent annually.

10. San Jose Water Company will use Energy Cost of Service escalation factors to compute payroll expenses for its non-union employees.

11. San Jose Water Company is authorized \$318,000 for its School Education Program to be booked to a one-way balancing account.

12. San Jose Water Company is authorized to fund six new positions as specified in Section 4.3.2 of this decision.

13. San Jose Water Company is authorized an aggregate regulatory expense budget of \$600,000, with \$216,000 authorized for Test Year 2016.

14. San Jose Water Company is authorized a Test Year 2016 corporate expense budget of \$790,000.

15. San Jose Water Company must reduce its Federal Insurance Contributions Act taxes estimate by 24.17 percent. San Jose Water Company is authorized to add \$589,000 to its utility plant additions to compensate for the loss of overhead.

16. Application 15-01-002 is closed.

This order is effective today.

Dated June 9, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT B

SAN JOSE WATER COMPANY

(U-168-W)

SUMMARY OF EARNINGS AND RATE OF RETURN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

(\$ Amounts in Thousands)

	Authorized Per AL 490	Recorded	Adjustment	Pro-forma
Operating Revenue:				
Operating Revenues	\$339,886	\$317,097		\$331,453
Other Water Revenues	\$0	\$3,343		\$3,343
Deferred Revenue on CIAC	\$487	\$427		\$487
	<hr/>	<hr/>		<hr/>
Total Metered Revenue	\$340,373	\$320,867	A	\$335,283
Operating Expense:				
Purchased Water - Potable	\$82,727	\$62,029	F	\$80,868
Purchased Water - Recycled	\$1,618	\$1,615	F	\$1,807
Pump Taxes	\$50,810	\$34,182	G	\$49,665
Purchased Power	\$8,915	\$5,207	H	\$9,561
Operations & Maintenance	\$36,464	\$34,389	D	\$36,464
Chemical	\$459	\$331	I	\$449
Administrative & General	\$26,759	\$32,290	D	\$26,759
Depreciation & Amortization	\$42,299	\$39,840	D	\$40,450
	<hr/>	<hr/>		<hr/>
Subtotal	\$250,051	\$209,884		\$246,023
Uncollectible	\$514	\$461	B	\$507
Taxes Other Than Income	\$11,105	\$10,569	C	\$11,375
Revenue Adjustment Balancing and Memo Acct	\$0	\$26,055	E	\$0
	<hr/>	<hr/>		<hr/>
Total Operating Expense Before Income Taxes	\$261,670	\$246,969		\$257,905
Operating Revenue Before Income Taxes	\$78,703	\$73,898		\$77,379
State Income Tax	\$3,235	\$5,715	J	\$3,240
Federal Income Tax	\$21,396	\$27,539	J	\$21,465
	<hr/>	<hr/>		<hr/>
Total Operating Expense	\$286,301	\$280,223		\$282,609
Net Operating Revenue	\$54,072	\$40,644		\$52,674
Weighted Average Rate Base	668,034	659,139		659,139
Earned Rate of Return	<u>8.09%</u>	<u>6.17%</u>		<u>7.99%</u>
Authorized Rate of Return	<u>8.09%</u>		K	<u>8.24%</u>

SAN JOSE WATER COMPANY

(U-168-W)

WEIGHTED AVERAGE RATE BASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

(\$ Amounts in Thousands)

Weighted Averages [2]:

Utility Plant	\$1,439,861
Reserve for Depreciation	\$464,503
Reserve for Amortization	<u>\$483</u>
Net Utility Plant	974,875

Adjustments:

Contributions in Aid of Construction	\$116,481
Total Tax Deferrals	\$155,104
Advances for Construction	<u>\$68,341</u>
Total Adjustments	339,926
Adjusted Net Utility Plant	634,949
Taxes on Contributions & Advances	\$7,963
Total Working Capital	<u>\$16,227</u>
Weighted Average Rate Base	<u><u>\$659,139</u></u>

[2] The weighted average is the sum of the first and last months balance divided by two, plus the sum of the intervening eleven months, divided by twelve.

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT C

ADVICE LETTER 498
ATTACHMENT C - PART 1
ESCALATION INCREASE

Revenue
Increase:
13,026.0
13025

Escalation Year #1, 2017

	2016	Escalation Year #1, 2017					2017
	July 1, 2016 Authorized AL 480	Customer Growth Factor	and Labor Inflation Factor	or Composite Non-Labor Factor	or CPI-U Inflation Factor	=	Projected Escalation Year
	339,886.3	0.30%	1.30%	2.00%	1.50%		352,911.3
	487.0						487.0
PURCHASED WATER	82,727.4	210.5	0.0	0.0	0.0		82,937.9
PURCHASED WATER RECYCLED	1,617.5	3.8	0.0	0.0	0.0		1,621.3
PUMP TAX	50,809.8	127.1	0.0	0.0	0.0		50,936.9
PURCHASED POWER	8,915.0	26.7	0.0	0.0	0.0		8,941.7
OTHER OPERATION AND MAINTENANCE	763.0	2.3	0.0	15.1	0.0		770.3
CHEMICALS	459.0	1.4	0.0	9.2			469.6
UNCOLLECTIBLES	513.8	1.4	0.0	9.6			524.8
O&M PAYROLL	18,915.0	56.7	245.9	0.0	0.0		19,217.6
TRANSPORTATION	3,311.0	9.9	0.0	66.2			3,387.2
PURCHASED SERVICES	10,863.0	32.0	0.0		159.9		10,854.9
CONSERVATION	2,822.0	8.5	0.0		42.3		2,872.8
OTHER ADMIN AND GEN. EXP.	4,132.0	12.4	0.0	82.6			4,227.0
A&G PAYROLL	7,829.0	23.5	101.8				7,954.3
PENSION	6,700.0	20.1	87.1				6,807.2
BENEFITS	3,214.0	9.6	41.8				3,265.4
HEALTH CARE & DENTAL	6,237.0	18.7	81.1				6,336.8
RENTS	498.0	1.5	0.0		7.5		507.0
PROPERTY INSURANCE	234.0	0.7	0.0		3.5		238.2
LIABILITY INSURANCE	2,049.0	6.1	0.0		30.7		2,085.9
A&G PURCHASED SERVICES	3,328.0	10.0	0.0	0.0	49.9		3,387.9
A&G TRANSFERRED SERVICES	-7,462.0	-22.4	0.0	-149.2			-7,633.6
TOTAL O. & M., A. & G., & MISC. EXP.	208,265.6	560.6	557.6	33.5	293.9		209,711.1
AD VALOREM TAXES	8,254.0	24.4	0.0	162.9	0.0		8,441.4
LOCAL FRANCHISE TAXES & BUS. LICENSE	844.6	2.4	0.0	15.8	0.0		862.8
PAYROLL TAXES	2,008.0	6.0	26.1	0.0	0.0		2,038.1
TOTAL GENERAL TAXES	11,104.6	32.8	26.1	178.7			11,342.3
Depreciation	42,299.2	3566.5					45,865.7
SUB - TOTAL -- OPERATING EXPENSES	261,669.3	4,160.0	583.7	212.2	293.9		266,919.1
STATE INCOME TAX	3,256.3						4,637.5
FEDERAL INCOME TAX	21,493.6						23,183.6
	286,329.3						294,740.2
	54,044.0						58,658.0
	668,034.1	56,698.0					724,730.1
	8.09%						8.09%
	8.09%						8.09%

ADVICE LETTER 488
ATTACHMENT C - PART 1
RATEBASE ATTRITION CALCULATION

Total Authorized Ratebase at year end 2016 per AL 489	A	\$668,034
Total Adopted Ratebase for 2017 per D.16-06-004, Attachment D Table D	B	\$715,677
Total Adopted Ratebase for 2016 per D.16-06-004, Attachment D Table D	C	\$658,981
Authorized Increase to Ratebase for 2017 per D.16-06-004	D = B - C	\$56,696
Ratebase for 2017	E = A + D	<u>\$724,730</u>

ADVICE LETTER 498- ATTACHMENT C

SAN JOSE WATER COMPANY
(U-168-W)

COMPUTATION OF TAXES BASED ON INCOME
(2016- 2017)

ESTIMATED AT PRESENT AND PROPOSED RATES

(Thousands of Dollars)

	<u>AL488</u> <u>2016</u>	<u>AL489/490</u> <u>2016</u>	<u>Jan</u> <u>2017</u>
Revenue:			
Operating Revenue	\$316,788.0	\$339,886.3	\$352,911.3
Deferred Revenue	\$487.0	\$487.0	\$487.0
Deductions:			
O & M Expenses (Excluding Uncollectables)	\$160,117.0	\$181,506.6	\$182,010.2
Uncollectibles	\$481.0	\$513.9	\$524.8
A&G Expenses	\$26,759.0	\$26,759.0	\$27,176.1
Taxes Other Than Income	\$10,185.0	\$10,260.0	\$10,479.5
Local Franchise Taxes	\$759.0	\$845.2	\$862.8
Transportation Depreciation	(\$992.0)	(\$992.0)	(\$1,190.0)
Interest Expense	\$21,381.0	\$21,381.0	\$23,224.0
Less 50% Meals Disallowed	\$92.0	\$92.0	\$92.0
Total Deductions	\$218,782.0	\$240,365.7	\$243,179.4
State Corporate Franchise Tax:			
Tax Depreciation	(\$40,114.0)	(\$40,114.0)	(\$43,532.0)
State Tax Deduction on Repairs & Maint	(\$22,613.0)	(\$22,613.0)	(\$13,774.0)
Deferred Revenue (Net of Tax)	\$43.0	\$43.0	\$34.0
Taxable Income Incl Def Revenue	\$35,322.0	\$36,836.5	\$52,459.9
Tax @ 8.84%	\$3,122.5	\$3,256.3	\$4,637.5
Federal Income Tax:			
Tax Depreciation	(\$33,524.0)	(\$33,524.0)	(\$37,407.0)
State Franchise Tax	(\$3,122.5)	(\$3,256.3)	(\$4,637.5)
IRS Sec 199 QPA Deduction	(\$1,338.0)	(\$1,338.0)	(\$1,457.0)
Taxable Income Excluding Deferred Revenue	\$60,021.5	\$61,402.2	\$66,230.4
Tax @ 35.00%	\$21,007.5	\$21,490.8	\$23,180.6
Amortization of Unrecoverable Prepaid Tax on CIAC & Advances	\$3.0	\$3.0	\$3.0
Federal Tax	\$21,010.5	\$21,493.8	\$23,183.6
Total Income Tax	\$24,133.0	\$24,750.1	\$27,821.1

**ADVICE LETTER 498
ATTACHMENT C - PART 3
2017 ESCALATION INCREASE
BASE RATE ALLOCATION**

Revenue To be Recovered in Meter Charge	30.00%	X	Revenue Increase (\$)	\$3,907,500
Revenue To be Recovered in Quantity Rate	70.00%	X	13,025,000	\$9,117,500

QUANTITY RATE CALCULATION									
Rate Schedule	AL 498 2016 Authorized Revenue (\$)	2017 Attrition Revenue (\$)	Total Revenue to be Recovered (Att. D) (\$)	Total Revenue Increase [%]	Revenue to be Recovered in Quan.Rate (\$)	2016 Authorized Total Usage* D.16-08-004 (ccf)	Quantity Rate Increase (\$/ccf)	Uniform Quantity Rate 2016 AL 489 (\$/ccf)	New Quantity Rate (\$/ccf)
Total	340,373,280	353,398,260	13,025,000	3.83%	9,117,500	50,365,000 <small>Excludes Recycled Well Users</small>	0.1810	4.5090	4.6800

TOTAL POTABLE REVENUE CALCULATION						
	Percentage of Potable Sales to Total Sales [%]	2016 Authorized Potable Usage D.16-08-004 (ccf)	Revenue to be Recovered in Potable Quan.Rate (\$)	Quantity Rate Increase (\$/ccf)	Uniform Quantity Rate 2016 AL 489 (\$/ccf)	New Potable Quantity Rate (\$/ccf) (M/G)
Potable Water	98.97%	49,847,000.00	0,023,727	0.1810	4.5090	4.6900

TOTAL RAW REVENUE CALCULATION						
	Percentage of Raw Sales to Total Sales [%]	2016 Authorized Raw Usage D.16-08-004 (ccf)	Revenue to be Recovered in Raw Quan.Rate (\$)	Quantity Rate Increase (\$/ccf)	Raw Quantity Rate 2016 AL 489 (\$/ccf)	New Raw Quantity Rate (\$/ccf) (M/G)
Raw Water	0.03%	14,000.00	2,534	0.1810	4.2784	4.4604

TOTAL RECYCLED PIPED REVENUE CALCULATION						
	Percentage of Recycled Piped Sales to Total Sales [%]	2016 Authorized Recycled Piped Usage D.16-08-004 (ccf)	Revenue to be Recovered in Recycled Piped Quan.Rate (\$)	Quantity Rate Increase (\$/ccf)	Recycled Piped Quantity Rate 2016 AL 489 (\$/ccf)	New Raw Quantity Rate (\$/ccf) (M/G)
Recycled Piped	1.00%	504,000.00	91,238	0.1810	4.0384	4.2194

Total Quantity Charges for all Schedules	\$9,117,500
--	-------------

ADVICE LETTER 498
ATTACHMENT C - PART 3
2017 ESCALATION INCREASE
BASE RATE ALLOCATION

METER CHARGE CALCULATION

Revenue to be Recovered in Meter Charge										
										\$3,907,600
Schedule No. 1, General Metered Service & 1B General Metered Service with Automatic Fire Sprinkler System:										
Meter Size	2016 No. of Customers Authorized	No. of Billings	Meter Ratio (SP U-25)	Meter Ratio Equip	Meter Charge Increase (\$/Month)	Increase to Total Service Charge	Authorized AL 489 Eff. 8/1/12/2016 Meter Charge (\$/Month)	New Meter Charge (\$/Month)	Meter Charge Increase (%)	
5/8	899	10,428	1.5		15,642	\$1.04	\$10,846	\$23.98	\$25.02	4.34%
3/4	175,315	2,103,780	1.5		3,155,670	\$1.04	\$2,187,931	\$23.98	\$25.02	4.34%
1	34,211	410,532	2.5		1,026,330	\$1.72	\$708,115	\$39.94	\$41.66	4.31%
1 1/2	3,073	47,676	5		238,380	\$3.45	\$184,482	\$79.91	\$83.36	4.32%
2	4,908	59,898	8		471,168	\$5.54	\$326,284	\$127.87	\$133.41	4.33%
3	1,429	17,148	15		257,220	\$10.37	\$177,825	\$239.75	\$250.12	4.33%
4	412	4,944	25		123,600	\$17.29	\$85,482	\$399.58	\$416.87	4.33%
6	184	2,208	50		110,400	\$34.58	\$76,353	\$799.15	\$833.73	4.33%
8	30	360	80		28,800	\$55.33	\$19,919	\$1,278.65	\$1,333.98	4.33%
10	7	84	115		9,650	\$79.55	\$6,682	\$1,838.07	\$1,917.62	4.33%
	221,338	2,656,056			5,436,870		\$3,761,918			
Schedule No. RW, Raw Water Service:										
3/4	0	0	1.5		0	\$1.04	\$0	\$23.98	\$25.02	4.34%
1	0	0	2.5		0	\$1.72	\$0	\$39.94	\$41.66	4.31%
1 1/2	1	12	5		60	\$3.45	\$41	\$79.91	\$83.36	4.32%
2	3	36	8		288	\$5.54	\$199	\$127.87	\$133.41	4.33%
3	0	0	15		0	\$10.37	\$0	\$239.75	\$250.12	4.33%
4	0	0	25		0	\$17.29	\$0	\$399.58	\$416.87	4.33%
6	0	0	50		0	\$34.58	\$0	\$799.15	\$833.73	4.33%
8	0	0	80		0	\$55.33	\$0	\$1,278.65	\$1,333.98	4.33%
10	0	0	115		0	\$79.55	\$0	\$1,838.07	\$1,917.62	4.33%
	4	48			348		\$240			
Schedule No. RCW, Recycled Water Service Piped:										
3/4	0	0	1.5		0	\$1.04	\$0	\$23.98	\$25.02	4.34%
1	2	24	2.5		60	\$1.72	\$41	\$39.94	\$41.66	4.31%
1 1/2	8	86	5		480	\$3.45	\$331	\$79.91	\$83.36	4.32%
2	91	1,092	8		8,736	\$5.54	\$6,050	\$127.87	\$133.41	4.33%
3	31	372	15		5,580	\$10.37	\$3,858	\$239.75	\$250.12	4.33%
4	34	408	25		10,200	\$17.29	\$7,054	\$399.58	\$416.87	4.33%
6	1	12	50		600	\$34.58	\$415	\$799.15	\$833.73	4.33%
8	1	12	80		960	\$55.33	\$664	\$1,278.65	\$1,333.98	4.33%
10	1	12	115		1,380	\$79.55	\$955	\$1,838.07	\$1,917.62	4.33%
	169	2,028			27,996		\$19,368			
Schedule No. RCW, Recycled Water Service Well Users: (1)										
2	1	12			3.83%	\$1.15	\$14	\$30.00	\$31.15	3.83%
3	1	12			3.83%	\$1.53	\$18	\$40.00	\$41.53	3.83%
4	2	24			3.83%	\$1.72	\$41	\$45.00	\$46.72	3.83%
6	1	12			3.83%	\$2.87	\$34	\$75.00	\$77.87	3.83%
8	2	24			3.83%	\$3.45	\$83	\$90.00	\$93.45	3.83%
10	1	12			3.83%	\$5.36	\$64	\$140.00	\$145.36	3.83%
	14	96					\$254			
Schedule No. 4, Private Fire Service: (1)										
2	44	528			3.83%	\$0.94	\$494	\$24.43	\$25.37	3.83%
3	5	60			3.83%	\$1.40	\$84	\$36.83	\$38.03	3.83%
4	1,094	13,128			3.83%	\$1.87	\$24,557	\$48.84	\$50.71	3.83%
6	1,475	17,700			3.83%	\$2.81	\$49,677	\$73.28	\$76.09	3.83%
8	940	11,280			3.83%	\$3.74	\$42,204	\$97.69	\$101.43	3.83%
10	138	1,656			3.83%	\$4.68	\$7,745	\$122.12	\$126.80	3.83%
12	14	168			3.83%	\$5.61	\$943	\$146.54	\$152.15	3.83%
	3,710	44,620					\$125,704			
Total Meter Charges for all Schedules						\$3,907,484				

Calculation of New RW rate

Potable Rate Adjustment for Treatment Charge

\$4,690 ccf*

\$2,042.96 AF

(\$100.00) AF

Raw Water

2017

\$4,4604 ccf

\$1,942.96 AF

(1) Sch No. RCW and Sch No. 4 rates are escalated by the total revenue increase percentage consistent with the methodology used in D.16-06-004

ADVICE LETTER 498
ATTACHMENT C - PART 4
2017 ESCALATION YEAR TIER RATE DESIGN

SQR (\$/CCF) \$4.6900
New Q Revenue Target \$ 149,012,706

Three Tier Rate Design

Rate Tier Criteria as % of SQR		
	% of SQR	rate
Tier 1	0.9	\$4.22100
Tier 2	1	\$4.69000
Tier 3	1.1	\$5.1590

Revenue Neutrality Test	
Target at SQR	\$ 149,012,706.3
Rev neutrality, tier-SQR	\$ (165,762.24)
% tier >SQR	-0.111%

Tier	Rationale	Proposed Tiers(ccf)	Tier rate differential	Existing Rates	Proposed New Rates	Ccf estimate sales in tier	Rev estimate \$ sales in tier	Portion of total consumption in tier	Portion of Revenue by Tier
Tier 1	indoor consumption est.*	0 to 3 ccf	90.00%	\$4.0581	\$4.2210	6,839,694	\$ 28,870,349	21.53%	19.40%
Tier 2	up to annual average	4 to 18 ccf	100.00%	\$4.5090	\$4.6900	18,446,482	\$ 86,513,999	58.06%	58.12%
Tier 3	Above annual average	19 ccf and above	110.00%	\$4.9599	\$5.1590	6,486,256	\$ 33,462,597	20.41%	22.48%
						31,772,432	\$ 148,846,944		

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT D

MEMORANDUM

Date : October 31, 2016
 To : D. Sanchez, Program Manager, ORA; R. Kahlon, Director, Water Division
 From : M. Kanter, Regulatory Analyst, ORA Energy Cost of Service & Natural Gas Branch
 J. Montero, Financial Examiner, ORA Water Branch
 File No. : S-2559
 Subject: ORA October 2016 Summary of Compensation Per Hour

The following data are provided to Commission water utilities staff to enable them to utilize ORA's composite non-labor escalation methodology. The numbers are to be used in conjunction with the non-labor factors provided in ORA's monthly escalation memorandum to bring historic dollars to base year dollars and to inflate recorded dollars to test year levels. The annual change in Compensation per Hour is applicable to contracted services, while the non-labor factor is related to material and supply purchases. In accordance with a 1991 agreement between the CPUC Water Division and the California Water Association (CWA), the monthly non-labor rate is to be weighted by 60 percent and the Compensation per Hour Index weighted 40 percent. If you have any questions regarding the application of these factors, please contact me.

COMPENSATION PER HOUR

Annual Rate of Change
 Non-farm Business Sector, Seasonally Adjusted

<u>Year</u>	<u>Annual Change</u>
2005	3.6%
2006	3.9%
2007	4.3%
2008	2.7%
2009	1.0%
2010	1.9%
2011	2.2%
2012	2.6%
2013	1.2%
2014	2.8%
2015	2.9%
2016	2.3%
2017	3.7%
2018	3.8%
2019	3.9%
2020	3.9%

Source: IHS Global Insight October 2016 U.S. Economic Outlook

All above data provided by ORA are subject to limited access on an as-needed basis.

MEMORANDUM

Date : October 31, 2016

To : D. Sanchez, Program Manager, ORA; R. Kahlon, Director, Water Division

From : M. Kanter, Regulatory Analyst, ORA Energy Cost of Service & Natural Gas Branch

J. Montero, Financial Examiner, ORA Water Branch

File No. : S-2559

Subject: Office of Ratepayer Advocates: Estimates of Non-labor and Wage Escalation Rates for 2016 through 2020 from the October 2016 IHS Global Insight U.S. Economic Outlook

The purpose of the monthly Escalation Memorandum is to inform division management of the trends in the general price level of utility non-labor expenses and wage contracts. Data are provided for 13 years, which include eight historic years, the estimated current year, and four forecasted years.

The following table summarizes the major changes in forecasted labor and non-labor inflation for years 2016 through 2020. Data for 2015 are provided as benchmarks. The factors for September 2016 are presented for comparison.

	FORECASTED INFLATION			
	Labor		Non-labor	
	<u>10/16</u>	<u>09/16</u>	<u>10/16</u>	<u>09/16</u>
2015	1.6%	1.6%	-2.8%	-2.8%
2016	0.1%	0.1%	-1.3%	-1.2%
2017	1.3%	1.3%	2.0%	1.8%
2018	2.5%	2.3%	2.0%	1.6%
2019	2.4%	2.1%	2.4%	2.2%
2020	2.6%	2.6%	1.9%	1.9%
Compounded	11.0%	10.4%	4.2%	3.4%

A more extensive explanation of the derivation and use of the above factors and a complete presentation of the escalation factors from 2008 through 2020 are provided in the attached appendix.

APPENDIX: EXPLANATION OF ESCALATION RATES

The recommended NON-LABOR ESCALATION RATES for 2016 through 2020 are presented in Table A. The values for 2008 through 2015 are provided for comparison.

TABLE A

Year	Non-Labor Inflation Rate*
2008	6.2%
2009	-3.6%
2010	4.8%
2011	5.5%
2012	0.7%
2013	0.5%
2014	0.9%
2015	-2.8%
2016	-1.3%
2017	2.0%
2018	2.0%
2019	2.4%
2020	1.9%

* Revised 07/17/97 based on 1995 re-weighted purchases. [Source: BLS, Supplement to Producer Price Indexes, 1995, Table 12]

These escalation rates represent the calendar year average, or alternatively stated, the 12-month-ended spot rate at mid-year. These price factors have not been adjusted for real growth of expensed materials and services. The escalation factors are generated from a composite index of 10 Wholesale Price Indexes (WPI) for materials and supplies expenses and the CPI-U weighted 5% for services and consumer-related items. **These non-labor rates are not applicable to plant, contracted services, loans, insurance, rents, and pensions and other utility employee benefits.** Escalation of these expenses is addressed on pages 10-15 of D.04-06-018/R.03-09-005 (Water Rate Case Plan).

cc: M. Pocta D. Sanchez R. Kahlon C. Tang

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by expenditure category

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, September 2016 [1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Aug. 2016	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Sep. 2015	Aug. 2016	Sep. 2016	Sep. 2015-Sep. 2016	Aug. 2016-Sep. 2016	Jun. 2016-Jul. 2016	Jul. 2016-Aug. 2016	Aug. 2016-Sep. 2016
All items ⁽¹⁾⁽²⁾	100.000	237.945	(U) 240.849	241.428	1.5	(U) 0.2	(U) 0.0	(U) 0.2	(U) 0.3
Food	13.753	248.632	247.719	247.917	-0.3	0.1	0.0	0.0	0.0
Food at home	7.973	243.432	238.088	238.120	-2.2	0.0	-0.2	-0.2	-0.1
Cereals and bakery products	1.078	273.530	273.104	272.089	-0.5	-0.4	-0.2	0.0	0.1
Meats, poultry, fish, and eggs	1.780	263.227	246.547	246.642	-6.3	0.0	-0.6	-0.4	-0.2
Dairy and related products	0.811	222.310	215.506	216.693	-2.5	0.6	-0.4	0.0	0.1
Fruits and vegetables	1.342	295.394	292.156	293.423	-0.7	0.4	0.3	0.0	-0.3
Nonalcoholic beverages and beverage materials	0.957	168.054	167.044	166.573	-0.9	-0.3	0.3	-0.1	-0.4
Other food at home	2.005	210.659	209.761	209.426	-0.6	-0.2	-0.2	-0.2	0.1
Food away from home ⁽³⁾	5.781	257.830	263.649	264.102	2.4	0.2	0.2	0.2	0.2
Energy	7.064	201.641	193.524	195.852	-2.9	1.2	-1.6	0.0	2.9
Energy commodities	3.326	211.099	193.119	197.603	-6.4	2.3	-4.4	-0.9	5.5
Fuel oil ⁽³⁾	0.090	231.835	207.143	212.019	-8.5	2.4	-1.3	-2.5	2.4
Motor fuel	3.155	208.121	190.209	194.660	-6.5	2.3	-4.6	-0.9	5.7
Gasoline (all types)	3.108	207.239	189.375	193.817	-6.5	2.3	-4.7	-0.9	5.8
Energy services ⁽⁴⁾	3.738	201.575	202.521	202.941	0.7	0.2	1.0	0.8	0.7
Electricity ⁽⁴⁾	2.954	214.132	214.222	214.381	0.1	0.1	0.5	0.5	0.7
Utility (piped) gas service ⁽⁴⁾	0.784	161.189	164.715	165.881	2.9	0.7	3.1	2.1	0.8
All items less food and energy ⁽⁵⁾⁽⁶⁾	79.183	243.359	(U) 248.278	248.731	2.2	(U) 0.2	(U) 0.1	(U) 0.3	(U) 0.1
Commodities less food and energy commodities ⁽²⁾⁽⁶⁾	19.344	146.500	(U) 145.140	145.562	-0.6	(U) 0.3	(U) -0.1	(U) 0.1	(U) -0.1
Apparel	3.097	128.540	124.871	128.429	-0.1	2.8	0.0	0.2	-0.7
New vehicles	3.673	146.570	146.713	146.499	0.0	-0.1	0.2	0.0	-0.1
Used cars and trucks	2.098	148.520	144.858	142.482	-4.1	-1.6	-1.0	-0.6	-0.3
Medical care commodities ⁽⁹⁾⁽¹⁰⁾	1.859	355.746	(U) 372.106	374.142	5.2	(U) 0.5	(U) 0.5	(U) 1.4	(U) 0.6
Alcoholic beverages	0.948	239.287	242.009	242.614	1.4	0.2	-0.1	0.0	0.3
Tobacco and smoking products	0.657	938.348	969.004	970.921	3.5	0.2	-0.5	0.7	0.4
Services less energy services ⁽¹¹⁾⁽¹²⁾	59.839	302.663	(U) 311.746	312.205	3.2	(U) 0.1	(U) 0.2	(U) 0.3	(U) 0.2
Shelter	33.387	280.814	289.605	290.445	3.4	0.3	0.2	0.3	0.4
Rent of primary residence ⁽⁴⁾	7.769	288.306	297.916	298.962	3.7	0.4	0.3	0.3	0.3
Owners' equivalent rent of residences ⁽⁴⁾⁽¹³⁾	24.316	287.916	296.521	297.636	3.4	0.4	0.3	0.3	0.4
Medical care services ⁽¹⁴⁾⁽¹⁵⁾	6.681	476.466	(U) 499.187	499.483	4.8	(U) 0.1	(U) 0.5	(U) 1.0	(U) 0.0
Physicians' services ⁽⁴⁾	1.704	367.176	382.156	382.134	4.1	0.0	0.7	0.7	0.0
Hospital services ⁽⁴⁾⁽¹⁶⁾	2.236	289.134	305.972	306.404	6.0	0.1	0.4	1.7	0.0
Transportation services	5.865	289.576	298.876	298.129	3.0	-0.2	-0.2	0.1	0.0
Motor vehicle maintenance and repair ⁽³⁾	1.159	271.119	275.923	275.331	1.6	-0.2	0.2	0.0	-0.2

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by expenditure category

Motor vehicle insurance	2.419	462.467	491.047	492.119	6.4	0.2	0.4	0.5	0.4
Airline fare	0.632	274.897	268.040	267.457	-2.7	-0.2	-4.9	-0.1	0.4
Footnotes	Unadjusted indexes				Unadjusted percent change		Seasonally adjusted percent change		
(1) Revised seasonally adjusted index: May, 2016=239.403. Revised seasonally adjusted index: Jul, 2016=239.810. Associated calculations, including percent change, may also have changed.	Aug. 2016	Sep. 2015	Aug. 2016	Sep. 2016	Sep. 2015	Sep. 2016	Jun. 2016	Jul. 2016	Aug. 2016
(2) Revised index: May, 2016=240.229. Revised index: Jun, 2016=241.018. Revised index: Jul, 2016=240.028. Associated calculations, including percent change, may also have changed.									
(3) Not seasonally adjusted.									
(4) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.									
(5) Revised seasonally adjusted Index: May, 2016=247.064. Revised seasonally adjusted index: Jun, 2016=247.468. Revised seasonally adjusted index: Jul, 2016=247.689. Associated calculations, including percent change, may also have changed.									
(6) Revised index: May, 2016=247.544. Revised index: Jun, 2016=247.794. Revised index: Jul, 2016=247.744. Associated calculations, including percent change, may also have changed.									
(7) Revised seasonally adjusted index: May, 2016=145.604. Revised seasonally adjusted index: Jun, 2016=145.223. Revised seasonally adjusted index: Jul, 2016=145.022. Associated calculations, including percent change, may also have changed.									
(8) Revised index: May, 2016=146.230. Revised index: Jun, 2016=145.517. Revised index: Jul, 2016=144.832. Associated calculations, including percent change, may also have changed.									
(9) Revised seasonally adjusted index: May, 2016=361.801. Revised seasonally adjusted index: Jun, 2016=364.698. Revised seasonally adjusted index: Jul, 2016=366.473. Associated calculations, including percent change, may also have changed.									
(10) Revised index: May, 2016=361.866. Revised index: Jun, 2016=364.501. Revised index: Jul, 2016=366.784. Associated calculations, including percent change, may also have changed.									
(11) Revised seasonally adjusted index: May, 2016=309.423. Revised seasonally adjusted index: Jun, 2016=310.385. Revised seasonally adjusted index: Jul, 2016=310.861. Associated calculations, including percent change, may also have changed.									
(12) Revised index: May, 2016=309.770. Revised index: Jun, 2016=310.680. Revised index: Jul, 2016=311.072. Associated calculations, including percent change, may also have changed.									
(13) Indexes on a December 1982=100 base.									
(14) Revised seasonally adjusted index: May, 2016=492.084. Revised seasonally adjusted index: Jun, 2016=492.975. Revised seasonally adjusted index: Jul, 2016=495.674. Associated calculations, including percent change, may also have changed.									
(15) Revised index: May, 2016=493.270. Revised index: Jun, 2016=493.438. Revised index: Jul, 2016=495.431. Associated calculations, including percent change, may also have changed.									
(16) Indexes on a December 1996=100 base.									
(r) Revised									
NOTE: Index applies to a month as a whole, not to any specific date.									

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U.S. Bureau of Labor Statistics | Division of Consumer Prices and Price Indexes, PSB Suite 3130, 2 Massachusetts Avenue, NE Washington, DC 20212-0001
www.bls.gov/CPI | Telephone: 1-202-691-7000 | [Contact CPI](#)

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT E

**ADVICE LETTER 498
ATTACHMENT E
BILL COMPARISON**

BILL COMPARISON UNIFORM RATES

Bill Comparison Uniform Rates 3/4-Inch Meter					
Usage (ccf)	Current Rates AL 489/490	Proposed Rates AL 498	Increase	Increase	Increase
5	\$48.64	\$50.58	3.99%	\$1.94	
10	\$73.30	\$76.15	3.89%	\$2.85	
Average: 15	\$97.96	\$101.71	3.83%	\$3.75	
20	\$122.62	\$127.28	3.80%	\$4.66	
30	\$171.94	\$178.41	3.76%	\$6.47	
50	\$270.58	\$280.67	3.73%	\$10.09	
100	\$517.17	\$536.31	3.70%	\$19.14	

BILL COMPARISON RESIDENTIAL TIERED RATES

Tiered Rate Bill Comparison 3/4-Inch Meter					
Usage (ccf)	Current Rates AL 489/490	Proposed Rates AL 498	Increase	Increase	Increase
5	\$47.29	\$49.18	4.00%	\$1.89	
10	\$71.95	\$74.74	3.88%	\$2.79	
Average: 15	\$96.61	\$100.31	3.83%	\$3.70	
20	\$122.17	\$126.81	3.80%	\$4.64	
30	\$176.00	\$182.63	3.77%	\$6.63	
50	\$283.65	\$294.27	3.74%	\$10.62	
100	\$552.79	\$573.36	3.72%	\$20.57	

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 498

ATTACHMENT F

A copy of Advice Letter No. 498 has been sent to the following municipalities, water companies and interested parties:

City of San Jose
Municipal Water Dept.
Attn: Mansour Nasser
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: Director of Public Works
18014 Saratoga-Los Gatos Road
Monte Sereno, CA 95030

City of Campbell
70 North First Street
Campbell, CA 95008

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

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

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

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

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

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

James M. Fiedler P.E., D. WRE
Chief Operating Officer
Water Utility Enterprises
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

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

Bob Burke
Regulatory Liaison For The Six
Mutual Water Companies
420 Alberto Way, Unit 49
Los Gatos, Ca 95032

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

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

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

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

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

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

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

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

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

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

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

James Hunter
6475 Dwyer Street
San Jose, CA 95120

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

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

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.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.2210	(I)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	I
For Total Monthly Usage over 18 Ccf.	\$5.1590	(I)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.6900	(I)
--	----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 25.02	(I)
For 3/4-inch meter	\$ 25.02	I
For 1-inch meter	\$ 41.66	I
For 1-1/2-inch meter	\$ 83.36	I
For 2-inch meter	\$ 133.41	I
For 3-inch meter	\$ 250.12	I
For 4-inch meter	\$ 416.87	I
For 6-inch meter	\$ 833.73	I
For 8-inch meter	\$ 1333.98	I
For 10-inch meter	\$ 1917.62	(I)

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.

(Continued)

(To be inserted by utility)

Issued by

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

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PALLE JENSEN

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Senior Vice President,

Effective 1-1-2017

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH
AUTOMATIC FIRE SPRINKLER SYSTEM

APPLICABILITY

Applicable to all detached single family structures whose automatic fire sprinkler system is served through the meter providing residential water service.

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.

RATES

Quantity Rate Per 100 cu. ft. (Ccf):

Residential Customers with 5/8 x 3/4-inch, 3/4-inch, 1-inch, 1 1/2-inch or 2-inch meter

For Total Monthly Usage from 0 to 3 Ccf.	\$4.2210	(l)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	|
For Total Monthly Usage over 18 Ccf.	\$5.1590	(l)

All Other Customers

For all water delivered, per 100 cu. ft.	\$4.6900	(l)
--	----------	-----

Service Charges:

Per Meter Per Month

All Customers:

For 5/8 x 3/4-inch meter	\$ 25.02	(l)
For 3/4-inch meter	\$ 25.02	|
For 1-inch meter	\$ 41.66	|
For 1-1/2-inch meter	\$ 83.36	|
For 2-inch meter	\$ 133.41	|
For 3-inch meter	\$ 250.12	(l)

Upsize Charges:

For 1/4-inch meter upsize	\$ 1.51
or 1/2-inch meter upsize	\$ 3.01
For 3/4-inch meter upsize	\$ 4.52
For 1-inch meter upsize	\$ 6.03
For 1-1/2-inch meter upsize	\$ 9.05

(Continued)

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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.	\$4.2210	(I)
For Total Monthly Usage from 4 to 18 Ccf.	\$4.6900	I
For Total Monthly Usage for 19 to 20 Ccf.	\$5.1590	(I)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

All Other Customers(subject to Special Condition 5)

For Total Monthly Usage from 0 to 20 Ccf.	\$4.6900	(I)
For Total Monthly Usage over 20 Ccf.	\$7.0000	

Service Charges:

Per Meter Per Month

For 3/4-inch meter	\$ 25.02	(I)
For 1-inch meter	\$ 41.66	I
For 1-1/2-inch meter	\$ 83.36	I
For 2-inch meter	\$ 133.41	I
For 3-inch meter	\$ 250.12	I
For 4-inch meter	\$ 416.87	I
For 6-inch meter	\$ 833.73	I
For 8-inch meter	\$ 1333.98	I
For 10-inch meter	\$1917.62	(I)

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 \$2.0033 per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.
- All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(Continued)

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Effective 1-1-2017

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 4

PRIVATE FIRE SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

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.

RATES

Per Service Connection
Per Month

For each 2-inch service	\$25.37	(1)
For each 3-inch service	38.03	|
For each 4-inch service	50.71	|
For each 6-inch service	76.09	|
For each 8-inch service	101.43	|
For each 10-inch service	126.80	|
For each 12-inch service	152.15	(1)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal service, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall then be installed by the utility and the cost paid by applicant. Such payment shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

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TITLE

Schedule No. RW

RAW WATER SERVICE

APPLICABILITY

Applicable to raw water metered service.

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.

RATES

Quantity Rate:			
Per 100 cu. ft.	.....	\$4.4604	(l)
Service Charges:		Per Meter Per Month	
For 5/8 x 3/4-inch meter	.....	\$ 25.02	(l)
For 3/4-inch meter	.....	\$ 25.02	|
For 1-inch meter	.....	\$ 41.66	|
For 1-1/2-inch meter	.....	\$ 83.36	|
For 2-inch meter	.....	\$ 133.41	|
For 3-inch meter	.....	\$ 250.12	|
For 4-inch meter	.....	\$ 416.87	|
For 6-inch meter	.....	\$ 833.73	|
For 8-inch meter	.....	\$ 1333.98	|
For 10-inch meter	.....	\$ 1917.62	(l)

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

1. The customer is responsible for notice of and compliance with all local, state, and federal rules and regulations that apply from time to time to the use of raw water, as defined in San Jose Water Company's Rule 1.
2. The customer must provide and/or contribute all facilities needed to transport the water from its source to the customer's point of service in accordance with the utility's Rule 15.

(Continued)

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TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE

APPLICABILITY

Applicable to all recycled water metered service.

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.

RATES

Quantity Rate:

Currently effective quantity rate as reflected in "Schedule No. 1, General Metered Service" less the treated water surcharge currently added to potable deliveries from the Santa Clara Valley Water District and less any applicable discount from the South Bay Water Recycling Program.

Service Charges:

Currently effective monthly service charge for the applicable meter size as reflected in "Schedule No. 1, General Metered Service".

SPECIAL CONDITIONS

- For the purposes of this tariff a well user is defined as a customer of the Santa Clara Valley Water District who procures his/her non-potable supply from an on-site well as of the first effective date of this tariff. The service charge for well users will be in accordance with the following schedule:

<u>Meter Size</u>	<u>Per Meter Per Month</u>	
2-inch	\$31.15	(1)
3-inch	\$41.53	|
4-inch	\$46.72	|
6-inch	\$77.87	|
8-inch	\$93.45	|
10-inch	\$145.36	(1)

The monthly service charge will change in an amount equal to changes in the monthly service charge for similarly sized meters under "Schedule No. 1, General Metered Service". In addition to the service charge, such customers will be charged for the quantity of recycled water used at that site in the same amount billed to San Jose Water Company by the South Bay Water Recycling Program.

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Regulatory Affairs

Effective 1-1-2017

Resolution No. _____

TITLE

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No. 2 - Description of Service	525-W	
No. 3 - Application for Service	351-W and 903-W	
No. 4 - Contracts	352-W	
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No. 9 - Rendering and Payment of Bills	996-W, 997-W and 1146-W	

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