



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

January 21, 2020

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

Advice Letter No. 544

To Whom It May Concern:

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

<u>Cal. P.U.C Sheet No.</u>	<u>Title of Sheet</u>	<u>Cancelling Cal. P.U.C. Sheet No.</u>
2032-W	Preliminary Statement (Continued)	2008-W
2033-W	Preliminary Statement (Continued)	1420-W
2034-W	Preliminary Statement (Continued)	1889-W
2035-W	Preliminary Statement (Continued)	1427-W
2036-W	Preliminary Statement (Continued)	1469-W
2037-W	Preliminary Statement (Continued)	1492-W
2038-W	Preliminary Statement (Continued)	1799-W
2039-W	Preliminary Statement (Continued)	1818-W
2040-W	Preliminary Statement (Continued)	1990-W
2041-W	Preliminary Statement (Continued)	1991-W
2042-W	Preliminary Statement (Continued)	1988-W
2043-W	Schedule 1 General Metered Service (Continued)	1992-W
2044-W	Schedule 1B General Metered Service With Automatic Fire Sprinkler System (Continued)	1993-W
2045-W	Schedule 1C General Metered Service Mountain District (Continued)	1994-W
2046-W	Schedule RW Raw Water Metered Service (Continued)	1996-W
2047-W	Schedule RCW Recycled Water Metered Service (Continued)	1958-W
2048-W	Schedule RCW Recycled Water Metered Service (Continued)	1997-W
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Purpose

Advice Letter 544 requests the California Public Utilities Commission's authorization ("Commission") to open the 2018 Tax Accounting Balancing Account, close the 2018 Tax Accounting Memorandum Account, and transfer the balance of \$6,624,690 in the memorandum account into the newly created balancing account for amortization. This request complies with Order Paragraph No. 3 of Resolution W-5213 (Attachment A) approved by the Commission on January 16, 2020, which states:

3. San Jose Water Company shall file a Tier 1 advice letter within five days of the effective date of this Resolution to open a 2018 Tax Accounting Balancing Account, close the 2018 Tax Accounting Memorandum Account, and transfer the balance authorized in Ordering Paragraph No. 1 to the 2018 Tax Accounting Balancing Account for amortization. At the end of the amortization period any remaining over or under refunded balance shall be addressed in the context of San Jose Water Company's Test Year 2022 general rate case.

SJWC also requests the Commission's authorization to delete expired items and accounts, add one item, and renumber the remaining items in its Preliminary Statement as follows:

- N. Conservation OII Legal and Regulatory Expense Memorandum Account (deletion)
- P. Cost of Capital Tracking Memorandum Account (deletion)
- R. Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 Memorandum Account (deletion)
- S. 2012 Cost of Capital Memorandum Account (deletion)
- T. 2016 GRC Interim Rates Memorandum Account (deletion)

Additionally, SJWC requests the Commission's authorization to delete the special conditions for the 2019 Memorandum and Balancing Accounts surcharges as authorized in D.18-11-025 and Advice Letter 528-A in its billing schedules. These memorandum and balancing account surcharges expired on December 31, 2019.

Background

On October 18, 2019, SJWC filed Advice Letter No. 537, pursuant to Decision 18-11-025, requesting authorization to refund the amount recorded in the 2018 Tax Accounting Memorandum Account ("TAMA") for the period January 1, 2018 through December 31, 2018 capturing the reduction in the corporate tax rate from 35% to 21% as a result of the Tax Cuts and Jobs Act. On December 3, 2019, supplemental Advice Letter No. 537A was filed to change the amortization from twelve months to a one-time credit. The Preliminary Statement was updated to delete the 2018 Tax Accounting Memorandum Account.

The TAMA amount approved for amortization is \$6,624,690. This balance will be refunded to customers via a one-time surcredits based on meter size as follows:

Meter Size	One-time Surcredit
5/8 x 3/4	\$20.84
3/4	\$20.84
1	\$34.73
1-1/2	\$69.46
2	\$111.13
3	\$208.37
4	\$347.28
6	\$694.55
8	\$1111.29
10	\$1597.47

Effective Date

Per Ordering Paragraph No. 2 of Resolution W-5213, the tariff sheets filed in Advice Letter 537A are effective five days following the effective date of this resolution or on January 21, 2020.

Protests and Responses

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

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

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

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

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

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

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

The present rates of the SJWC became effective on January 1, 2020, by Advice Letter No. 541. SJWC has Advice Letters 541 and 542 pending before the Commission.

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

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

Very truly yours,

/S/ JOHN TANG

JOHN TANG
Vice President of Regulatory Affairs
Enclosure

Index of Workpapers

Attachment A

Resolution W-5213

Attachment B

Service List

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 544

ATTACHMENT A

DATE OF ISSUANCE: 01/21/2020

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

**RESOLUTION W-5213
January 16, 2020**

RESOLUTION

**(RES. W-5213) SAN JOSE WATER COMPANY (SJWC).
ORDER AUTHORIZING SJWC TO REFUND FOR 2018 THE
AMOUNT OF \$6,624,690, OR 1.75% OF AUTHORIZED
REVENUES, CONTAINED IN ITS 2018 TAX ACCOUNTING
MEMORANDUM ACCOUNT RELATED TO THE
REDUCTION IN THE FEDERAL CORPORATE INCOME
TAX RATE IN THE TAX CUTS AND JOBS ACT.**

**By Advice Letter No. 537 filed on October 18, 2019 & Advice
Letter No. 537A filed on December 3, 2019**

SUMMARY

This Resolution grants San Jose Water Company' (SJWC) request in Advice Letter No. 537 & 537A, the authority to refund the over collected amount of \$6,624,690 for the period January 1, 2018 through December 31, 2018, or 1.75% of authorized revenues, recorded in the 2018 Tax Accounting Memorandum Account (TAMA). The balance is associated with changes in tax expenses resulting from Tax Cut and Jobs Act signed into law December 22, 2017 that among other matters reduced the federal corporate tax rate from 35% to 21% effective January 1, 2018. The TAMA should be closed and the balance transferred to a 2018 Tax Accounting Balancing Account to amortize the refund.

The 2018 balance in the TAMA will be refunded as a one-time bill credit based on the customer's meter size. The bill credit is effective beginning on January 21, 2020 as shown below. Any over or under refunded balance in the 2018 Tax Accounting Balancing Account once the amortization period concludes should be addressed in the context of SJWC's 2022 Test Year general rate case.

WD

-Metered Service:

Meter Size	One-time Surcredit
5/8 x 3/4	\$20.84
3/4	\$20.84
1	\$34.73
1-1/2	\$69.46
2	\$111.13
3	\$208.37
4	\$347.28
6	\$694.55
8	\$1111.29
10	\$1597.47

BACKGROUND

On December 22, 2017, the Tax Cuts and Jobs Act (TCJA) was signed into law which reduced the federal corporate income tax rate from 35% to 21% effective for the tax year beginning January 1, 2018.

On the same day, the California Public Utilities Commission (Commission) Water Division sent a letter to all Class A and B Water and Sewer utilities under its jurisdiction ordering the utilities to file Tier 1 advice letters to establish a memorandum account to track the impact of the TCJA on a Commission-jurisdictional revenue requirement not otherwise reflected in rates.

In compliance with the Commission's letter, on December 28, 2017, SJWC filed Advice Letter No. 515 to establish and implement the 2018 Tax Accounting Memorandum Account (TAMA), which became effective on January 1, 2018.

SJWC and the Public Advocates' Office filed in their joint partial settlement the requirements in Paragraph G.7 of Attachment A to D.18-11-025, which states that: "For the purpose of settlement, the parties agree that the account [TAMA] should be kept open until three months following a final decision in this proceeding if IRS guidance is issued before such time, or until such guidance has been issued, but no later than ten days following the date that SJWC makes its 2018 tax year filing with the IRS."

WD

On December 4, 2018, the Commission issued D.18-11-025, concluding SJWC's GRC A.18-01-004. In Advice Letter 537A, SJWC requests authorization to transfer the balance for 2018 in the TAMA to a balancing account, refund the over collection in the account via a one-time surcredit, and close the TAMA as established in the Partial Settlement Agreement approved by the Commission in D.18-11-025. Advice letter 537, submitted on October 18, 2019, originally requested that the balance of the over collection in the TAMA be amortized over twelve months.

NOTICE AND PROTESTS

In accordance with General Rules 4.3 and 7.2 and Water Industry Rule 4.1 of General Order 96-B, SJWC served copies of Advice Letters 537 & 537A to adjacent utilities and other parties requesting such notification on October 18, 2019 and December 3, 2019. In accordance with Water Industry Rule 3.3 (*id.*), SJWC also posted the advice letter on its website.

No protests were received in response to the filing of Advice Letters No. 537 & 537A

DISCUSSION

Water Division reviewed copies or the original supporting workpapers from SJWC and verified the TAMA balance is \$6,500,127 and including interest the total amount of over collection is \$6,624,690.

Water Division reviewed the accuracy of the calculations for the surcredits. SJWC properly calculated the one-time surcredits based on adopted customer counts and meter size from D.18-11-025.

We concur with Water Division's findings that the TAMA balance and surcredits are accurate and conclude SJWC's request to refund the 2018 excess taxes from the TAMA as a one-time surcredit is reasonable.

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AFFORDABILITY OF PROPOSED RATES

A typical residential customer in SJWC's Service Area with a 3/4" meter will receive a one-time surcredit of \$20.84. All other customers will receive a one-time surcredit in accordance with the meter size.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code section 311(g)(2) the otherwise applicable 30-day period for public review and comment is waived.

FINDINGS AND CONCLUSIONS

1. On October 18, 2019, San Jose Water Company (SJWC) filed Advice Letter No. 537, pursuant to Decision (D.) 18-11-025, requesting to refund the amount recorded in the 2018 Tax Accounting Memorandum Account (TAMA) for the period January 1, 2018 through December 31, 2018 from a reduction in the corporate tax rate from 35% to 21% as a result of the Tax Cuts and Jobs Act.
2. On December 3, 2019, San Jose Water Company filed a supplemental Advice Letter No. 537A changing the amortization from twelve months to a one-time credit.
3. The amount requested for amortization is \$6,624,690. This balance will be refunded to customers via a one-time surcredit based on meter size.
4. The one-time surcredits to amortize the net amount in the TAMA are as follows:

Metered Service:

Meter Size	One-time Surcredit
5/8 x 3/4	\$20.84
3/4	\$20.84
1	\$34.73
1-1/2	\$69.46
2	\$111.13
3	\$208.37
4	\$347.28
6	\$694.55
8	\$1111.29
10	\$1597.47

5. The TAMA tracks the impact of the Tax Cuts and Jobs Act on Commission-jurisdictional revenue requirement not otherwise reflected in rates.
6. No protests were received for Advice Letters No. 537 & 537A
7. Water Division finds the balance in the TAMA and the resulting one-time surcredits to be reasonable.

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THEREFORE, IT IS ORDERED THAT:

1. San Jose Water Company is authorized to refund the excess tax expense for 2018 tracked in the 2018 Tax Accounting Memorandum Account, a total of \$6,624,690, for the period January 1, 2018 through December 31, 2018 through a one-time surcredit based on meter size as follows:

Metered Service:

Meter Size	One-time Surcredit
5/8 x 3/4	\$20.84
3/4	\$20.84
1	\$34.73
1-1/2	\$69.46
2	\$111.13
3	\$208.37
4	\$347.28
6	\$694.55
8	\$1111.29
10	\$1597.47

2. The tariff sheets filed with Advice Letter No. 537A and attached to this Resolution (Attachment 1) reflecting the one-time surcredits authorized in Ordering Paragraph 1 are approved effective five days following the effective date of this Resolution.
3. San Jose Water Company shall file a Tier 1 advice letter within five days of the effective date of this Resolution to open a 2018 Tax Accounting Balancing Account, close the 2018 Tax Accounting Memorandum Account, and transfer the balance authorized in Ordering Paragraph No. 1 to the 2018 Tax Accounting Balancing Account for amortization. At the end of the amortization period any remaining over or under refunded balance shall be addressed in the context of San Jose Water Company's Test Year 2022 general rate case.

WD

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 16, 2020; the following Commissioners voting favorably thereon:

/s/ALICE STEBBINS

ALICE STEBBINS

Executive Director

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

**San Jose Water Company
Advice Letter Nos. 537 and 537-A
Attachment 1**

**PRELIMINARY STATEMENT
(Continued)**

X.	SRF Loan I Balancing Account	(D) (R)
	1. Purpose	|
	The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan I and the payments of principal and interest for the Safe Drinking Water State Revolving Fund (SDWSRF) loan pursuant to D.03-07-013 dated July 10, 2003	|
	2. Applicability	|
	The SRF Loan I Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan I.	|
	3. Definitions	|
	a. <u>Recorded SFR Loan I Surcharge Revenue</u> are revenues recorded for the SFR Loan I Surcharge authorized per D.03-07-013, D.04-08-022 and Advice Letters 364A and 452.	|
	b. <u>Payments of Principal and Interest for SFR Loan I</u> are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.03-07-013 and D.04-08-022	|
	4. Accounting Procedure	|
	a. The following entries will be recorded monthly in the SRF Loan I Balancing Account:	|
	1. Recorded Revenue from SFR Loan I Surcharges.	|
	2. Recorded Principal and Interest Payments made by SJWC for SRF Loan I	|
	3. Total net SFR Loan I Account balance = (1) minus (2)	|
	4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.	|
	b. The Company will record the accumulated SRF Loan I balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.	|
	c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.	|

WD

PRELIMINARY STATEMENT
(Continued)

X.	SRF Loan I Balancing Account	(R)
	(Continued)	|
	5. Disposition	|
	When the accumulated balance for the SRF Loan I Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge I surcharge and file an advice letter to remove the SRF Loan I surcharge authorized in AL 452 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case.	| (R)
Y.	SRF Loan II Balancing Account	(R)
	1. Purpose	|
	The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan II and the payments of principal and interest for the Safe Drinking Water Sate Revolving Fund (SDWSRF) loan pursuant to D.05-01-048 dated January 27, 2005.	|
	2. Applicability	|
	The SRF Loan II Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan II.	|
	3. Definitions	|
	a. <u>Recorded SFR Loan II Surcharge Revenue</u> are revenues recorded for the SFR Loan II Surcharge authorized per D.05-01-048 and Advice Letters 395.	|
	b. <u>Payments of Principal and Interest for SFR Loan II</u> , are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.05-01-048.	|
	4. Accounting Procedure	|
	a. The following entries will be recorded monthly in the SRF Loan II Balancing Account:	|
	1. Recorded Revenue from SFR Loan II Surcharges.	|
	2. Recorded Principal and Interest Payments made by SJWC for SRF Loan II	|
	3. Total net SFR Loan II Account balance = (1) minus (2)	|
	4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.	|
	b. The Company will record the accumulated SRF Loan II balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.	|
	c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.	|
	5. Disposition	|
	When the accumulated balance for the SRF Loan II Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge II surcharge and file an advice letter to remove the SRF Loan II surcharge authorized in AL 395 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case.	 (R)

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Schedule No. 1

GENERAL METERED SERVICE
(Continued)

- 6. To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.
- 7. To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

(D)

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

(N)

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

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Schedule No. 1C

GENERAL METERED SERVICE
Mountain District
(Continued)

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

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

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

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

9. To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

10. To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.

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

			Surcredit:	|
For	3/4-inch meter	.....	20.84	|
For	1-inch meter	.....	34.73	|
For	1-1/2-inch meter	.....	69.46	|
For	2-inch meter	.....	111.13	|
For	3-inch meter	.....	208.37	|
For	4-inch meter	.....	347.28	|
For	6-inch meter	.....	694.55	|
For	8-inch meter	.....	1111.29	|
For	10-inch meter	.....	1597.47	(N)

Schedule No. 4

PRIVATE FIRE SERVICE
(Continued)

SPECIAL CONDITIONS

4. For water delivered for other than fire protection purposes, charges shall be made under Schedule No. 1, General Metered Service.
5. The utility undertakes to supply only such water at such pressure as may be available any time through the normal operation of its system. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding the provision or maintenance of an adequate water supply, water pressure, equipment or other fire protection facility or service. Acceptance of service under this tariff is acknowledgment of notice of the provisions of Section 774 of the Public Utilities Code.
6. The minimum diameter for fire protection service shall be two inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(D)

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

(N)

		Surcredit:	
For	2-inch meter	\$21.12	|
For	3-inch meter	26.39	|
For	4-inch meter	36.95	|
For	6-inch meter	58.07	
For	8-inch meter	73.91	
For	10-inch meter	95.02	
For	12-inch meter	116.14	(N)

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Schedule No. RW			
RAW WATER METERED SERVICE			
(Continued)			
7.	To amortize the under-collection in Balancing Accounts, a surcharge of \$0.2961 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.		
8.	To amortize the under-collection of the Memorandum Accounts, a surcharge of \$0.2954 per 100 cu.ft is to be added to the Quantity rate shown for a 12 month period or until collected beginning with the effective date of Advice Letter 528.		(D)
9.	To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:		(N)
		Surcredit:	|
	For 5/8 x 3/4-inch meter	\$20.84	|
	For 3/4-inch meter	20.84	|
	For 1-inch meter	34.73	|
	For 1-1/2-inch meter	69.46	|
	For 2-inch meter	111.13	|
	For 3-inch meter	208.37	|
	For 4-inch meter	347.28	|
	For 6-inch meter	694.55	|
	For 8-inch meter	1111.29	|
	For 10-inch meter	1597.47	(N)

WD

Schedule No. RCW			
<u>RECYCLED WATER METERED SERVICE</u>			
(Continued)			
10.	To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:		(D) (N) | | |
	<u>Piped Supply</u>	Surcredit:	|
	For 3/4-inch meter	\$20.84	|
	For 1-inch meter	34.73	|
	For 1-1/2-inch meter	69.46	|
	For 2-inch meter	111.13	|
	For 3-inch meter	208.37	|
	For 4-inch meter	347.28	|
	For 6-inch meter	694.55	|
	For 8-inch meter	1111.29	|
	For 10-inch meter	1597.47	|
	<u>Well Supply</u>	Surcredit:	|
	For 2-inch meter	\$17.20	|
	For 3-inch meter	22.94	|
	For 4-inch meter	25.80	
	For 6-inch meter	43.02	
	For 8-inch meter	51.62	
	For 10-inch meter	80.29	(N)

WD

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Schedule No. 1C, General Metered Service Mountain District	1951-W, 1952-W, 1884-W and 1994-W
Schedule No. 4, Private Fire Service	1954-W and 1995-W
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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)	

End of Attachment 1

**San Jose Water Company
Advice Letter No. 537 and 537-A
Service List**

Richard Smith

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Richard Rauschmeier

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Public Advocates Office

PublicAdvocatesOffice@cpuc.ca.gov

SAN JOSE WATER COMPANY

ADVICE LETTER NO. 544

ATTACHMENT B

A copy of Advice Letter No. 544 has been sent to the following municipalities, water companies and interested parties:

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

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

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

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

City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

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

City of Campbell
70 North First Street
Campbell, CA 95008

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WRATES
Rita Benton
18555 Ravenwood Drive
Saratoga, CA 95070

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

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

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

James Hunter
6475 Dwyer Street
San Jose, CA 95120

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

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

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

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

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

PRELIMINARY STATEMENT
(Continued)

I. Water Revenue Adjustment Mechanism (WRAM) Balancing Account

(L)

1. Purpose

The purpose of the WRAM Balancing Account is to track differences between recorded quantity rate water revenues received under tiered rates to the equivalent rate revenues received if San Jose Water Company had single quantity rates, known as uniform rates, for residential customers. The Commission has determined that the accounting mechanism is appropriate in coordination with a trial program of increasing block rate structures and increased conservation activities.

2. Applicability

The WRAM Balancing Account is applicable to all areas served.

3. Definitions

a. Non-WRAM revenue is all revenue excluded from the WRAM account, including metered service charges, residential quantity charges billed at the uniform rate, non residential quantity charges, and public and private fire protection service and other unmetered miscellaneous revenue. In addition, surcharges and surcredits, unless specifically included in adopted revenue requirement, will be excluded from WRAM tracking.

b. WRAM-eligible revenue is all revenue not excluded in 3.a, above. Generally, WRAM eligible revenue results from potable quantity charges to residential customers being charged tiered rates and not uniform rates.

(To be inserted by utility)

Issued by

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

Advice No. 544

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

I. Water Revenue Adjustment Mechanism Balancing Account (L)
(Continued)

- c. Recorded WRAM-eligible revenue is the amount of residential tiered usage-related revenue billed to qualifying customers in a particular period.
- d. Adopted WRAM-eligible revenue is the amount of residential tiered rate quantity related revenue calculated at uniform rates using actual quantity billed.

4. Accounting Procedure

- a. The following entries will be recorded monthly in the WRAM:
 - 1. Recorded WRAM-eligible revenue.
 - 2. Adopted WRAM-eligible revenue.
 - 3. Total net WRAM balance = (1) minus (2)
 - 4. A negative (-) balance in the memorandum account reflects a utility over collection to be refunded, while a positive balance reflects a utility under collection to be recovered in rates.
- b. The Company will record the accumulated WRAM balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

If the accumulated balance for the WRAM exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in San Jose's next General Rate Case. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

J. Pension Expense Balancing Account (L)

1. Purpose

The purpose of the Pension Expense Balancing Account is to track differences between recorded cash Contributions to the San Jose Retirement Plan with San Jose Water Company's recovery of this expense for ratemaking purposes capped at the level of pension expense calculated according to the method prescribed by Statement of Financial Accounting Standards #87 for each concurrent year.

2. Applicability

The Pension Expense Balancing Account is applicable to all pension expenses.

3. Definitions

- a. Recorded Cash Contributions to Retirement Plan are all recorded payments made to San Jose Water Company's Pension Plan Expenses capped at the level of pension expense calculated according to the method prescribed by Statement of Financial Accounting Standards Number 87 for each concurrent year.
- b. Authorized Pension Expense for Ratemaking Purposes are the authorized amounts included for ratemaking purposes per D.18-11-025.

4. Accounting Procedure

- a. The following entries will be recorded monthly in the Pension Balancing Account:
 - 1. Recorded Cash Contributions to Retirement Plan.
 - 2. Authorized Pension Expense for Ratemaking Purposes
 - 3. Total net Pension Balancing Account balance = (1) minus (2)
 - 4. A negative (-) balance in the memorandum account reflects a utility over collection to be refunded, while a positive balance reflects a utility under collection to be recovered in rates.

(To be inserted by utility)

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Advice No. 544

JOHN TANG

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Effective _____

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Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

J. Pension Expense Balancing Account (L)
(Continued)

- b. The Company will record the accumulated Pension balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition
If the accumulated balance for the Pension Balancing Account exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. If the cumulative 2% threshold is not met, the balance in the account will be amortized in San Jose's next General Rate Case. The recovery of under-collections or refunds of over-collections will be passed on to the customers through volumetric surcharges or surcredits.

K. Cost of Capital Memorandum Account (L)

1. Purpose
The purpose of the Cost of Capital Memorandum Account is to track difference between current rates based on San Jose most recently authorized cost of capital, and rates based on the new cost of capital to be adopted in a final decision in A. 17-04-001. This Memorandum Account is established in accordance with ALJ ruling in A.17-04-001, dated February 21,2018.

2. Applicability
The Cost of Capital Memorandum Account is applicable to all areas served

- 3. Definitions
 - a. Revenues based on rates based on currently authorized cost of capital are actual revenues derived using currently authorized tariffs.
 - b. Revenues based on rates based on proposed cost of capital are actual revenues computed using the proposed cost of capital filed in A.17-04-001.

- 4. Accounting Procedure
 - a. The following entries will be recorded monthly in the Cost of Capital Memorandum Account:
 - 1. Actual revenue based on rates based on currently authorized cost of capital.
 - 2. Actual revenue based on rates based on proposed cost of capital.
 - 3. Total net Cost of Capital Memorandum Account balance = (1) minus (2)
 - 4. A positive (+) balance in the memorandum account reflects a utility over collection to be refunded, while a negative balance reflects a utility under collection to be recovered in rates.
 - b. The Company will record the accumulated Cost of Capital balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
 - c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition
After the Commission adopts a final cost of capital for A. 17-04-001, the memorandum account will be adjusted to reflect the actual difference and disposed via and advice letter filing in a surcharge or surcredit.

(To be inserted by utility)

Issued by

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

Advice No. 544

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

L. Operational Energy Efficiency Program Memorandum Account (OEEPMA)

(L)

1. Purpose

The purpose of the Operational Energy Efficiency Program Memorandum Account (OEEPMA) is to track the Operational Energy Efficiency Program (OEEP) project expenditures incurred by SJWC and any reimbursements received from Pacific Gas and Electric Company.

2. Accounting Procedure

SJWC shall track all OEEP related costs paid by SJWC including the cost of equipment, outside contractors, software, and administrative support. OEEP administrative support is shared equally between California American Water Company, California Water Service, Golden State Water Company, and San Jose Water Company. SJWC shall also track any reimbursement for OEEP related costs paid by Pacific Gas and Electric Company.

A debt entry will be created each month to record costs. A credit entry will be created each month for any reimbursements.

Interest shall accrue to the OEEPMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery of the OEEPMA in its next general rate case or through a Tier 3 advice letter filing.

4. Effective Date

The OEEPMA is effective as of November 23, 2009.

(D)

(To be inserted by utility)

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

Advice No. 544

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

M. Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) (L)

1. Purpose

The purpose of the Pressure-Reducing Valve Modernization and Energy Recovery Memorandum Account (PRVMA) is to track all of the costs associated with the Research, Development and Demonstration of SJWC's electrical regenerative flow control valve project.

2. Accounting Procedure

SJWC shall track all PRVMA related costs paid by SJWC including, but not limited to, the cost of engineering and design, equipment, installation, outside contractors, software, administrative support, legal consulting and evaluation, measurement, and verification (EM&V).

A debt entry will be created each month to record costs.

Interest shall accrue to the PRVMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery of the PRVMA in its next general rate case or through a Tier 3 advice letter filing.

4. Effective Date

The PRVMA is effective as of December 7, 2010.

(D)

(To be inserted by utility)

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JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

N. Data Sharing Cost Tracking Memorandum Account (DSCMA)

(L)

1. Purpose

The purpose of the Data Sharing Cost Tracking Memorandum Account (DSCMA) is to record all one-time and on-going data sharing costs associated with implementing CPUC Guidelines for Sharing Low-Income Customer Information not already included in rates.

2. Accounting Procedure

SJWC shall record all one-time and ongoing costs paid by SJWC relating to low-income customer data sharing with energy utilities.

A debt entry will be created each month to record costs.

Interest shall accrue to the DSCMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported by the Federal Reserve Statistical Release.

3. Rate Recovery

SJWC may seek rate recovery for the costs recorded in the DSCMA in its next general rate case after the data sharing program is fully implemented or by filing a Tier 3 advice letter.

4. Effective Date

The DSCMA is effective as of July 8, 2011.

(D)

(To be inserted by utility)

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

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Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

O. Ground Water Regulation Legal Expense Memorandum Account

(L)

1. Purpose

The purpose of the Ground Water Regulation Legal Expense Memorandum Account (GWRLEMA) is to track litigation and consensus building legal and related expenses associated with the evaluation of the character of San Jose Water Company's water rights and water rights issues related to AB 1739, SB 1168 and SB 1139 as authorized in D.16-06-004.

2. Applicability

The GWRLEMA will track the legal and related expenses incurred related to ground water regulation including:

- a. Consensus Building – expenses related to legal advice in developing a consensus groundwater management plan with the Santa Clara Valley Water District and other stakeholders.
- b. Litigation – expenses related to litigation for SJWC to defend its water supply interests and water rights.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

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

4. Effective Date

The GWRLEMA shall go into effect on the effective date of Advice Letter No. 496.

V. Drinking Water Fees Memorandum Account

(L)

1. Purpose

The purpose of the Drinking Water Fees Memorandum Account (DWFMA) is to track the difference between actual drinking water fees charged by the State Water Resources Control Board (based on the revised fee structure) and the drinking water fees authorized in San Jose Water Company's General Rate Case Decision D.16-06-004 (based on the previous fee structure).

2. Applicability

The DWFMA will track the difference between the annual drinking water fees charged by the State Water Resources Control Board and the drinking water fees authorized in general rate case decision D.16-06-004. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning -of-month and the end-of-month balances.

(continued)

(To be inserted by utility)

Issued by

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

Advice No. 544

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

P. Drinking Water Fees Memorandum Account (Continued)

(L)

3. Disposition

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

4. Effective Date

The DWFMA shall go into effect on the effective date of Advice Letter No. 497. The DWFMA will sunset with the effective date of SJWC's next General Rate Case Decision..

Q. School Lead Testing Memorandum Account

(L)

1. Purpose

The purpose of the School Lead Testing Memorandum Account (SLTMA) is to track incremental expenses associated with conducting lead monitoring and lead sample results interpretations at any Kindergarten to 12th grade (K-12) schools within SJWC's service territory, that requests this service. The SLTMA is being established pursuant to the Amendment to the Domestic Water Supply permit issued by the State Water Resources Control Board Division of Drinking Water to SJWC on January 17, 2017.

2. Applicability

The SLTMA will track the incremental operating and administrative costs incurred in developing and implementing Lead testing at K-12 schools and shall include, but is not limited to:

- a. Incremental and necessary labor costs associated with the planning and coordination with K-12 schools to develop individual sampling plans, collecting and submitting of samples to laboratories, and administering program requirements including assisting the school with interpretation of laboratory results, and contracted labor;
- b. Laboratory fees for all Lead sampling and reporting of the results to the Division of Drinking Water and the school, and all laboratory coordination and instruction;
- c. Incremental customer outreach costs that are necessary in coordination with the local school districts, local communities and local officials in compliance with the the Division of Drinking Water's Lead Testing Program;
- d. A debit entry shall be made to the SLTMA at the end of each month to record the expensed as discussed above.
- e. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

3. Disposition

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

4. Effective Date

The SLTMA shall go into effect on January 17, 2017.

5. Sunset Date

The SLTMA will remain in effect until new rates incorporating the requirements for School Lead Testing are placed into effect under the Company's next General Rate Case decision.

(To be inserted by utility)

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

Advice No. 544

JOHN TANG

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Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

- R. SRF Loan I Balancing Account** **(D)**
(L)
1. Purpose
The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan I and the payments of principal and interest for the Safe Drinking Water Sate Revolving Fund (SDWSRF) loan pursuant to D.03-07-013 dated July 10, 2003
 2. Applicability
The SRF Loan I Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan I.
 3. Definitions
 - a. Recorded SFR Loan I Surcharge Revenue are revenues recorded for the SFR Loan I Surcharge authorized per D.03-07-013, D.04-08-022 and Advice Letters 364A and 452.
 - b. Payments of Principal and Interest for SFR Loan I are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.03-07-013 and D.04-08-022
 4. Accounting Procedure
 - a. The following entries will be recorded monthly in the SRF Loan I Balancing Account:
 1. Recorded Revenue from SFR Loan I Surcharges.
 2. Recorded Principal and Interest Payments made by SJWC for SRF Loan I
 3. Total net SFR Loan I Account balance = (1) minus (2)
 4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.
 - b. The Company will record the accumulated SRF Loan I balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
 - c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

(To be inserted by utility)

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Advice No. 544

JOHN TANG

Date Filed _____

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Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

R. SRF Loan I Balancing Account (L)
(Continued)

5. Disposition

When the accumulated balance for the SRF Loan I Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge I surcharge and file an advice letter to remove the SRF Loan I surcharge authorized in AL 452 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case.

S. SRF Loan II Balancing Account (L)

1. Purpose

The purpose of the SRF Loan I Balancing Account is to track differences between recorded revenues collected through the surcharge to fund the repayment of the SRF Loan II and the payments of principal and interest for the Safe Drinking Water Sate Revolving Fund (SDWSRF) loan pursuant to D.05-01-048 dated January 27, 2005.

2. Applicability

The SRF Loan II Balancing Account is applicable to recorded surcharge revenue and payments of principal and interest on SRF Loan II.

3. Definitions

- a. Recorded SFR Loan II Surcharge Revenue are revenues recorded for the SFR Loan II Surcharge authorized per D.05-01-048 and Advice Letters 395.
- b. Payments of Principal and Interest for SFR Loan II are all principal and interest payments made by San Jose Water Company (SJWC) to repay the indebtedness of the SDWSRF loan authorized in D.05-01-048.

4. Accounting Procedure

- a. The following entries will be recorded monthly in the SRF Loan II Balancing Account:
 - 1. Recorded Revenue from SFR Loan II Surcharges.
 - 2. Recorded Principal and Interest Payments made by SJWC for SRF Loan II
 - 3. Total net SFR Loan II Account balance = (1) minus (2)
 - 4. A negative (-) balance in the balancing account reflects a utility under collection to be recovered in rates, while a positive balance reflects a utility over collection to be refunded.
- b. The Company will record the accumulated SRF Loan II balance monthly, by adding its entry in Section a3. above to the prior accumulated monthly balance.
- c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. Disposition

When the accumulated balance for the SRF Loan II Balancing Account approaches a zero balance, the Company will remove the SFR Loan Surcharge II surcharge and file an advice letter to remove the SRF Loan II surcharge authorized in AL 395 from the tariffs. The under-collections or over-collections of the this balancing account will be amortized in San Jose Water Company's next General Rate Case.

(To be inserted by utility)

Issued by

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

Advice No. 544

JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

PRELIMINARY STATEMENT
(Continued)

T. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (L)

1. Purpose
 The Commission's blanket authorization to establish Catastrophic Event Memorandum Accounts (Commission Resolution No. E-3238, dated July 24, 1991) will ensure that all potentially affected utilities are provided the maximum incentive to restore service immediately after declared disasters. Resolution E-3238 required the utilities to notify the Commission's Executive Director by letter within 30 days after the catastrophic event, if possible, if it has started booking costs to the CEMA.
2. Applicability
 The CEMA will record costs associated with:
 (a) restoring utility service to its customers;
 (b) repairing, replacing or restoring damaged utility facilities; and
 (c) complying with government agency orders resulting from declared disasters.
 Entries to the account will be segregated by qualifying event.
3. Disposition
 If the accumulated balance for the CEMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. Prior to recovery, charges made to the CEMA are subject to a reasonableness review. The recovery of under-collections will be passed on to the customers through volumetric surcharges."

U. 2018 Tax Accounting Balancing Account. (N)

1. Purpose
 The purpose of the 2018 Tax Accounting Balancing Account is to track the amortization of the refund of the 2018 Tax Accounting Balancing Account balance in surcredits put forth in Advice Letter 537A and authorized by Commission Resolution W-5213.
2. General Information.
 The Utility shall record in this Balancing Account the balance as authorized in Ordering Paragraph No. 1 of Resolution W-5213 for amortization. At the end of the amortization period any remaining over or under refunded balance shall be addressed in the context of San Jose Water Company's Test Year 2022 general rate case.
3. Balancing Account Entries.
 The entries in the Balancing Account may include the following:
 a. The 2018 Tax Accounting Balancing Account as authorized by Ordering Paragraph No. 1 of Resolution W-5213 from the closing of the 2018 Tax Accounting Memorandum Account.
 b. The surcredits to customers as authorized in Advice Letter 537A.
 c. Balances in the Balancing Account will accrue interest at the 90-day commercial paper rate.
4. Disposition of Balancing Account Balance.
 At the end of the amortization period any remaining over or under refunded balance shall be addressed in the context of San Jose Water Company's Test Year 2022 general rate case. (N)

(To be inserted by utility)

Issued by

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

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JOHN TANG

Date Filed _____

Vice President,

Effective _____

Dec. No. Res. W-5213

Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1

GENERAL METERED SERVICE
 (Continued)

			(D)
			(D)
6.	To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:		(L)
		Surcredit:	|
For 5/8 x 3/4-inch meter	.....	\$20.84	|
For 3/4-inch meter	.....	20.84	|
For 1-inch meter	.....	34.73	|
For 1-1/2-inch meter	.....	69.46	|
For 2-inch meter	.....	111.13	|
For 3-inch meter	.....	208.37	|
For 4-inch meter	.....	347.28	|
For 6-inch meter	.....	694.55	|
For 8-inch meter	1111.29	
For 10-inch meter	1597.47	(L)

(To be inserted by utility)

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Regulatory Affairs

Resolution No. _____

TITLE

Schedule No. 1B

GENERAL METERED SERVICE WITH
AUTOMATIC FIRE SPRINKLER SYSTEM
(Continued)

			(D)
			(D)
7.	To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:		(L)
		Surcredit:	|
For 5/8 x 3/4-inch meter	.....	\$20.84	|
For 3/4-inch meter	.....	20.84	|
For 1-inch meter	.....	34.73	|
For 1-1/2-inch meter	.....	69.46	|
For 2-inch meter	.....	111.13	|
For 3-inch meter	.....	208.37	|
For 4-inch meter	.....	347.28	|
For 6-inch meter	.....	694.55	|
For 8-inch meter	1111.29	
For 10-inch meter	1597.47	(L)

(To be inserted by utility)

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Resolution No. _____

TITLE

Schedule No. 1C

GENERAL METERED SERVICE
 Mountain District
 (Continued)

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

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

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

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

(D)

(D)

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

(L)

		Surcredit:	
For	3/4-inch meter	20.84	(L)
For	1-inch meter	34.73	(L)
For	1-1/2-inch meter	69.46	(L)
For	2-inch meter	111.13	(L)
For	3-inch meter	208.37	(L)
For	4-inch meter	347.28	(L)
For	6-inch meter	694.55	(L)
For	8-inch meter	1111.29	(L)
For	10-inch meter	1597.47	(L)

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Resolution No. _____

TITLE

Schedule No. RW

RAW WATER METERED SERVICE

(Continued)

			(D)
			(D)
7.	To amortize the 2018 Tax Accounting Memorandum Account balance, a one-time surcredit will be added to the bill as follows:		(L)
		Surcredit:	|
For	5/8 x 3/4-inch meter	\$20.84	|
For	3/4-inch meter	20.84	|
For	1-inch meter	34.73	|
For	1-1/2-inch meter	69.46	|
For	2-inch meter	111.13	|
For	3-inch meter	208.37	|
For	4-inch meter	347.28	
For	6-inch meter	694.55	
For	8-inch meter	1111.29	
For	10-inch meter	1597.47	(L)

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TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE
(Continued)

- 2. The City of San Jose is responsible for the determination of customer eligibility for the South Bay Water Recycling Program.
- 3. The customer is responsible for notice of and compliance with all Customer Service Rules for use of recycled water as provided by the City of San Jose in addition to all local, state, and federal rules and regulations that apply from time to time to the use of recycled water, as defined in San Jose Water Company's Rule 1.
- 4. The utility will supply at the point of connection only such recycled water at such pressures as may be available from time to time from the San Jose/Santa Clara Water Pollution Control Plant. The customer agrees to make no claims against the utility for loss, damage or injury caused by service interruptions.
- 5. The customer shall defend and indemnify the utility and save it harmless from any and all claims arising out of service and water use under this schedule and shall further agree to make no claims against the utility for any loss, damage or injury resulting from service and water use under this schedule.
- 6. As a condition for service under this schedule, all customers are required to comply with all of San Jose Water Company's tariffs, except for those specifically excluded by Appendix A of the Commission's General Order 103 regarding supply of water not intended or claimed to be potable.
- 7. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(D)

(D)

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TITLE

Schedule No. RCW

RECYCLED WATER METERED SERVICE
 (Continued)

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

<u>Piped Supply</u>		Surcredit:	|
For	3/4-inch meter	\$20.84	|
For	1-inch meter	34.73	|
For	1-1/2-inch meter	69.46	|
For	2-inch meter	111.13	|
For	3-inch meter	208.37	|
For	4-inch meter	347.28	|
For	6-inch meter	694.55	|
For	8-inch meter	1111.29	|
For	10-inch meter	1597.47	|
<u>Well Supply</u>		Surcredit:	|
For	2-inch meter	\$17.20	|
For	3-inch meter	22.94	|
For	4-inch meter	25.80	
For	6-inch meter	43.02	
For	8-inch meter	51.62	
For	10-inch meter	80.29	(L)

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