

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 10, 2025

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

Dear Mr. Tang,

The Water Division of the California Public Utilities Commission has approved San Jose Water Company's Advice Letter No. 614, filed on December 20, 2024, regarding authorization to revise its Preliminary Statement as authorized by Decision No. 24-12-077.

Enclosed are copies of the following revised tariff sheets, effective January 1, 2025, for the utility's files:

P.U.C. Sheet No.	Title of Sheet
2339-W	Preliminary Statement (Continued), I. Water Revenue Adjustment Mechanism (WRAM) Balancing Account
2340-W	Preliminary Statement (Continued), J. Pension Expense Balancing Account
2341-W	Preliminary Statement (Continued), X. Water Conservation Memorandum Account
2342-W	Preliminary Statement (Continued) Z. Intervenor Compensation
2343-W	Preliminary Statement (Continued), BB. Customer Assistance Program Balancing Account
2344-W	Table of Contents
Cancel	2212-W, 2058-W

Please contact Eustace Ednacot at ERE@cpuc.ca.gov, if you have any questions.

Thank you.

Enclosures

PRELIMINARY STATEMENT

(Continued)

I. Water Revenue Adjustment Mechanism (WRAM) Balancing Account

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

4. Accounting Procedure (L)

- a) The following entries will be recorded monthly in the WRAM:
 - 1) Recorded WRAM-eligible revenue.
 - 2) Adopted WRAM-eligible revenue.
 - 3) Total 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 a.3 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 (L)

If the accumulated balance for 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.

(Continued)

(To be inserted by utility)

Issued By

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

Advice Letter No.: 614

John Tang
NAME

Date Filed: 12/20/2024

Effective Date: 01/01/2025

Decision No.: D.24-12-077

Vice President, Regulatory Affairs
TITLE

Resolution No.: _____

PRELIMINARY STATEMENT

(Continued)

J. Pension Expense Balancing Account

1. Purpose

(L)

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 rate-making purpose capped at a level of pension expense calculated according to the method prescribed by Statement of Financial Accounting Standards No.87 for each concurrent year.

2. Applicability

(L)

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

3. Definitions

(L)

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.22-10-005 (2022-2024) and D.24-12-077 (2025-2027).

(T)

4. Accounting Procedure

(L)

a) The following entries will be recorded monthly in the Pension Expense Balancing Account:

- 1) Recorded Cash Contributions to Retirement Plan
- 2) Authorized Pension Expense for Ratemaking Purposes.
- 3) Total net Pension Expense 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.

b) The Company will record the accumulated Pension Expense Balance Account monthly, by adding its entry in Section a.3 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 Pension Expense 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.

(Continued)

(To be inserted by utility)

Issued By

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

Advice Letter No.: 614

John Tang
NAME

Date Filed: 12/20/2024

Effective Date: 01/01/2025

Decision No.: D.24-12-077

Vice President, Regulatory Affairs
TITLE

Resolution No.: _____

PRELIMINARY STATEMENT

(Continued)

X. Water Conservation Memorandum Account (Continued)

4. Accounting Procedure

- a) The following entries will be recorded monthly in the WCMA:
 - 1) Most recently adopted water sales revenue on the effective date of Advice Letter 564 adjusted for all subsequent rate increases.
 - 2) Actual water sales revenue collected adjusted for existing Revenue Adjustment Mechanism. The actual water sales revenue collected in the WCMA will be kept distinct from revenue tracked by SJWC's Monterey-style WRAM.
 - 3) Most recently adopted variable expenses for purchased water, pump tax and power.
 - 4) Actual recorded variable expenses.
 - 5) Drought surcharges and fees collected from Schedule 14.1 activated via AL 569 (future surcharges and fees will be tracked in WCEMA)
 - 6) Total net WCMA balance = (1 minus 2) minus (3 minus 4) minus 5.
 - 7) A negative (-) balance in the memorandum account reflects a utility over collection to be refunded, while a positive balance reflects a utility under-collection to be recovered in rates.
- b) The Company will record the accumulated WCMA balance monthly, by adding its entry in Section a.5. above to the prior accumulated monthly balance.
- c) Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 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.
- d) Before seeking recovery of the WCMA balance, shall be reduced by an amount equal to a 20-basis point reduction in the most recently adopted return on equity.

5. Disposition

If the accumulated balance for WCMA exceeds 2% of the total authorized revenue requirement for the prior calendar year, the Company will file an advice letter to amortize the balance. 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.

6. Effective date

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

7. Sunset Date:

The WCMA shall remain in effect until the Wholesaler declares the water shortage is over and the mandatory conservation mandates are ceased.

(D)

(Continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 614

John Tang
NAME

Date Filed: 12/20/2024

Effective Date: 01/01/2025

Decision No.: 24-12-077

Vice President, Regulatory Affairs
TITLE

Resolution No.: _____

PRELIMINARY STATEMENT

(Continued)

(D)

Z. Intervenor Compensation

1. Purpose

The purpose of the Intervenor Compensation balancing accounts to track the compensation paid to qualified parties in proceedings before the Commission (allowable fees and costs).

2. Applicability

The Intervenor Compensation balancing account will track the compensation paid to qualified parties in Commission proceedings (General Rate Case, Order Instituting Investigation, Order Instituting Investigation, etc.). Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3 month non-financial Commercial Paper rate, as reported in the Federal Reserve Statistical Reserve, to the average of the beginning of the month and the end-of-month balances.

3. Disposition

If the accumulated balance for Intervenor Compensation balancing account exceeds 2% of the total authorized revenue requirement for the prior calendar year, SJWC 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 SJWC's next General Rate Case. The recovery of under-collections will be passed on to the customers through volumetric surcharges.

(Continued)

(To be inserted by utility)

Issued By

Advice Letter No. 614

John Tang
NAME

Date Filed: 12/20/2024

Effective Date: 01/01/2025

Decision No.: 24-12-077

Vice President, Regulatory Affairs
TITLE

Resolution No.:

PRELIMINARY STATEMENT

(Continued)

BB. Customer Assistance Program Balancing Account

1. Purpose

The purpose of the balancing account is to track the Customer Assistance Program (CAP formerly called WRAP) expenses against revenue collected through CAP surcharge.

2. Applicability

The Customer Assistance Program Balancing Account is applicable to all customers served.

3. Definitions

- a) Customer Assistance Program Surcharge Revenue - revenue collected from non-CAP customers to fund CAP program.
- b) Recorded CAP Expenses – CAP discount provided to CAP customers and administrative expenses to run the CAP program (if any).
- c) Recorded Credit Card Expenses-Credit card/ Debit card and other forms of electronic payment (Google pay, Apple pay, VENMO) fees. (N)

4. Accounting Procedure

- a) The following entries will be recorded monthly in the Customer Assistance Program Balancing Account:
 - 1) Recorded CAP Surcharge Revenue
 - 2) Recorded CAP Expenses – CAP discount provided to the CAP customers and administrative expenses to run the CAP program (if any)
 - 3) Recorded Credit Card Expenses-Fees incurred when customers pay bills with credit/debit cards or other forms of electronic payments. (N)
 - 4) Total net CAP Balancing Account = (1) minus (2) minus (3). (N)
 - 5) A positive (+) balance in the balancing 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 CAP balance monthly, by adding its entry in Section a.4 above to the prior accumulated monthly balance. (C)
- 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 Customer Assistance Program (CAP) Balancing Account exceeds 2% of the total authorized revenue requirement for the prior calendar year, SJWC 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 SJWC's next General rate Case. The recovery of under-collections will be through a volumetric surcharge and over-collections will be refunded through a flat sur-credit.

(Continued)

(To be inserted by utility)

Issued By

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

Advice Letter No.: 614

John Tang
NAME

Date Filed: 12/20/2024

Effective Date: 01/01/2025

Decision No.: D.24-12-077

Vice President, Regulatory Affairs
TITLE

Resolution No.:

