

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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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)

**JOINT MOTION OF
THE OFFICE OF RATEPAYER ADVOCATES
AND SAN JOSE WATER COMPANY
FOR APPROVAL OF SETTLEMENT AGREEMENT**

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July 24, 2015

**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.

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In accordance with Rule 12.1 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), San Jose Water Company (“SJWC”) and the Office of Ratepayer Advocates (“ORA”) (together with SJWC, the “Settling Parties”) hereby respectfully move that the Commission approve the Settlement Agreement Between the Office of Ratepayer Advocates and San Jose Water Company on Issues Presented in General Rate Case Application (the “Settlement Agreement”) that was entered into and executed by the Settling Parties on July 24, 2015, for the purpose of resolving certain issues presented in the above-captioned proceeding.¹ The Settlement Agreement is appended hereto as Attachment A. Consistent with Rule 12.1, this Motion is submitted after the prehearing conference, held on February 27, 2015, and in accordance with the extension of time to file the Settlement Agreement granted by ruling of Administrative Law Judge (“ALJ”) S. Pat Tsen on July 16, 2015.

¹ A group of six mutual water companies taking service from SJWC in its Mountain District (the “Mutuals”) also participated as a party to this proceeding. The Mutuals participated in the formally noticed settlement conference and in subsequent negotiations. The Mutuals, however, are not a signatory to the Settlement Agreement.

A. Procedural Background

SJWC filed Application 15-01-002 (the “Application”) on January 5, 2015, proposing increased rates for Test Year 2016 and Escalation Years 2017 and 2018, and to make investments and accounting changes as specified therein. In support of its Application, SJWC provided its Report on the Results of Operations, its Capital Budget Project Justifications, and supporting workpapers and studies.

ORA filed a timely protest to the Application on February 2, 2015. The Mutuals were authorized to late-file a protest to the Application, which they did on March 5, 2015. A prehearing conference was held on February 27, 2015, and a public participation hearing was held in San Jose on March 24, 2015.

Following extensive discovery, ORA and the Mutuals served testimony on April 23, 2015. ORA’s Report and Recommendations on SJWC’s Results of Operations challenged many aspects of SJWC’s revenue and expense estimates and project proposals for the Test Year and the GRC cycle, but also accepted many of SJWC’s estimates and proposals as reasonable. The Mutuals presented their own critique and proposals on a select number of issues. SJWC served rebuttal testimony responding to both ORA and the Mutuals on May 7, 2015.

SJWC, ORA and the Mutuals participated in a formally noticed settlement conference on May 26, 2015. The Settling Parties continued with discussions and resolved certain issues in advance of the evidentiary hearings, which were held June 15 through 17 in San Francisco. They exchanged drafts of settlement documents through July 23, 2015. Over the course of these communications, the Settling Parties ultimately resolved certain issues of concern to ORA, which were reduced to writing in the form of this proposed Settlement Agreement. SJWC and the Mutuals were unable to settle issues of concern to the Mutuals. Thus, the Settlement Agreement is not presented as an all-party settlement.

B. Major Features of the Settlement Agreement

The proposed Settlement Agreement resolves certain contested issues in this proceeding between ORA and SJWC, including all contested utility plant additions and the treatment of certain balancing and memorandum accounts. Contested matters that were not resolved by settlement were addressed in the parties' briefs, with opening briefs filed on July 14, 2015 and reply briefs scheduled to be filed on July 28, 2015.

The Settlement Agreement describes each settled issue in detail, provides a statement of the respective positions of SJWC and ORA, describes the difference between SJWC's rebuttal position and ORA's position, indicates how the issue was resolved, and lists references to the testimony, evidence, and exhibits of witnesses addressing the particular issue.

A detailed Comparison Exhibit (Exhibit COM-1) also is provided, as an appendix to the Settlement Agreement. The Comparison Exhibit shows the various elements of revenue requirement based on the original, updated, and final positions of the Settling Parties, showing the differences between the final positions of the Settling Parties for the various accounting categories and indicating the status of each contested issue either as having been settled or as remaining unresolved. The Comparison Exhibit also displays the disposition of various uncontested issues, where ORA accepted the position of SJWC as presented in its Report on the Results of Operations, subject to updates in the workpapers, or where SJWC accepted ORA's position as presented in its Report.² The uncontested issues include, by way of example, the forecast of future customers in the category of "Other" metered services and conclusions

² The Comparison Exhibit indicates differences between the final positions of the Settling Parties with respect to many of the accounting categories that are listed as uncontested. These differences are due to the allocation of differing estimates of Total Labor Expense or due to the effect of differing estimates of Total Revenue at Proposed Rates.

regarding compliance with all applicable water quality standards. The uncontested issues are further described in Section VI of SJWC's opening brief.³

C. Burden of Proof

Rule 12.1(d) of the Commission's Rules requires that a settlement be "reasonable in light of the whole record, consistent with law, and in the public interest" in order to receive Commission approval. The proposed Settlement Agreement meets that standard.

ORA conducted comprehensive discovery with respect to the issues raised by the Application, to which SJWC provided prompt and complete responses. These materials, in conjunction with the showing presented in SJWC's Application, provided the basis for substantive negotiation of issues of concern to the Settling Parties. The Settling Parties met and discussed the contested issues in good faith, negotiated in defense of their respective positions, and considered proposals to resolve the issues. This process led to a series of compromises and agreements on the terms of the Settlement Agreement.

The Settling Parties believe that the thorough process described above has resulted in a settlement that reflects carefully developed, well-supported, and appropriate compromises of the positions of the Settling Parties. Accordingly, the Settling Parties respectfully submit that the Settlement Agreement, as Rule 12.1(d) requires, is reasonable in light of the whole record, consistent with law, and in the public interest.

D. The Settling Parties Have Complied with the Requirements of Rule 12.1(b).

Commission Rule 12.1(b) requires parties to convene at least one settlement conference, with notice and opportunity to all parties to participate, for the purpose of discussing settlements in the proceeding. Such notice is required to be provided at least seven (7) days before a settlement is signed. On May 15, 2015, counsel for ORA notified all parties on the

³ SJWC Opening Brief, at 70-74.

service list in this proceeding of the time and place for a settlement conference, which was convened in a conference room at the Commission on the afternoon of May 26, 2015.

Representatives of all parties participated in the settlement conference. On the date of this filing, the Settling Parties completed the execution of the proposed Settlement Agreement, in compliance with the rules for notice and opportunity for participation set forth above.

E. Further Procedures

Rule 12.2 accords all parties the opportunity to file comments contesting all or part of a settlement within 30 days of the date that a motion for adoption of the settlement is served, and Rule 12.3 provides for the setting of a hearing on a contested settlement.

As noted above, the only other party to this proceeding, the Mutuals, has declined to execute the proposed Settlement Agreement. However, as the Mutuals expressed concerns over different issues than those resolved by the Settlement Agreement, the Settling Parties are hopeful that the Mutuals will not contest the Settlement Agreement.

Even assuming that the Mutuals file comments expressing concerns about the Settlement Agreement, the Settling Parties expect that there will not be disputed issues of material fact warranting the holding of an evidentiary hearing. Of course, if the Assigned Commissioner or the presiding ALJ wishes to have the Settling Parties present witnesses to testify in explanation or support of the Settlement Agreement, the Settling Parties are fully prepared and willing to do so.

F. Conclusion

As demonstrated above, the Settlement Agreement is reasonable in light of the whole record, consistent with law, and in the public interest. Therefore, the Settling Parties, the Office of Ratepayer Advocates and San Jose Water Company, respectfully move for the Commission to

approve and adopt the Settlement Agreement as attached hereto as Attachment A, without modification, in the course of its decision in this proceeding.

Respectfully submitted,

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July 24, 2015

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

**GENERAL RATE CASE
A.15-01-002**

ATTACHMENT A

SETTLEMENT AGREEMENT

APPENDIX A

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)

SETTLEMENT AGREEMENT BETWEEN THE OFFICE OF RATEPAYER ADVOCATES AND SAN JOSE WATER COMPANY ON ISSUES PRESENTED IN GENERAL RATE CASE APPLICATION

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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)

**SETTLEMENT AGREEMENT BETWEEN THE OFFICE OF
RATEPAYER ADVOCATES AND SAN JOSE WATER COMPANY
ON ISSUES PRESENTED IN THE PRESENT GENERAL RATE CASE**

I. GENERAL PROVISIONS

1. Pursuant to Article 12 of the Rules of Practice and Procedure (“Rules”) of the California Public Utilities Commission (“Commission”), the Office of Ratepayer Advocates (“ORA”) and San Jose Water Company (“SJWC”), referred to together as “the Settling Parties,” have agreed on the terms of this Settlement Agreement, which they now submit for review, consideration, and approval by Administrative Law Judge S. Pat Tsen and the Commission. This Settlement Agreement addresses most of the differences on contested issues presented by the testimony and exhibits submitted into evidence by SJWC and ORA, respectively.

2. Specific issues that the Settling Parties agree to resolve through this Settlement Agreement are set forth in Section II below. For each issue, Section II describes the positions of the Settling Parties, the difference between SJWC’s rebuttal position and ORA’s position, and the resolution provided by the Settlement Agreement, and also provides references to the evidence of record relevant to each settled issue.

3. Because this Settlement Agreement represents a compromise of the Settling Parties’ positions with respect to each issue addressed herein, the Settling Parties have agreed upon the resolution of each issue addressed in the Settlement Agreement on the basis that its approval by the Commission should not be construed as an admission or concession by either Party regarding any fact or matter of law that may have been in dispute in this proceeding. Furthermore, consistent with Rule 12.5 of the Commission’s Rules, the Settling Parties intend that the approval of this Settlement Agreement by the Commission should not be construed as a precedent or statement of policy of any kind for or against any Party in any current or future proceeding with respect to any issue addressed in the Settlement Agreement.

4. The Settling Parties agree that this Settlement Agreement is an integrated agreement, so that if the Commission rejects any portion of this Settlement Agreement, each party has the right to withdraw. Furthermore, the Settlement Agreement is being presented as an integrated package such that Settling Parties are agreeing to the Settlement Agreement as a whole rather than agreeing to specific elements of the Settlement Agreement.

5. This Settlement Agreement is the product of a process of direct negotiation between the Settling Parties. The only other party to this proceeding, a collection of six mutual water companies,¹ participated in the settlement process but is not a party to the Settlement Agreement. Accordingly, the Settlement Agreement is not presented as an all-party settlement.

6. The Settling Parties agree that no signatory to the Settlement Agreement assumes any personal liability as a result of his or her execution of this document. All rights and remedies of the Settling Parties are limited to those available before the Commission.

7. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts together shall constitute one and the same instrument.

8. This Settlement Agreement constitutes and represents the entire agreement between the Settling Parties and supersedes all prior and contemporaneous agreements, negotiations, representations, warranties and understandings of the Settling Parties with respect to the subject matter set forth herein.

9. This Settlement Agreement resolves all outstanding and still contested issues in this proceeding between SJWC and ORA except for the following:

- a. Revenue decoupling – WRAM/MCBA;
- b. WRAM-related Conservation Programs;
- c. Regulatory Commission Expense;
- d. Corporate Expense;
- e. Payroll Expense Related to Non-Tariffed Products and Services;
- f. Other Payroll/Labor Expense;
- g. Payroll Taxes – Capitalized Portion of FICA Tax;
- h. Tax Memorandum Accounts; and
- i. Health Care Balancing Account.

¹ The six mutual water companies are Big Redwood Park Mutual Water Company, Brush & Old Well Mutual Water Co., Mountain Summit Mutual Water Co., Oakmont Mutual Water Co., Ridge Mutual Water Co., and Villa Del Monte Mutual Water Co.

10. Many elements of SJWC's proposed Results of Operations and Capital Investment Plan presented in testimony accompanying its Application were not challenged by ORA in its Results of Operations Report and so do not present contested issues. Similarly, the positions presented by ORA in its Results of Operations Report on a number of issues were accepted by SJWC and so also do not present contested issues. This Settlement Agreement does not address such matters except as noted in Paragraph 11, below.

11. The disposition of all uncontested issues is presented, along with the disposition of topics resolved by this Settlement Agreement and the positions of the parties on the remaining contested issues, in the Comparison Exhibit, which is attached to this Settlement Agreement as Exhibit COM-01. The Comparison Exhibit displays, in a series of tables, the evolution of the positions of SJWC and ORA from their initial showings, through rebuttal testimony and settlement negotiations, to their current positions, with respect to each of the line items of SJWC's Results of Operations. For issues that remain contested, the relevant line items show the amounts in dollars and percentages by which SJWC's estimate exceeds that of ORA. In many instances, the line item itself is not contested but different amounts are shown for the current positions of SJWC and ORA, due to different allocations of Total Labor Expense or different Total Revenue estimates (resulting from contested issues).

II. TOPICS RESOLVED BY SETTLEMENT AGREEMENT

The Settlement Agreement resolves issues relating to SJWC's proposals for capital additions in years 2015, 2016, and 2017, and SJWC's proposals regarding balancing accounts and memorandum accounts.

A. UTILITY PLANT ADDITIONS

Capital investment forecasts and settlement amounts for 2015-2017 are as shown in Table 1 below, followed by descriptions, by line item, of the positions of the Settling Parties and the resolution of contested plant categories. The annual amounts and the 3-year budget totals are the amounts agreed upon by ORA and SJWC. Specific issues and their resolution are described in the sections below.

TABLE 1
(\$1,000)

Item No.	Plant Category	2015-2017 Capital Budget Before Settlement			2015 Settlement	2016 Settlement	2017 Settlement	2015-2017 Settlement
		SJWC	ORA	Diff.				
1	Land	\$31.6	\$31.6	\$0	\$10.2	\$10.5	\$10.9	\$31.6
2	Source of Supply	\$29,451.7	\$22,923.1	\$6,528.6	\$8,469.1	\$8,748.1	\$5,705.9	\$22,923.1
3	Water Treatment	\$5,633.5	\$5,633.5	\$0	\$876.8	\$2,253.2	\$2,503.5	\$5,633.5
4	Reservoir and Tanks	\$46,827.3	\$45,313.8	\$1,513.5	\$20,108.3	\$13,179.4	\$12,026.2	\$45,313.8
5	Pump Stations and Equipment	\$30,893.7	\$26,285.6	\$4,608.1	\$5,741.8	\$9,475.0	\$11,408.6	\$26,625.4
6	Distribution System- New/Recycled Mains	\$19,759.0	\$19,220.6	\$538.4	\$2,733.6	\$5,505.3	\$10,981.7	\$19,220.6
7	Distribution System- Service Transfers	\$20.4	\$20.4	\$0	\$20.4	\$0	\$0	\$20.4
8	Distribution System- City, County and State	\$1,775.5	\$1,532.5	\$243.0	\$720.4	\$540.5	\$393.1	\$1,654.0
9	Distribution System- Replacement Mains	\$112,798.6	\$112,798.6	\$0	\$38,174.1	\$38,760.0	\$35,864.5	\$112,798.6
10	Distribution System- Main Extensions	\$9,787.7	\$9,433.4	\$354.3	\$3,344.3	\$2,850.7	\$3,238.4	\$9,433.4
11	Distribution System- Services	\$33,442.8	\$33,379.7	\$63.1	\$10,781.4	\$11,104.8	\$11,493.5	\$33,379.7
12	Distribution System- Meters	\$11,659.0	\$11,616.6	\$42.4	\$4,219.0	\$3,347.1	\$4,092.9	\$11,659.0
13	Distribution System- Hydrants	\$1,042.1	\$1,031.5	\$10.6	\$333.2	\$343.2	\$355.2	\$1,031.5
14	Equipment	\$22,921.3	\$14,211.3	\$8,710.0	\$5,371.9	\$5,320.7	\$3,643.7	\$14,336.3
15	Structures and Non-Specifics	\$9,496.6	\$8,996.0	\$500.6	\$3,576.6	\$3,551.1	\$2,118.6	\$9,246.3
	Total	\$335,540.80	\$312,428.20	\$23,112.60	\$104,481.00	\$104,989.50	\$103,836.70	\$313,836.70

1. Source of Supply – Sites for Replacement Wells

ISSUE: As part of its Well Replacement Program SJWC requested authorization of \$6,528,600 in budget year 2017 for the purchase of property for replacement wells (Project SJW012440). SJWC argued this expenditure is necessary due to the lack of room for future well installations at existing groundwater stations. ORA recommended disallowance of the capital expenditures based in part on cost overruns from the prior GRC for similar projects. ORA further noted that for future land purchases, the existing well sites should be evaluated first to determine whether a replacement well can be installed. In Rebuttal SJWC noted that the project from the last GRC was a two year project that did not in fact have a cost overrun and that existing well sites are thoroughly evaluated, as noted in the submitted "San Jose Water Company 2014 Well Study".

RESOLUTION: SJWC agrees to defer this project to the next GRC. However, Parties agree that it is reasonable to expect that SJWC would purchase new property for a well replacement project regardless of approval if it proved to be necessary. If SJWC finds that purchasing land is necessary, then the company can purchase land for a well site and request to recover the cost of the land in the next rate case to be reviewed for prudence. SJWC shall demonstrate that all possible options were considered before purchasing additional land for well sites, including providing cost benefit analysis of comparing the cost of purchasing new land and installing a well with well rehab and/or installing treatment at existing sites.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Land for Well Replacement	\$6,528,600	\$6,528,600	\$0	\$6,528,600	\$0

REFERENCES: Exhibit SJW-03 (Lambing), p. 24-27; Exhibit SJW-10, Chapter 7 (Tuttle), p. 7-1 to 7-3; Exhibit ORA-1, Chapter 4 (Menda), p. 4-6 to 4-10.

2. Reservoirs and Tanks – Contingency Factor

ISSUE: SJWC requested authorization for \$6,926,400 (split between budget years 2015 and 2016) for replacement of the roof and overflow structure and additional miscellaneous improvements related to the concrete drains and the altitude valve at the Almaden Valley Reservoir (Project SJW013091 and SJW012383). Additionally, SJWC requested authorization for \$8,782,100 (split between budget years 2016 and

2017) to replace the column, roof, and liner at the Belgatos Station Basin (Projects SJW013080 and SJW012862). Finally, SJWC requested authorization for \$4,536,800 (split between budget years 2015 and 2016) to replace the columns, roof, overflow structure, and concrete sealant of the basin at Cox Station #2 (Projects SJW013088 and SJW012861). ORA did not object to the need for these projects, but recommended lower estimated project costs based on lower contingency factors and sales tax rates. Specifically, ORA recommended budgets of \$6,400,448 for the Almaden Valley Reservoir Project, \$8,139,926 for the Belgatos Station project, and \$4,191,465 for the Cost Station #2 project. In Rebuttal Testimony SJWC argued that the 30% contingency factor used in cost estimating was appropriate for the design level of the projects.

RESOLUTION: SJWC agree to ORA's position. The Parties agree to ORA's position because SJWC does have sufficient experience with similar projects to justify a lower contingency factor.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Almaden Valley Sta. (2016-2017)	\$6,926,400	\$6,926,400	\$6,400,448	\$525,952	\$6,400,448
Belgatos Sta. (2016-2017)	\$8,782,100	\$8,782,100	\$8,139,926	\$642,174	\$8,139,926
Cox Sta. #2 (2016-2017)	\$4,536,800	\$4,536,800	\$4,191,465	\$345,335	\$4,191,465

REFERENCES: Exhibit SJW-03 (Lambing), p. 114-122 and 209-215; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-2 to 3-3; Exhibit ORA-1, Chapter 4 (Menda), p. 4-12 to 4-13.

3. Pump Stations and Equipment

a. Franciscan Station Pumps

ISSUE: SJWC requested authorization for \$149,000 in 2015 (Project SJW012309) and \$1,381,700 in 2016 (Project SJW012310) to fund the replacement and relocation of two boosters and one motor control center at the Franciscan Station. This project will address low suction pressure problems and eliminate the potential for contamination infiltration. The project will also enable the boosters to operate under high demand and low tank and reservoir level scenarios, thus preventing pressure zones from becoming deficient in available fire capacity or from violating GO 103-A system capacity standards. Furthermore, this alternative addresses concerns posed

by the age of the existing booster pumps and their high risk of potential failure within the next few years. Finally, Motor Control Center (MCC) reliability and worker safety will be enhanced to meet SJWC's latest safety standards. ORA does not oppose the need for the project, but recommends the project continue as an advice letter project with an estimated budget cap of \$1,530,700. By allowing advice letter treatment, the final cost of the project can be reviewed for all reasonable and prudent costs once the project is completed.

RESOLUTION: Parties agree to advice letter treatment (Tier II) for the Franciscan Station Pumps project with an advice letter budget cap of \$1,530,700. All project costs, including, but not limited to, contract costs, materials, company labor, consulting fees, company overhead, taxes, insurance, permitting fees, and capitalized interest may be included in the advice letter filing. The advice letter will be filed only upon project completion. ORA reserves the right to review the advice letter filing for all reasonable and prudent costs. In the event that final project costs are greater than the advice letter budget cap SJWC reserves the right to seek recovery of the overage in a subsequent general rate case.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Franciscan Station Pump (2015-2016)	\$1,530,700	Advice Letter	Advice Letter	N/A	Advice Letter

REFERENCES: Exhibit SJW-03 (Lambing), p. 137-144; Exhibit ORA-1, Chapter 4 (Menda), p. 4-18 to 4-19.

b. Miguelito Station Pumps

ISSUE: SJWC requested authorization for \$207,400 in 2016 (Project SJW012347) and \$1,931,600 in 2017 (Project SJW012348) to fund the replacement of booster pumps, motors, and motor control centers at the Miguelito Station. This project will increase operational flexibility, reliability, and efficiency. The project will bring the motor control center up to modern standards, improve system reliability, provide ease of maintenance, enhance worker safety, and reduce arc flash hazard, while allowing for flexibility to expand in the future. ORA does not oppose the need for the project, but recommends the project continue as an advice letter project with an estimated budget cap of \$2,139,000. By allowing advice letter treatment, the final cost of the project can be reviewed for all reasonable and prudent costs once the project is completed.

RESOLUTION: Parties agree to advice letter treatment (Tier II) for the Miguelito Station Pumps project with an advice letter budget cap of \$2,139,000. All project costs, including, but not limited to, contract costs, materials, company labor, consulting fees, company overhead, taxes, insurance, permitting fees, and

capitalized interest may be included in the advice letter filing. The advice letter will be filed only upon project completion. ORA reserves the right to review the advice letter filing for all reasonable and prudent costs. In the event that final project costs are greater than the advice letter budget cap SJWC reserves the right to seek recovery of the overage in a subsequent general rate case.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Miguelito Station Pump (2016-2017)	\$2,139,000	Advice Letter	Advice Letter	N/A	Advice Letter

REFERENCES: Exhibit SJW-03 (Lambing), p. 239-248; Exhibit ORA-1, Chapter 4 (Menda), p. 4-21 to 4-22.

c. Harwood Court Station Pump

ISSUE: SJWC requested authorization for \$1,104,400 in 2016 (Project SJW012311) to fund the replacement of a motor control center and to add a second booster pump at the Harwood Court Station. This project will increase operational reliability and flexibility, help mitigate the existing capacity deficit, increase water supply reliability, increase asset life, and improve worker safety. The project will also provide for increased fire protection capability, and minimal disruption of water service to customers. ORA does not oppose the need for the project, but recommends a total construction budget of \$877,400. ORA's recommendation is based on the project budget submitted in SJWC's previous rate case, escalated to 2016 dollars.

RESOLUTION: Parties agree to ORA's recommended budget of \$877,400. If project costs exceed the budgeted amount, SJWC reserves the right to seek recovery of the overage in a subsequent general rate case.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Harwood Ct. Station (2016)	\$1,104,400	\$877,400	\$877,400	\$0	\$877,400

REFERENCES: Exhibit SJW-03 (Lambing), p. 224-228; Exhibit ORA-1, Chapter 4 (Menda), p. 4-22 to 4-23.

d. Line Shaft Pumping Equipment Replacement

ISSUE: SJWC requested authorization for line shaft pumping equipment replacement expenditures of \$683,400 in 2015 (Project SJW10457), \$703,900 in 2016 (Project SJW010465), and \$728,500 in 2017 (Project SJW10211). These projects cover maintenance and replacement of horizontal and vertical electric motors and pumping unit assemblies, including pump casings or bowls, column assemblies, discharge heads, and shaft segments. ORA did not oppose the need for the project, but adjusted the annual budgets based on the company's historical spending. ORA estimated annual budget amounts based on inflation adjusted historical average spending on this budget item from 2010 through 2014. Based on this methodology ORA recommended annual budgets of \$595,904, \$613,781, and \$635,263 for 2015, 2016, and 2017, respectively. In Rebuttal Testimony SJWC argued that ORA's methodology does not account for cost increases for materials used in these projects that are increasing faster than standard inflationary factors.

RESOLUTION: Parties agree to Line Shaft Pumping Equipment replacement budgets of \$623,400 in 2015, \$642,100 in 2016, and \$664,500 in 2017. This settlement was arrived at through SJWC's acknowledgement that the budgets should be in line with historical levels and ORA's acknowledgement that rising material costs necessitate a higher budget level.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Line Shaft Pumping Equipment Replacement (2015-2017)	\$2,115,800	\$2,115,800	\$1,844,948	\$270,852	\$1,930,000

REFERENCES: Exhibit SJW-03 (Lambing), p. 31-33; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-3 to 3-4; Exhibit ORA-1, Chapter 4 (Menda), p. 4-24 to 4-25.

e. Submersible Pumping Equipment Replacement

ISSUE: SJWC requested authorization for Submersible Pumping Equipment replacement expenditures of \$683,400 in 2015 (Project SJW10163), \$703,900 in 2016 (Project SJW010452), and \$728,500 in 2017 (Project SJW10468). These projects cover ongoing maintenance and replacement of submersible electric motors, pump bowl assemblies, power cables, column assemblies, discharge elbows, , and wiring for wells and booster pumps. ORA did not oppose the need for the project, but adjusted the annual budgets based on the company's historical spending. ORA estimated annual budget amounts based on inflation adjusted historical average

spending on this budget item from 2010 through 2014. Based on this methodology ORA recommended annual budgets of \$564,181, \$550,207, and \$569,464 for 2015, 2016, and 2017, respectively. In Rebuttal Testimony SJWC argued that ORA’s methodology does not account for cost increases for materials used in these projects that are increasing faster than standard inflationary factors.

RESOLUTION: Parties agree to Submersible Pumping Equipment replacement budgets of \$623,400 in 2015, \$642,100 in 2016, and \$664,500 in 2017. This settlement was arrived at through SJWC’s acknowledgement that the budgets should be in line with historical levels and ORA’s acknowledgement that rising material costs necessitate a higher budget level.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Submersible Pumping Equipment Replacement (2015-2017)	\$2,115,800	\$2,115,800	\$1,653,852	\$461,948	\$1,930,000

REFERENCES: Exhibit SJW-03 (Lambing), p. 34-36; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-3 to 3-4; Exhibit ORA-1, Chapter 4 (Menda), p. 4-26 to 4-28.

4. Distribution System

a. Recycled Water Mains

ISSUE: SJWC requested authorization of \$4,164,000 for recycled water pipeline installation of recycled water Alignment A (Project SJW01933). Alignment A is a 21,700 foot long recycled water pipeline that will be installed in 2016 and which will allow distribution of up to 274 acre-ft per year of recycled water. Additionally, SJWC requested authorization of \$1,522,300 for recycled water pipeline installation of recycled water Alignment R (Project SJW012934). Alignment R is a 7,100 foot long recycled water pipeline that will be installed in 2016 and which will allow distribution of up to 265 acre-ft per year of recycled water. Finally, SJWC requested authorization of \$11,339,100 for recycled water pipeline installation of recycled water Alignment D (Project SJW012935). Alignment D is a 27,400 foot long recycled water pipeline that will be installed in 2017 and which will allow distribution of up to 477 acre-ft per year of recycled water. ORA did not object to the need for these projects, but recommended lower estimated project costs based on different escalation factors. Specifically, ORA recommends the use of escalation factors as provided in the Energy Cost of Service and Natural Gas Branches (ECOS) monthly memos. Based on the use of the ECOS escalation factors ORA recommended construction

budgets of \$4,011,220 for Alignment A, \$1,494,037 for Alignment R, and \$10,981,710 for Alignment D. In Rebuttal Testimony SJWC argued that the original cost estimates were based on industry standard escalation factors and that these estimates should be approved.

RESOLUTION: Parties agree to adopt ORA's position. In this instance the ECOS escalation factors provide an appropriate escalation of costs.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Recycled Water Alignment A	\$4,164,000	\$4,164,000	\$4,011,220	\$152,780	\$4,011,220
Recycled Water Alignment R	\$1,522,300	\$1,522,300	\$1,494,037	\$28,263	\$1,494,037
Recycled Water Alignment D	\$11,339,100	\$11,339,100	\$10,981,710	\$357,390	\$10,981,710

REFERENCES: Exhibit SJW-02, Chapter 20 (Hoang); Exhibit SJW-03 (Lambing), p. 264-305 and 360-409; Exhibit SJW-10, Chapter 7 (Tuttle), p. 7-3 to 7-5; Exhibit ORA-1, Chapter 4 (Menda), p. 4-28 to 4-32.

b. City, County, and State

ISSUE: SJWC requested authorization of \$408,000 in 2015 (Project SJW012332), \$420,200 in 2016 (Project SJW10278), and \$434,900 in 2017 (Project SJW10283) for City, County, and State project related facility relocations. Specifically, these annual budgets provide funding for facility relocations or improvements of SJWC facilities performed in conjunction with Department of Public Works and Department of Transportation projects undertaken by the city, county and state agencies per franchise agreements. ORA does not oppose the need for these projects, but recommends a budget amount based on the 5-year inflation adjusted average. Based on this methodology ORA recommends budget amounts of \$329,470 in 2015, \$339,354 in 2016, and \$351,231 in 2017. In Rebuttal Testimony SJWC argued that local governmental agencies are increasing their infrastructure improvement and replacement expenditures to offset lower infrastructure investment levels from the post-2008 economic crisis.

RESOLUTION: Parties agree to adopt budgets of \$368,700 in 2015, \$379,800 in 2016, and \$393,100 in 2017. This settlement was arrived at through parties' acknowledgement that the budgets should be in line with historical levels.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
City, County, and State Facilities (2015-2017)	\$1,263,100	\$1,263,100	\$1,020,055	\$243,045	\$1,141,600

REFERENCES: Exhibit SJW-02 (Jensen), WP 11-7, WP 11-8, and WP 11-9; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-4 to 3-5; Exhibit ORA-1, Chapter 4 (Menda), p. 4-32 to 4-34.

c. Pressure Monitors

ISSUE: SJWC requested authorization for \$354,300 in 2015 (Project SJW012826), \$365,000 in 2016 (Project SJW012827), and \$377,800 in 2017 (Project SJW012828) for the purchase and installation of pressure monitors throughout SJWC's service area. This program will provide SJWC more representative data than is currently possible with existing Supervisory Control and Data Acquisition (SCADA) data, pressure model, and field surveys. ORA does not oppose the need for these projects, but recommends the program be delayed for one year based on the current progress of the project.

RESOLUTION: Parties agree to delay the project for one year and remove the 2015 budgeted portion of the overall project (Project SJW012826). The 2016 (Project SJW012827) and 2017 (Project SJW012828) components will remain in place.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Pressure Monitors (2015-2017)	\$1,097,100	\$742,800	\$742,800	\$0	\$742,800

REFERENCES: Exhibit SJW-03 (Lambing), p. 48 - 53; Exhibit ORA-1, Chapter 4 (Menda), p. 4-38 to 4-39.

d. Services (2" and larger)

ISSUE: SJWC requested authorization for \$20,400 in 2015 (Project SJW10304), \$21,000 in 2016 (Project SJW10191), and \$21,700 in 2017 (Project SJW012828) for the purchase and installation of new and replacement 2" and larger services. ORA recommends that services 2" and larger be captured within the overall service replacement budget, and that these specific 2" and larger budget items be eliminated.

RESOLUTION: Parties agree to remove the 2" and larger service installations and replacements and to capture these costs within the overall service replacement budget.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Services – 2" and larger (2015-2017)	\$63,100	\$0	\$0	\$0	\$0

REFERENCES: Exhibit SJW-02 (Jensen), WP 11-7, WP 11-8, and WP 11-9; Exhibit ORA-1, Chapter 4 (Menda), p. 4-39 to 4-42.

e. Meters

ISSUE: SJWC requested authorization for \$1,114,200 in budget year 2015 for the replacement of obsolete Sensus meters (Project SJW012608). ORA does not object to the need for the project, but recommends that 17 of the meters proposed for replacement be removed from the project budget. ORA argues that these specific meters do not meet the replacement criterion. Based on the removal of these 17 meters ORA recommends a budget of \$1,071,780. In Rebuttal Testimony SJWC argued that the meters are not being removed because they do, or do not, meet the standard replacement criterion, but rather because the meter manufacturer, Sensus Technologies, is discontinuing the product. This includes phasing out the availability of replacement parts. Further, SJWC noted that all of the meters in the program, including the 17 specified in ORA's report, had been replaced.

RESOLUTION: Parties agree to adopt SJWC's position since the work has already been completed and ORA has not challenged the reasonableness of the completed work's costs.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Sensus Meter Replacement (2015)	\$1,114,200	\$1,114,200	\$1,071,780	\$42,420	\$1,114,200

REFERENCES: Exhibit SJW-03 (Lambing), p. 45-47; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-4 to 3-6; Exhibit ORA-1, Chapter 4 (Menda), p. 4-42 to 4-45.

f. Hydrants

ISSUE: SJWC is requesting \$306,000, \$315,200, and \$326,200 in 2015-2017, respectively to replace hydrants within the City of San Jose (SJW10225, SJW10280, and SJW012483 for 2015-2017, respectively) and outside the City of San Jose (SJW10273, SJW10192, and SJW012483 for 2015-2017, respectively). ORA did not oppose the need for the projects, but adjusted the annual budgets based on the company's historical spending. ORA estimated annual budget amounts based on inflation adjusted historical average spending on this budget item from 2010 through 2014. Based on this methodology ORA recommended annual budgets of \$302,600, \$311,700, and \$322,600 for 2015, 2016, and 2017, respectively.

RESOLUTION: Parties agree to ORA's recommended budgets.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Hydrants (2015-2017)	\$947,400	\$936,900	\$936,900	\$0	\$936,900

REFERENCES: Exhibit SJW-02 (Jensen), WP 11-7, WP 11-8, and WP 11-9; Exhibit ORA-1, Chapter 4 (Menda), p. 4-45 to 4-46.

5. Equipment - Advanced Metering Infrastructure

ISSUE: SJWC proposed full scale implementation of Advanced Metering Infrastructure (AMI) throughout the service area. SJWC's proposal consisted of both a capital component and an expense component. The capital component of \$510,000 in 2016, \$5,799,000 in 2017, and \$2,401,000 in 2018 and the expense component was \$1,156,700 in 2016, \$1,186,400 in 2017, and \$1,168,700 in 2018. ORA recommended that instead of authorizing a full-scale implementation SJWC should conduct a study to quantify the net benefits of AMI. ORA recommended that

SJWC should file a Tier II Advice Letter requesting pilot study funding prior to receiving any Commission approval for pilot study funding.

RESOLUTION: SJWC and ORA agree that SJWC should perform a pilot study prior to full scale AMI implementation. The pilot study will include two components, a capital component and a expense component. The capital component will consist of \$225,000 in 2016 for high resolution meters and AMI technology. This capital component will be offset by grant funding of \$100,000 provided by the Santa Clara Valley Water District, thus the amount to be included in utility plant in service is \$125,000. The expense component will consist of \$250,000 amortized over the 3-year GRC cycle (\$83,333 per year in each of the years 2016-2018). This \$250,000 will be used to hire an independent consultant to develop the structure for the pilot, the methodology and data collection necessary for measuring and verifying the net benefits resulting from the pilot, the methodology for estimating the net benefits of full implementation, and the criteria that should be used to determine whether full implementation is financially prudent. Upon completion of the pilot study parameters SJWC and ORA staff will meet to discuss the planned pilot study, at which time ORA will provide input and recommendations regarding the planned study. Subsequent to this meeting, SJWC will file a Tier 1 Information Only Advice Letter outlining the parameters of the pilot study. Upon completion of the pilot study, and if results of the study justify, SJWC can file a separate Application seeking CPUC approval for full AMI implementation. A study prepared by the independent consultant would be included in any such Application.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
AMI Capital (2015-2017)	\$8,710,000	\$8,710,000	\$0	\$8,710,000	\$125,000
AMI Expense (2016-2018)	\$3,511,800	\$3,511,800	\$0	\$3,511,800	\$225,000

REFERENCES: Exhibit SJW-03 (Lambing), p. 64-86; Exhibit SJW-10, Chapter 1 (Day), p. 1-1 to 1-5; Exhibit ORA-1, Chapter 4 (Menda), p. 4-47 to 4-51.

6. Vehicles

ISSUE: SJWC is requesting a total 3-year budget of \$5,473,500 for the replacement of vehicles that meet SJWC's vehicle replacement criteria, or that will meet the criteria by the end of 2017. Consistent with the Commission's vehicle replacement policy, ORA's analysis used a mileage threshold of 120,000 miles or a service life threshold of eight years to determine the number of vehicles that should be replaced. Based on this analysis ORA recommends a 3-year replacement budget of \$4,972,880. In Rebuttal Testimony SJWC argued that the utility's fleet is specialized

for water utility operations, and cannot be characterized by generic standards related to normal wear and tear, fuel economy, service intervals and how the vehicles are utilized.

RESOLUTION: Parties agree to a 3-year replacement budget of \$5,223,200 with \$1,165,300 in 2015, \$2,168,900 in 2016, and \$1,889,000 in 2017. Parties agree that the proposed budgets are in line with the ORA's policy and the useful life of specialized vehicles.

<u>Issue</u>	<u>SJWC Direct</u>	<u>SJWC Rebuttal</u>	<u>ORA Report</u>	<u>Difference</u>	<u>Settlement</u>
Vehicle Replacement (2015-2017)	\$5,473,500	\$5,473,500	\$4,972,880	\$500,620	\$5,223,200

REFERENCES: Exhibit SJW-03 (Lambing), p. 37-42; Exhibit SJW-10, Chapter 3 (Lambing), p. 3-6 to 3-8; Exhibit ORA-1, Chapter 4 (Menda), p. 4-52 to 4-53.

B. BALANCING AND MEMORANDUM ACCOUNTS

a. Balancing and Memorandum Account Disbursement

ISSUE: In Testimony ORA recommended removal of an \$878,024 Mandatory Conservation Rate Adjustment Memorandum Account (MCRAMA) balance from the 2012 Balancing Account that had subsequently been recovered. ORA reduced their estimated Balancing Account surcharge rate to reflect the removal of the MCRAMA balance. In Rebuttal Testimony SJWC noted that the MCRAMA balance had been removed from the 2013 Balancing Account after recovery of the \$878,024 balance was completed. Thus, when all Balancing Accounts are combined, the MCRAMA balance had been removed.

RESOLUTION: Parties agree that the MCRAMA balance was appropriately accounted for in SJWC's calculations and that SJWC's proposed Balancing Account and Memorandum Account recovery calculations should be adopted.

REFERENCES: Exhibit SJW-01, Chapter 17 (Jensen), p. 17-2 to 17-3; Exhibit SJW-10, Chapter 2 (Jensen), p. 2-9 to 2-11; Exhibit ORA-1, Chapter 10 (Keowen).

b. Preliminary Statement Update

ISSUE: In Testimony ORA recommended that SJWC should update its preliminary statement to, among other items, remove the Research, Development and Demonstration Memorandum Account and the Intervenor Compensation

Memorandum Account. In Rebuttal Testimony SJWC argued that both accounts were still necessary to track future expenses. SJWC further argued that SJWC's Pension Expense Balancing Account should be updated to reference the most current applicable General Rate Case Decision.

RESOLUTION: Parties agree that the Research Development and Demonstration Memorandum Account and the Intervenor Compensation Memorandum Account will stay open and that SJWC's Pension Expense Balancing Account should be updated to reference the most current applicable General Rate Case Decision. The continuing status of these accounts will be reviewed in SJWC's next GRC.

REFERENCES: Exhibit SJW-01, Chapter 17 (Jensen), p. 17-2 to 17-3; Exhibit SJW-10, Chapter 2 (Jensen), p. 2-9 to 2-11; Exhibit ORA-1, Chapter 10 (Keowen).

III. CONCLUSION

The Parties mutually believe that, based on the terms and conditions stated above, this Settlement is reasonable in light of the whole record, is consistent with the law, and is in the public interest.

Respectfully submitted,

OFFICE OF RATEPAYER
ADVOCATES

By: 
Joseph P. Como – Acting Director

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Dated: July 24, 2015

SAN JOSE WATER COMPANY

By: 
Palle Jensen – Senior Vice President
of Regulatory Affairs

Palle Jensen – Senior Vice President
of Regulatory Affairs

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Dated: July 24, 2015

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

**GENERAL RATE CASE
A.15-01-002**

EXHIBIT COM-01

**JOINT COMPARISON EXHIBIT
OF SAN JOSE WATER COMPANY
AND THE OFFICE OF RATEPAYER ADVOCATES IN
GENERAL RATE CASE APPLICATION 15-01-002**

Exhibit COM-01

JOINT COMPARISON EXHIBIT OF SAN JOSE WATER COMPANY AND THE OFFICE OF RATEPAYER ADVOCATES IN GENERAL RATE CASE APPLICATION 15-01-002

The San Jose Water Company (SJWC) and the Office of Ratepayer Advocates (ORA) have prepared this Joint Comparison Exhibit as a reference for comparing both Parties original positions as stated in testimony and current (final) positions based on the proposed settlement. The Exhibit includes comparisons of Parties' positions on:

- **Table 1:** Test Year 2016 Summary of Earnings at Present and Proposed Rates
- **Table 2:** Test Year 2016 Operating Revenues at Present and Proposed Rates
- **Table 3:** Test Year 2016 Operating and Administrative Expenses
- **Table 4:** Test Year 2016 Taxes at Proposed Rates
- **Table 5A-5C:** Utility Plant in Service – Budget Years 2015-2017
- **Table 6:** Test Years 2016 and 2017 Ratebase
- **Table 7:** Test Year 2016 Customer Forecasts and Sales Estimates
- **Table 8:** Non-Revenue Requirement Issues

The column ORA Testimony reflects ORA's position as provided in Exhibit O-1: Report on the Results of Operations. The column ORA Final reflects ORA's position with the settlement items included. The column SJWC Application reflects the SJWC position as submitted in exhibits accompanying the initial A.15-01-002 filing on January 5, 2015. The column SJWC Update reflects the revised estimates as provided in the 45-Day Update filing on February 19, 2015. And the column SJWC Final reflects SJWC's position with all agreed upon and settled items between ORA and SJWC incorporated.

The column "Current Status" includes notes that designate the contested or resolved status of each line item. Notes are as follows:

- a. ORA accepted SJWC's position/estimate as stated in Exhibits SJWC -1 and/or SJWC-2.
- b. SJWC accepted ORA's position/estimate as stated in Exhibit O-01.
- c. Parties agree on positions/estimating methodology for the line item - differences are due to allocation of differing estimates of Total Labor Expense.
- d. Parties agree on positions/estimating methodology for the line item - differences are due to the effect of differing estimates of Total Revenue at Proposed Rates.
- e. Issue settled as specified in Joint Settlement Agreement.
- f. Issue remains contested and was addressed in evidentiary hearing.

The column "Reference" provides locations in the various Exhibits where Parties have presented arguments on the individual items/issues. The reference nomenclature is Exhibit,Chapter,Page,Section. For example "O-01,CH02,P02, §C2.a" refers to ORA Exhibit O-01, Chapter 2, page 2, Section C.2.a.

DETAILED JOINT COMPARISON EXHIBIT

TABLE 1:

TEST YEAR 2016 SUMMARY OF EARNINGS AT PRESENT AND PROPOSED RATES

Line	Item	ORA		\$ SJWC > ORA	% SJWC > ORA	SJWC Final*	SJWC Update	SJWC Application
		Testimony	Final*					
1	Summary of Earnings at Present Rates							
2	Operating Revenue	\$274,948	\$292,146	\$0	0.0%	\$292,146	\$286,513	\$286,146
3								
4	Operating & Maintenance Expense	\$141,830	\$159,283	\$6,024	3.8%	\$165,307	\$159,183	\$158,588
5	Administrative & General Expense	\$26,479	\$26,476	\$2,740	10.3%	\$29,216	\$29,278	\$29,282
6	Taxes Other Than Income	\$10,713	\$10,757	\$1,221	11.4%	\$11,978	\$11,974	\$11,854
7	Depreciation & Amortization	\$41,986	\$41,986	\$0	0.0%	\$41,986	\$41,986	\$41,571
8	Income Taxes	\$14,695	\$14,455	(\$4,083)	-28.2%	\$10,372	\$10,475	\$12,236
9	Total Operating Expenses	\$235,703	\$252,957	\$5,903	2.3%	\$258,859	\$252,896	\$253,531
10								
11	Net Operating Revenue	\$39,245	\$39,189	(\$5,903)	-15.1%	\$33,287	\$33,616	\$32,615
12								
13	Depreciated Rate Base	\$656,558	\$657,921	\$1,070	0.2%	\$658,991	\$664,755	\$658,370
14	Rate of Return	5.98%	5.96%	-1%	-15.2%	5.05%	5.06%	4.95%
15								
16	Summary of Earnings at Proposed Rates							
17	Operating Revenue	\$298,416	\$315,885	\$10,103	3.2%	\$325,988	\$320,544	\$321,073
18								
19	Operating & Maintenance Expense	\$141,830	\$159,283	\$6,024	3.8%	\$165,307	\$159,183	\$158,588
20	Administrative & General Expense	\$26,479	\$26,476	\$2,740	10.3%	\$29,216	\$29,278	\$29,282
21	Taxes Other Than Income	\$10,769	\$10,814	\$1,245	11.5%	\$12,059	\$12,056	\$11,936
22	Depreciation & Amortization	\$41,986	\$41,986	\$0	0.0%	\$41,986	\$41,986	\$41,571
23	Income Taxes	\$24,220	\$24,090	\$17	0.1%	\$24,107	\$24,288	\$26,434
24	Total Operating Expenses	\$245,284	\$262,649	\$10,027	3.8%	\$272,675	\$266,790	\$267,811
25								
26	Net Operating Revenue	\$53,132	\$53,237	\$76	0.1%	\$53,313	\$53,754	\$53,262
27								
28	Depreciated Rate Base	\$656,558	\$657,921	\$1,070	0.2%	\$658,991	\$664,755	\$658,370
29	Rate of Return	8.09%	8.09%	0%	0.0%	8.09%	8.09%	8.09%

**Current* positions for SJWC and ORA include increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letter 474 effective July 1, 2015.

DETAILED JOINT COMPARISON EXHIBIT

TABLE 2:

TEST YEAR 2016 OPERATING REVENUES AT PRESENT AND PROPOSED RATES

Line	Item	ORA Testimony	ORA Final*	\$ SJWC > ORA	% SJWC > ORA	SJWC Final*	SJWC Update	SJWC Application
1	Oper. Revenues at Present Rates							
2	Residential	\$168,740	\$178,826	\$0	0.0%	\$178,826	\$176,816	\$176,618
3	Business	\$84,572	\$90,593	\$0	0.0%	\$90,593	\$87,064	\$86,903
4	Industrial Revenue	\$980	\$1,050	\$0	0.0%	\$1,050	\$984	\$984
5	Public Authorities	\$12,166	\$13,045	\$0	0.0%	\$13,045	\$13,053	\$13,073
6	Resale	\$1,286	\$1,397	\$0	0.0%	\$1,397	\$1,559	\$1,559
7	Other	\$818	\$849	\$0	0.0%	\$849	\$651	\$651
8	Raw Water	\$53	\$53	\$0	0.0%	\$53	\$53	\$53
9	Recycled Water	\$2,477	\$2,477	\$0	0.0%	\$2,477	\$2,477	\$2,470
10								
11	Private Fire Service	\$3,164	\$3,164	\$0	0.0%	\$3,164	\$3,164	\$3,184
12								
13	Subtotal	\$274,256	\$291,454	\$0	0.0%	\$291,454	\$285,821	\$285,495
14								
15	Misc. & Deferred Revenue	\$692	\$692	\$0	0.0%	\$692	\$692	\$652
16								
17	Total Revenues at Present Rates	\$274,948	\$292,146	\$0	0.0%	\$292,146	\$286,513	\$286,146
18								
19	Oper. Revenues at Proposed Rates							
20	Residential	\$183,537	\$193,693	\$6,465	3.3%	\$200,158	\$198,901	\$199,138
21	Business	\$91,403	\$97,454	\$2,922	3.0%	\$100,376	\$96,501	\$96,700
22	Industrial Revenue	\$1,059	\$1,129	\$34	3.0%	\$1,163	\$1,091	\$1,095
23	Public Authorities	\$13,141	\$14,024	\$416	3.0%	\$14,440	\$14,434	\$14,518
24	Resale	\$1,378	\$1,490	\$38	2.6%	\$1,528	\$1,691	\$1,702
25	Other	\$900	\$931	\$38	4.1%	\$969	\$762	\$760
26	Raw Water	\$62	\$67	\$2	2.6%	\$69	\$63	\$64
27	Recycled Water	\$2,810	\$2,984	\$79	2.6%	\$3,063	\$2,869	\$2,872
28								
29	Private Fire Service	\$3,434	\$3,421	\$109	3.2%	\$3,530	\$3,540	\$3,573
30								
31	Subtotal	\$297,724	\$315,193	\$10,103	3.2%	\$325,296	\$319,852	\$320,422
32								
33	Misc. & Deferred Revenue	\$692	\$692	\$0	0.0%	\$692	\$692	\$652
34								
35	Total Revenues at Proposed Rates	\$298,416	\$315,885	\$10,103	3.2%	\$325,988	\$320,544	\$321,073

*"Current" positions for SJWC and ORA include increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letter 474 effective July 1, 2015.

DETAILED JOINT COMPARISON EXHIBIT
TABLE 3:
TEST YEAR 2016 OPERATING AND ADMINISTRATIVE EXPENSES

Line	Item	ORA Testimony	ORA Final*	\$ SJWC > ORA	% SJWC > ORA	SJWC Final*	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	Operating & Maintenance Expenses										
2	Purchased Water Potable	\$59,787	\$70,163	\$0	0.0%	\$70,163	\$59,787	\$59,787	a	O-01.CH02.P02.\$C2.a	SJW-01.CH03.P02.8D
3	Purchased Water Recycled	\$1,262	\$1,262	\$0	0.0%	\$1,262	\$1,262	\$1,250	a	O-01.CH02.P04.\$C2.b	SJW-01.CH03.P02.8D
4	Other Source of Supply	\$1,064	\$1,066	\$128	12.0%	\$1,194	\$1,232	\$1,250	c	O-01.CH02.P05.\$C2.c	SJW-01.CH08.P01.8B
5	Purchased Power	\$8,915	\$8,915	\$0	0.0%	\$8,915	\$9,454	\$9,230	a	O-01.CH02.P06.\$C2.d	SJW-01.CH08.P01.8B
6	Pump Taxes	\$35,406	\$42,373	\$0	0.0%	\$42,373	\$40,947	\$40,819	a	O-01.CH02.P06.\$C2.e	SJW-01.CH03.P02.8D
7	Other Pumping Expenses	\$3,318	\$3,326	\$479	14.4%	\$3,805	\$3,914	\$3,568	c	O-01.CH02.P07.\$C2.f	SJW-01.CH08.P01.8B
8	Chemical & Filtering Material	\$459	\$459	\$0	0.0%	\$459	\$459	\$460	a	O-01.CH02.P07.\$C2.g	SJW-01.CH08.P01.8B
9	Other Water Treatment	\$2,921	\$2,921	\$440	15.1%	\$3,361	\$3,376	\$3,438	c	O-01.CH02.P08.\$C2.h	SJW-01.CH08.P01.8B
10	Transmission & Distribution	\$3,656	\$3,658	\$696	19.0%	\$4,354	\$4,386	\$4,398	c	O-01.CH02.P09.\$C2.i	SJW-01.CH08.P01.8B
11	Customer Accounts - Uncollectibles	\$452	\$478	\$16	3.3%	\$494	\$485	\$499	d	O-01.CH02.P10.\$C2.j	SJW-01.CH08.P01.8B
12	Customer Accounts - Labor	\$4,189	\$4,189	\$961	22.9%	\$5,150	\$5,150	\$5,486	c	O-01.CH02.P10.\$C2.k	SJW-01.CH08.P01.8B
13	Customer Accounts - Transportation	\$95	\$95	\$7	7.4%	\$102	\$103	\$84	c	O-01.CH02.P10.\$C2.l	SJW-01.CH08.P01.8B
14	Customer Accounts - Postage	\$523	\$523	\$0	0.0%	\$523	\$533	\$529	a	O-01.CH02.P11.\$C2.m	SJW-01.CH08.P01.8B
15	Customer Accounts - Purchased Services	\$2,261	\$2,281	\$0	0.0%	\$2,281	\$2,586	\$3,241	c	O-01.CH02.P11.\$C2.n	SJW-01.CH08.P01.8B
16	Conservation - Base Program	\$129	\$129	\$0	0.0%	\$129	\$132	\$138	a	O-01.CH02.P11.\$C2.o	SJW-01.CH18.P05.8D
17	Conservation - WRAM Related	\$0	\$0	\$1,536	100.0%	\$1,536	\$1,536	\$1,536	f	O-01.CH02.P12.\$C2.p	SJW-01.CH18.P14.8E; SJW-10.CH06
18	Conservation - Recycled Retrofits	\$2,375	\$2,375	\$0	0.0%	\$2,375	\$6,146	\$6,146	b	O-01.CH02.P15.\$C2.q	SJW-01.CH20
19	Customer Accounts - Other	\$169	\$169	\$0	0.0%	\$169	\$172	\$32	a	O-01.CH02.P17.\$C2.r	SJW-01.CH08.P01.8B
20	Non-Tariffed Service Adjustment	(\$760)	(\$760)	\$0	0.0%	(\$760)	(\$674)	(\$649)	b	O-01.CH02.P17.\$C2.s	SJW-01.CH08.P05.8D
21	Maintenance Source of Supply	\$180	\$182	\$5	2.7%	\$187	\$208	\$159	c	O-01.CH02.P18.\$C3.a	SJW-01.CH08.P01.8B
22	Maintenance Pumping	\$1,248	\$1,254	\$128	10.2%	\$1,382	\$1,476	\$1,563	c	O-01.CH02.P18.\$C3.b	SJW-01.CH08.P01.8B
23	Maintenance Water Treatment Plant	\$659	\$659	\$11	1.7%	\$670	\$672	\$701	c	O-01.CH02.P18.\$C3.c	SJW-01.CH08.P01.8B
24	Maintenance Transmission & Distribution	\$13,530	\$13,574	\$1,617	11.9%	\$15,191	\$15,848	\$14,922	c	O-01.CH02.P19.\$C3.d	SJW-01.CH08.P01.8B
25	Maintenance Expense Adjustments	(\$8)	(\$8)	\$0	0.0%	(\$8)	(\$8)	(\$8)	a	O-01.CH02.P20.\$C3.e	SJW-01.CH08.P01.8B
26	Subtotal O&M Expenses	\$141,830	\$159,283	\$6,024	3.8%	\$165,307	\$159,183	\$158,588			
27											
28	Administrative & General (A&G) Expenses										
29	A&G Salaries	\$7,623	\$7,623	\$1,749	22.9%	\$9,372	\$9,372	\$9,283	c	O-01.CH02.P20.\$C4.a	SJW-01.CH09
30	A&G Office Supplies	\$1,995	\$1,995	\$12	0.6%	\$2,006	\$2,042	\$2,038	c	O-01.CH02.P20.\$C4.b	SJW-01.CH09
31	A&G Property Insurance	\$233	\$234	\$0	0.0%	\$234	\$234	\$225	a	O-01.CH02.P24.\$C4.c	SJW-01.CH09
32	A&G Injuries & Damages Insurance	\$2,025	\$2,022	\$225	11.1%	\$2,247	\$2,258	\$2,326	d	O-01.CH02.P25.\$C4.d	SJW-01.CH09
33	A&G Pensions, Benefits, & PBOP	\$16,134	\$16,134	\$488	3.0%	\$16,621	\$16,698	\$16,877	c	O-01.CH02.P26.\$C4.e	SJW-01.CH09
34	A&G Regulatory Commission	\$186	\$186	\$156	84.2%	\$342	\$341	\$341	f	O-01.CH02.P28.\$C4.f	SJW-01.CH09; SJW-10.CH02.P03
35	A&G Outside Services	\$3,112	\$3,112	\$0	0.0%	\$3,112	\$3,161	\$3,367	a	O-01.CH02.P29.\$C4.g	SJW-01.CH09
36	A&G Dues & Memberships	\$427	\$427	\$0	0.0%	\$427	\$467	\$496	b	O-01.CH02.P30.\$C4.h	SJW-01.CH09
37	A&G Corporate Expenses	\$790	\$790	\$101	12.8%	\$891	\$908	\$819	f	O-01.CH02.P30.\$C4.i	SJW-01.CH09; SJW-10.CH02.P05
38	A&G Rents	\$498	\$498	\$0	0.0%	\$498	\$508	\$508	a	O-01.CH02.P31.\$C4.j	SJW-01.CH09
39	A&G Maintenance	\$918	\$918	\$9	1.0%	\$927	\$944	\$938	c	N/A	SJW-01.CH09
40	A&G Transferred Expenses	(\$7,462)	(\$7,462)	\$0	0.0%	(\$7,462)	(\$7,654)	(\$7,937)	a	N/A	SJW-01.CH09
41	Subtotal A&G Expenses	\$26,479	\$26,476	\$2,740	10.3%	\$29,216	\$29,278	\$29,282			
42											
43	Allocated Expenses										
44	Total Labor Expense	\$34,565	\$34,565	\$7,930	22.9%	\$42,496	\$42,496	\$42,504	f	O-01.CH03	SJW-01.CH05; SJW-10.CH04.P02; SJW-10.CH02.P05
45	Transportation Expense	\$3,607	\$3,607	\$268	7.4%	\$3,876	\$3,896	\$3,762	c	O-01.CH02.P31.\$C5.b	SJW-01.CH08.P01.8B
46	Purchased Services	\$10,507	\$10,591	\$0	0.0%	\$10,591	\$11,830	\$11,975	e	O-01.CH02.P33.\$C5.c	SJW-01.CH08.P01.8B; SJW-10.CH01

*"Current" positions for SJWC and ORA include increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letter 474 effective July 1, 2015.

DETAILED JOINT COMPARISON EXHIBIT
TABLE 4:
TEST YEAR 2016 TAXES AT PROPOSED RATES

Line	Item	ORA Testimony	ORA Final*	\$ SJWC > ORA	% SJWC > ORA	SJWC Final*	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	TAXES										
2	Taxes Other Than Income										
3	Ad Valorem Taxes	\$8,138	\$8,141	\$0	0.0%	\$8,141	\$8,151	\$7,986	a	O-01,CH06,P01,§C1	SJW-01,CH10,P01,§B
4	Business License Fees	\$33	\$33	\$0	0.0%	\$33	\$33	\$33	a	O-01,CH06,P03,§C3	SJW-01,CH10,P01,§B
5	Payroll Taxes	\$1,885	\$1,885	\$1,221	64.8%	\$3,106	\$3,106	\$3,166	f	O-01,CH06,P02,§C2	SJW-01,CH10,P01,§B; SJW-10,CH02,P08
6	Franchise Fees	\$714	\$755	\$24	3.2%	\$780	\$767	\$751	d	O-01,CH06,P04,§C4	SJW-01,CH10,P01,§B
7	Subtotal Taxes Other Than Income	\$10,769	\$10,814	\$1,245	11.5%	\$12,059	\$12,056	\$11,936			
8											
9	Depreciation and Amortization	\$41,986	\$41,986	\$0	0.0%	\$41,986	\$41,986	\$41,571	a	O-01,CH07,P03,§C2	SJW-01,CH12
10											
11	Income Taxes										
12	Total Deductions	\$199,933	\$217,498	\$10,061	4.6%	\$227,559	\$221,671	\$220,268			
13											
14	CCFT Depreciation for Taxes	(\$39,781)	(\$40,114)	\$0	0.0%	(\$40,114)	(\$40,114)	(\$43,346)	a		
15	Tax Deduction on Repairs & Maintenance	(\$22,613)	(\$22,613)	\$0	0.0%	(\$22,613)	(\$22,613)	\$0	a		
16	Deferred Revenue (Net of Tax)	\$43	\$43	\$0	0.0%	\$43	\$43	\$39	a		
17	Taxable Income Incl Def Revenue	\$35,644	\$35,216	\$42	0.1%	\$35,258	\$35,702	\$57,050			
18	California State Tax @ 8.84%	\$3,151	\$3,113	\$4	0.1%	\$3,117	\$3,156	\$5,043		O-01,CH05	SJW-01,CH10,P02,§C
19											
20	FIT Depreciation for Taxes	(\$33,318)	(\$33,524)	\$0	0.0%	(\$33,524)	(\$33,524)	(\$32,868)	a		
21	CCFT Deduction	(\$3,151)	(\$3,113)	(\$4)	0.1%	(\$3,117)	(\$3,156)	(\$5,043)			
22	Domestic Production Activities Deduction	(\$1,338)	(\$1,338)	\$0	0.0%	(\$1,338)	(\$1,338)	(\$1,338)	a		
23	Taxable Income	\$60,188	\$59,925	\$38	0.1%	\$59,963	\$60,367	\$61,108			
24	Federal Income Tax @ 35%	\$21,066	\$20,974	\$13	0.1%	\$20,987	\$21,129	\$21,388			
25	Tax on CIAC and Advances	\$3	\$3	\$0	0.0%	\$3	\$3	\$3	a		
26	Subtotal Income Taxes	\$24,220	\$24,090	\$17	0.1%	\$24,107	\$24,288	\$26,434			

*"Current" positions for SJWC and ORA include increased purchased water and groundwater extraction unit costs as authorized by the CPUC via Advice Letter 474 effective July 1, 2015.

DETAILED JOINT COMPARISON EXHIBIT
TABLE 5A:
UTILITY PLANT IN SERVICE - BUDGET YEAR 2015

Line	Item	ORA Testimony	ORA Final	\$ SJWC > ORA	% SJWC > ORA	SJWC Final	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	UTILITY PLANT										
2	2015 Plant - CONTESTED ¹										
3	SJW013088 - Reservoirs & Tanks (Cox Sta. Basin #2)	\$283	\$283	\$0	0.0%	\$283	\$306	\$306	e	O-01, CH04, P13, §C4.c	SJW-03, P114; SJW-10, CH03, P02
4	SJW013091 - Reservoirs & Tanks (Almaden Valley Sta. Reservoir)	\$170	\$170	\$0	0.0%	\$170	\$184	\$184	e	O-01, CH04, P12, §C4.a	SJW-03, P122; SJW-10, CH03, P02
5	SJW012309 - Pumps (Franciscan Sta.) ²	\$0	\$0	\$0	0.0%	\$0	\$149	\$149	e	O-01, CH04, P18, §C5.a	SJW-03, P137
6	SJW010163 - Pumps (Submersible Equip.)	\$534	\$623	\$0	0.0%	\$623	\$683	\$683	e	O-01, CH04, P26, §C5.i	SJW-03, P34; SJW-10, CH03, P03
7	SJW010457 - Pumps (Line Sharft Equip.)	\$596	\$623	\$0	0.0%	\$623	\$683	\$683	e	O-01, CH04, P24, §C5.h	SJW-03, P31; SJW-10, CH03, P03
8	SJW012332 - Distribution (City, County, State)	\$329	\$369	\$0	0.0%	\$369	\$408	\$408	e	O-01, CH04, P32, §C6.c	SJW-02, WP11-7; SJW-10, CH03, P04
9	SJW012826 - Distribution (Pressure Monitors)	\$0	\$0	\$0	0.0%	\$0	\$354	\$354	e	O-01, CH04, P38, §C6.e.ii	SJW-03, P48
10	SJW010304 - Distribution (Services >2")	\$0	\$0	\$0	0.0%	\$0	\$20	\$20	e	O-01, CH04, P39, §C6.f	SJW-02, WP11-7
11	SJW012608 - Distribution (Meter Replacement)	\$1,072	\$1,114	\$0	0.0%	\$1,114	\$1,114	\$1,114	e	O-01, CH04, P42, §C6.g	SJW-03, P45; SJW-10, CH03, P05
12	SJW10225 - Distribution (Hydrants in San Jose)	\$202	\$202	\$0	0.0%	\$202	\$204	\$204	e	O-01, CH04, P45, §C6.h	SJW-02, WP11-7
13	SJW10273 - Distribution (Hydrants outside San Jose)	\$101	\$101	\$0	0.0%	\$101	\$102	\$102	e	O-01, CH04, P45, §C6.h	SJW-02, WP11-7
14	SJW12811 - Equipment (Automated Metering Infrastructure)	\$0	\$125	\$0	0.0%	\$125	\$510	\$510	e	O-01, CH04, P47, §C7.a	SJW-03, P64; SJW-10, CH01
15	2015 New Plant - CONTESTED Subtotal	\$3,286	\$3,610	\$0	0.0%	\$3,610	\$4,718	\$4,718			
16	2015 New Plant - UNCONTESTED	\$100,871	\$100,871	\$0	0.0%	\$100,871	\$100,871	\$100,871			
17	2015 Total UPIS	\$104,158	\$104,481	\$0	0.0%	\$104,481	\$105,590	\$105,590			

¹Numbers provided are project index numbers

²Parties agreed to Advice Letter (Tier II) treatment

DETAILED JOINT COMPARISON EXHIBIT
TABLE 5B:
UTILITY PLANT IN SERVICE - BUDGET YEAR 2016

Line	Item	ORA Testimony	ORA Final	\$ SJWC > ORA	% SJWC > ORA	SJWC Final	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	2016 Plant - CONTESTED ¹										
2	SJW012383 - Reservoirs & Tanks (Almaden Valley Sta. Reservoir)	\$6,231	\$6,231	\$0	0.0%	\$6,231	\$6,743	\$6,743	e	O-01,CH04,P12,\$C4.a	SJW-03,P122; SJW-10,CH03,P02
3	SJW012861 - Reservoirs & Tanks (Cox Sta. Basin #2)	\$3,909	\$3,909	\$0	0.0%	\$3,909	\$4,231	\$4,231	e	O-01,CH04,P13,\$C4.c	SJW-03,P114; SJW-10,CH03,P02
4	SJW013080 - Reservoirs & Tanks (Belgatos Sta. Basin #1)	\$224	\$224	\$0	0.0%	\$224	\$242	\$242	e	O-01,CH04,P12,\$C4.b	SJW-03,P209; SJW-10,CH03,P02
5	SJW012310 - Pumps (Franciscan Sta.) ²	\$0	\$0	\$0	0.0%	\$0	\$1,382	\$1,382	e	O-01,CH04,P18,\$C5.a	SJW-03,P137
6	SJW012311 - Pumps (Harwood Ct. Sta.)	\$877	\$877	\$0	0.0%	\$877	\$1,104	\$1,104	e	O-01,CH04,P22,\$C5.c	SJW-03,P224
7	SJW012347 - Pumps (Miguelito Sta.) ²	\$0	\$0	\$0	0.0%	\$0	\$207	\$207	e	O-01,CH04,P21,\$C5.d	SJW-03,P239
8	SJW010452 - Pumps (Submersible Equip.)	\$550	\$642	\$0	0.0%	\$642	\$704	\$704	e	O-01,CH04,P26,\$C5.i	SJW-03,P34; SJW-10,CH03,P03
9	SJW010465 - Pumps (Line Shaft Equip.)	\$635	\$642	\$0	0.0%	\$642	\$704	\$704	e	O-01,CH04,P24,\$C5.h	SJW-03,P31; SJW-10,CH03,P03
10	SJW012933 - Distribution (Recycled Align. A)	\$4,011	\$4,011	\$0	0.0%	\$4,011	\$4,164	\$4,164	e	O-01,CH04,P30,\$C6.a.i	SJW-03,P264; SJW-10,CH07,P03
11	SJW012934 - Distribution (Recycled Align. R)	\$1,494	\$1,494	\$0	0.0%	\$1,494	\$1,522	\$1,522	e	O-01,CH04,P31,\$C6.a.ii	SJW-03,P285; SJW-10,CH07,P03
12	SJW10278 - Distribution (City, County, State)	\$339	\$380	\$0	0.0%	\$380	\$420	\$420	e	O-01,CH04,P32,\$C6.c	SJW-02,WP11-8; SJW-10,CH03,P04
13	SJW10191 - Distribution (Services >2")	\$0	\$0	\$0	0.0%	\$0	\$21	\$21	e	O-01,CH04,P39,\$C6.f	SJW-02,WP11-8
14	SJW10192 - Distribution (Hydrants in San Jose)	\$104	\$104	\$0	0.0%	\$104	\$105	\$105	e	O-01,CH04,P45,\$C6.h	SJW-02,WP11-8
15	SJW10280 - Distribution (Hydrants outside San Jose)	\$208	\$208	\$0	0.0%	\$208	\$210	\$210	e	O-01,CH04,P45,\$C6.h	SJW-02,WP11-8
16	SJW12812 - Equipment (Automated Metering Infrastructure)	\$0	\$0	\$0	0.0%	\$0	\$5,799	\$5,799	e	O-01,CH04,P47,\$C7.a	SJW-03,P64; SJW-10,CH01
17	SJW012627 - Non-Specifics (Fleet Vehicles)	\$2,068	\$2,169	\$0	0.0%	\$2,169	\$2,270	\$2,270	e	O-01,CH04,P52,\$C8.a	SJW-03,P37; SJW-10,CH03,P06
18	2016 New Plant - CONTESTED Subtotal	\$20,650	\$18,514	\$0	0.0%	\$18,514	\$21,549	\$21,549			
19	2016 New Plant - UNCONTESTED	\$84,099	\$86,475	\$0	0.0%	\$86,475	\$92,378	\$92,378			
20	2016 Total UPIS	\$104,749	\$104,989	\$0	0.0%	\$104,989	\$113,927	\$113,927			

¹Numbers provided are project index numbers

²Parties agreed to Advice Letter (Tier II) treatment

DETAILED JOINT COMPARISON EXHIBIT
TABLE 5C:
UTILITY PLANT IN SERVICE - BUDGET YEAR 2017

Line	Item	ORA Testimony	ORA Final	\$ SJWC > ORA	% SJWC > ORA	SJWC Final	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1											
2	2017 New Plant - CONTESTED ¹										
3	SJW012440 - Source of Supply: Well Site Purchase	\$0	\$0	\$0	0.0%	\$0	\$6,529	\$6,529	e	O-01,CH04,P06,\$C2	SJW-03,P24; SJW-10,CH07,P01
4	SJW012862 - Reservoirs & Tanks (Belagatos Sta. Basin #1)	\$7,916	\$7,916	\$0	0.0%	\$7,916	\$8,541	\$8,541	e	O-01,CH04,P12,\$C4.b	SJW-03,P209; SJW-10,CH03,P02
5	SJW012348 - Pumps (Miguelito Sta.) ²	\$0	\$0	\$0	0.0%	\$0	\$1,932	\$1,932	e	O-01,CH04,P21,\$C5.d	SJW-03,P239
6	SJW10211 - Pumps (Line Shaft Equip.)	\$635	\$665	\$0	0.0%	\$665	\$729	\$729	e	O-01,CH04,P24,\$C5.h	SJW-03,P31; SJW-10,CH03,P03
7	SJW010468 - Pumps (Submersible Equip.)	\$569	\$665	\$0	0.0%	\$665	\$729	\$729	e	O-01,CH04,P26,\$C5.i	SJW-03,P34; SJW-10,CH03,P03
8	SJW012935 - Distribution (Recycled Align. D)	\$10,982	\$10,982	\$0	0.0%	\$10,982	\$11,339	\$11,339	e	O-01,CH04,P31,\$C6.a.iii	SJW-03,P264; SJW-10,CH07,P03
9	SJW10283 - Distribution (City, County, State)	\$351	\$393	\$0	0.0%	\$393	\$435	\$435	e	O-01,CH04,P32,\$C6.c	SJW-02,WP11-9; SJW-10,CH03,P04
10	SJW10210 - Distribution (Services >2")	\$0	\$0	\$0	0.0%	\$0	\$22	\$22	e	O-01,CH04,P39,\$C6.f	SJW-02,WP11-9
11	SJW012482 - Distribution (Hydrants in San Jose)	\$215	\$215	\$0	0.0%	\$215	\$218	\$218	e	O-01,CH04,P45,\$C6.h	SJW-02,WP11-9
12	SJW012483 - Distribution (Hydrants outside San Jose)	\$108	\$108	\$0	0.0%	\$108	\$109	\$109	e	O-01,CH04,P45,\$C6.h	SJW-02,WP11-9
13	SJW012813 - Equipment (Automated Metering Infrastructure)	\$0	\$0	\$0	0.0%	\$0	\$2,401	\$2,401	e	O-01,CH04,P47,\$C7.a	SJW-03,P64; SJW-10,CH01
14	SJW012628 - Non-Specifics (Fleet Vehicles)	\$1,740	\$1,889	\$0	0.0%	\$1,889	\$2,038	\$2,038	e	O-01,CH04,P52,\$C8.a	SJW-03,P37; SJW-10,CH03,P06
15	2017 New Plant - CONTESTED Subtotal	\$22,516	\$22,831	\$0	0.0%	\$22,831	\$35,019	\$35,019			
16	2017 New Plant - UNCONTESTED	\$81,005	\$81,005	\$0	0.0%	\$81,005	\$81,005	\$81,005			
17	2017 Total UPIS	\$103,521	\$103,837	\$0	0.0%	\$103,837	\$116,024	\$116,024			

¹Numbers provided are project index numbers

²Parties agreed to Advice Letter (Tier II) treatment

DETAILED JOINT COMPARISON EXHIBIT
TABLE 6:
TEST YEARS 2016 AND 2017 RATEBASE

Line	Item	ORA Testimony	ORA Final	\$ SJWC > ORA	% SJWC > ORA	SJWC Final	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	2016 RATEBASE										
2	Utility Plant	\$1,441,242 (\$184,092)	\$1,441,692 (\$184,092)	\$0	0.0%	\$1,441,692 (\$184,092)	\$1,447,407 (\$184,092)	\$1,432,326 (\$177,901)	e	O-01,CH04	
3	Adjustments to Plant			\$0	0.0%				a	O-01,CH07,P04,\$C3	
4	Working Capital	\$17,363 (\$149,477)	\$18,282 (\$149,484)	\$1,070	5.9%	\$19,352 (\$149,484)	\$19,402 (\$149,484)	\$19,009 (\$143,062)	d	O-01,CH07,P01,\$C1	
5	Tax Deferrals			\$0	0.0%				a	O-01,CH07	
6	Rate Base, Taxed Contributions	\$4,826	\$4,826	\$0	0.0%	\$4,826	\$4,826	\$4,622	a	O-01,CH07,P05,\$C4	
7	Rate Base, Taxed Advances	\$2,800	\$2,800	\$0	0.0%	\$2,800	\$2,800	\$2,700	a	O-01,CH07,P05,\$C4	
8	Depreciation Reserve	\$476,104	\$476,104	\$0	0.0%	\$476,104	\$476,104	\$479,324	a	O-01,CH07,P03,\$C2	
9	2016 Weighted Avg Ratebase	\$656,559	\$657,921	\$1,070	0.2%	\$658,991	\$664,755	\$658,370			
10											
11	2017 RATEBASE										SJW-01,CH13
12	Utility Plant	\$1,544,345 (\$184,668)	\$1,545,077 (\$184,668)	\$0	0.0%	\$1,545,077 (\$184,668)	\$1,561,491 (\$184,668)	\$1,546,415 (\$177,388)	e	O-01,CH04	
13	Adjustments to Plant			\$0	0.0%				a	O-01,CH07,P04,\$C3	
14	Working Capital	\$18,217 (\$155,076)	\$19,121 (\$155,104)	\$1,113	5.8%	\$20,234 (\$155,104)	\$19,572 (\$155,104)	\$19,242 (\$148,244)	d	O-01,CH07,P01,\$C1	
15	Tax Deferrals			\$0	0.0%				a	O-01,CH07	
16	Rate Base, Taxed Contributions	\$4,855	\$4,855	\$0	0.0%	\$4,855	\$4,855	\$4,616	a	O-01,CH07,P05,\$C4	
17	Rate Base, Taxed Advances	\$2,699	\$2,699	\$0	0.0%	\$2,699	\$2,699	\$2,601	a	O-01,CH07,P05,\$C4	
18	Depreciation Reserve	\$517,898	\$517,898	\$0	0.0%	\$517,898	\$518,136	\$521,468	a	O-01,CH07,P03,\$C2	
19	2017 Weighted Avg Ratebase	\$712,476	\$714,083	\$1,113	0.2%	\$715,196	\$730,710	\$725,775			

DETAILED JOING COMPARISON EXHIBIT
TABLE 7:

TEST YEAR 2016 CUSTOMER FORECASTS AND SALES ESTIMATES

Line	Item	ORA Testimony	ORA Final	\$ SJWC > ORA	% SJWC > ORA	SJWC Final	SJWC Update	SJWC Application	Current Status	ORA Reference	SJWC Reference
1	Metered Services										
2	Residential	199,416	199,416	0	0.0%	199,416	199,416	199,191	a		
3	Business	20,332	20,332	0	0.0%	20,332	20,332	20,293	a		
4	Industrial	53	53	0	0.0%	53	53	53	a		
5	Public Authority	1,293	1,293	0	0.0%	1,293	1,293	1,307	a		
6	Resale	32	32	0	0.0%	32	32	32	a		
7	Other	212	212	0	0.0%	212	188	188	b		
8	Total Potable Metered Services	221,338	221,338	0	0.0%	221,338	221,314	221,064		O-01,CH01,P03,\$C1	SJW-01,CH07,P01,\$B
9											
10	Raw Water	4	4	0	0.0%	4	4	4	a		
11	Recycled Water	178	178	0	0.0%	178	178	178	a		
12	Total Non-Potable Metered Services	221,520	221,520	0	0.0%	221,520	221,496	221,246			
13											
14	Private Fire Service	3,709	3,709	0	0.0%	3,709	3,709	3,735	a		
15	Total Active Services	225,229	225,229	0	0.0%	225,229	225,205	224,981			
16											
17	Average Sales per Customer (ccf/connection/yr)										
18	Residential	147	147	0	0.0%	147	157	157	b		
19	Business	861	861	0	0.0%	861	893	893	b		
20											
21	Total Sales Per Customer Class (Kccf)										
22	Residential	29,234	29,234	0	0.0%	29,234	31,328	31,293	b		
23	Business	17,451	17,451	0	0.0%	17,451	18,097	18,063	b		
24	Industrial	203	203	0	0.0%	203	204	204	b		
25	Public Authority	2,547	2,547	0	0.0%	2,547	2,777	2,777	b	O-01,CH01,P05,\$C2	SJW-01,CH06; SJW-12
26	Resale	322	322	0	0.0%	322	393	393	b		
27	Other	90	90	0	0.0%	90	60	60	b		
28	Total Potable Metered Sales	49,847	49,847	0	0.0%	49,847	52,859	52,790			
29											
30	Raw Water	14	14	0	0.0%	14	14	14	a		
31	Recycled Water	870	870	0	0.0%	870	870	867	a		
32	Total Sales	50,731	50,731	0	0.0%	50,731	53,743	53,671			
33											
34	Source of Supply (Kccf)										
35	Groundwater	20,645	20,645	0	0.0%	20,645	23,877	23,802	a		
36	Purchased Water	30,747	30,747	0	0.0%	30,747	30,747	30,747	a	N/A	SJW-01,CH03,P02,\$D
37	Surface Water	2,085	2,085	0	0.0%	2,085	2,085	2,085	a		

DETAILED JOINT COMPARISON EXHIBIT
TABLE 8:
NON-REVENUE REQUIREMENT ISSUES

Line Item	ORA Testimony		ORA Final		SJWC Final		SJWC Application		Current Status		ORA Reference		SJWC Reference	
	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Full WRAM/MCBA	Maintain current rate	Full WRAM/MCBA	a	f	O-01,CH01,P19,§C4	O-01,CH13	SJW-01,CH15	SJW-10,CH02,P10
1 Rate Design	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Full WRAM/MCBA	Maintain current rate	Full WRAM/MCBA	a	f	O-01,CH01,P19,§C4	O-01,CH13	SJW-01,CH15	SJW-10,CH02,P10
2 Revenue Decoupling	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Full WRAM/MCBA	Maintain current rate	Full WRAM/MCBA	a	f	O-01,CH01,P19,§C4	O-01,CH13	SJW-01,CH15	SJW-10,CH02,P10
3 Balancing and Memorandum Accounts	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Maintain Monterey Style WRAM	Maintain current rate	Full WRAM/MCBA	Maintain current rate	Full WRAM/MCBA	a	f	O-01,CH01,P19,§C4	O-01,CH13	SJW-01,CH15	SJW-10,CH02,P10
4 Balancing Account Disposition	Authorize recovery of \$3,872,936 balance via \$0.07327/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	Authorize recovery of \$4,751,775 balance via \$0.09000/ccf surcharge for 12-month period	e					
5 Memorandum Account Disposition	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	Authorize refund of \$975,527 balance via \$0.3673 credit per connection per month for 12-month period	a					SJW-01,CH17,P02,§E/F; SJW-10,CH02,P09
6 Preliminary Statement Update	Update Preliminary Statement to reflect all balancing and memorandum accounts, including closing Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	Update Preliminary Statement to reflect all balancing and memorandum accounts including Pension Expense Balancing Account. Maintain Research, Development and Demonstration Memorandum Account and Intervenor Compensation Memorandum Account	e					SJW-10,CH02,P09
7 Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	Do Not Allow Health Care Cost Balancing Account	f					SJW-01,CH05,P29,§C; SJW-10,CH04,P08
8 Establish Groundwater Regulation Legal Expense Memorandum Account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	Authorize requested memorandum account	a					SJW-01,CH17,P03,§G
9 Update Water Ratepayer Assistance Program (WRAP) funding surcharge	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	Authorize WRAP funding surcharge to \$1.45 per customer per month	a					SJW-01,CH15,P04,§G
10 Implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	Authorize SJWC to implement Credit Card Payment Program	a					SJW-01,CH17,P04,§K
11 Establish Tangible Property Regulation Tax Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	f					SJW-10,CH05
12 Establish Enterprise Zone Sales and Use Credit Tax Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	Establish Memorandum Account	f					SJW-10,CH05