



FILED

10-05-15

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Jose Water Company (U168W), a California corporation, for an order to authorize the issuance and sale of additional debt and equity securities not exceeding the aggregate amount of \$150,000,000 and other related requests.

Application 15-08-016
(Filed August 21, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING APPLICANT TO FILE
A RESPONSE TO INFORMATION REQUEST WITHIN 15 DAYS**

On August 21, 2015, San Jose Water Company (SJWC) filed an application for authority to issue debt and equity securities. Upon review of SJWC's application, the Commission requires additional information, as outlined in Attachment A, in order to process this application. SJWC must file their response within 15 days of the date of this ruling.

IT IS RULED that San Jose Water Company shall respond to all requests in Attachment A to this ruling within 15 days of the date of this ruling.

Dated October 5, 2015, at San Francisco, California.

/s/ ADENIYI A. AYOADE
Adeniyi A. Ayoade
Administrative Law Judge

ATTACHMENT A

Exhibit III, Schedule A – Construction Budget attached to the Application shows total construction budget as follows:

2015	2016	2017	2018	2019
\$127,649,700	\$137,325,900	\$123,849,300	\$138,171,520	\$142,586,962

Exhibit III, Schedule C – Cash Requirements attached to the Application shows Funds Used or Required for Construction as follows:

2015	2016	2017	2018	2019
\$150,834,000	\$140,527,000	\$127,146,000	\$141,567,000	\$146,084,000

Exhibit III, Schedule C – Cash Requirements attached to the Application shows Cash Available from Internal Sources as follows:

2015	2016	2017	2018	2019
73,785,000	\$91,298,000	\$91,540,000	\$91,102,000	\$76,792,000

Exhibit III, Schedule H – Capital Ratios shows the following:

	Recorded	Adjustment	Pro-Forma
Long-Term Debt:	\$301,898,078	\$100,000,000 ^(A)	\$401,898,078
Short-Term Debt:	<u>\$12,200,000</u>	<u>(\$12,200,000)</u> ^(B)	0
Total Debt:	\$314,098,078	\$87,800,000	\$401,898,078
Retained Earnings:	\$256,776,046	xxxxxxxxxx ^(D)	
Preferred/Pref. Stock:	0	0	0
Common Stock	<u>\$344,382,012</u>	<u>\$266,121,000</u> ^(C)	<u>\$610,503,012</u>
Total	\$658,480,090	\$353,921,000	\$1,012,401,090

- (A) Issuance of \$100,000,000 requested in this filing (A.15-08-016).
- (B) Repayment of short-term debt.
- (C) Provide details or breakdown of the \$266,121,000.
- (D) Projected net income for 2015 to 2019 as adjustment to Retained Earnings.

1. Please explain the difference in the construction amounts in Schedule A and Schedule C.
2. Include Retained Earnings (using recorded 2014 of \$256,776,046) in Capital Ratios and the projected net income – 2015 to 2019 as adjustments.
3. If you do not wish to include Retained Earnings, provide your projected net income for 2015 to 2019 in a separate schedule.
4. In providing its Statement of Cash Requirements for Years 2015 through 2019 (Exhibit III-Schedule C), SJWC included certain “Cash Reserves” in its projection for each year. Please identify and explain what these cash reserves are and their sources.
5. Exhibit III-Schedule C provides a source titled Estimated Cash Available from Internal Sources. Please identify each Internal Source considered, type and dollar amount of each, by year, through 2019.
6. Total Cash Requirements in Schedule C is \$605,392,000, of which \$424,517,000 would be funded from internal sources (revenues), leaving an outside sources’ funding of \$180,875,000. A.15-08-016 seeks authority for \$150,000,000 debt and equity securities.
 - a. How will the difference of about \$30,000,000 be funded?
 - b. If funding would come from any existing unused debt authority, please provide the Decision Number(s) and the amount of the unused authority as requested in Question 7 below.

7. Exhibit III-Schedule F provides SJWC's most recent financing authorization and proceeds received to date.
 - a) Please provide a table listing all existing unused financing authority, the decision numbers for such authorizations, type (debt or equity) and the amount of each unused financing authority, and whether such authority is still usable.
 - b) Please explain whether the existing unused financing authority, if any, may be used to meet any of the projected issuance of long-term debt and equity identified in Exhibit III-Schedule C.
 - c) If the response to Question 7(b) is "yes", please explain why the authority requested in the applicant to issue new debt and equity should not be reduced by the amount of any existing unused financing authority.
8. Exhibit III-Schedule H provides information about the SJWC's Capital Ratios as of December 31, 2014. Please provide information regarding SJWC's Projected Capital Ratios after issuance of all debt and equity securities sought to be issued pursuant to the request for authorization herein.
9. At pages 6 and 12 of San Jose Water Company (SJWC) application, SJWC requests authority to include the cost of issuing common equity in Account 414. Please provide information and/or reference to any prior decision by the Commission in which SJWC or another water utility company was authorized to include the cost of issuing common equity in Account 414.

(END OF ATTACHMENT A)