

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 9, 2011

Draft Resolution W-4885
Agenda ID #10613

TO: All Interested Persons

The Division of Water and Audits is circulating draft Resolution W-4885. A previous draft resolution had denied without prejudice the request at hand. This draft authorizes San Jose Water Company's (SJWC) request in AL 415-A to amortize its Mandatory Conservation Revenue Adjustment Memorandum Account (MCRAMA). However, recovery of the balances in the MCRAMA under the request in AL 415-A would supplement, for the period August 3, 2009 through May 1, 2010, the recovery authorized under SJWC's Monterey-style Water Revenue Adjustment Mechanism (WRAM) and essentially provide to SJWC the recovery the utility would have achieved if the Commission had authorized a full decoupling Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) rate-making mechanism for SJWC during this period in its most recent conservation case (D.08-08-030). Because the recovery authorized here will result in a modification to D.08-08-030, parties to D.08-08-030 are being provided notice and an opportunity to be heard on this issue as is required by Public Utilities Code Section 1708.

The Commission may act then on this resolution or it may postpone action until later. When the Commission acts on a draft resolution, the Commission may adopt all or part of the draft resolution, as written, or amend or modify the draft resolution; or the Commission may set the draft resolution aside and prepare a different resolution. Only when the Commission acts does the resolution become binding.

Interested persons may submit comments on draft Resolution W-4885. An original of the comments, with a certificate of service, should be submitted to:

Division of Water and Audits, Third Floor
Attention: Terence Shia
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Division of Water and Audits, Third Floor
Attention: Rami Kahlon
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Interested persons must serve a written or electronic copy of their comments on the utility on the same date that the comments are submitted to the Division of Water and Audits. Interested persons may submit comments on or before August 30, 2011.

Comments should focus on factual, legal, or technical errors or policy issues in the draft resolution.

Persons interested in receiving comments submitted to the Division of Water and Audits may write to Terence Shia, email him at ts2@cpuc.ca.gov, or telephone him at (415) 703-2213.

/s/ RAMI S. KAHLON

Rami S. Kahlon, Director
Division of Water and Audits

Enclosures: Draft Resolution W-4885
Certificate of Service
Service List

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch****RESOLUTION NO. W-4885
September 8, 2011****R E S O L U T I O N**

(RES. W-4885), SAN JOSE WATER COMPANY (SJWC). ORDER AUTHORIZING SURCHARGES TO RECOVER \$5,740,078, OR AN INCREASE OF 2.62% IN ANNUAL METERED REVENUE, FOR LOST REVENUES DUE TO MANDATORY CONSERVATION.

SUMMARY

This Resolution grants SJWC the authority to recover in rates, as requested by Supplemental Advice Letter (AL) 415-A filed on July 8, 2010, the amount of \$5,740,078 by adding a surcharge of \$0.0944 per 100 cubic feet to the Quantity Rates in each customer's bill to be recovered over twelve months. This Supplemental AL supersedes SJWC's original filing of AL-415 filed on June 3, 2010, requesting recovery in the amount of \$6,011,377 by adding a surcharge of \$0.0989 per 100 cubic feet to the Quantity Rates. The increases requested are to recover lost revenues tracked in SJWC's Mandatory Conservation Revenue Adjustment Memorandum Account (MCRAMA) resulting from reduced water consumption by customers during the period of August 3, 2009 through May 1, 2010. We grant SJWC recovery of its MCRAMA.

BACKGROUND

SJWC, a Class A water utility, provides water service to approximately 217,000 residential and industrial customers in parts of Cupertino and San Jose, and in Campbell, Los Gatos, Monte Sereno, and Saratoga -- and in contiguous territory in Santa Clara County.

On May 27, 2009, SJWC filed AL 407 requesting Commission authority to establish the MCRAMA. The purpose of the MCRAMA was to track extraordinary expenses and revenue shortfalls associated with SJWC's conservation measures implemented as a result of a Santa Clara Valley Water District (SCVWD) water shortage alert. SCVWD issued Resolution 09-25 on March 24, 2009, which requested a 15% mandatory conservation on total sales on all water retailers in Santa Clara County, including SJWC.

SJWC implemented conservation measures intended to achieve the goals set out by SCVWD consistent with the Commission's water conservation goals. SJWC requested authority to record in the MCRAMA the revenue impact due to these conservation measures and associated administrative and operating costs not otherwise recoverable through memorandum or balancing accounts, or any other mechanism recognized by the Commission. SJWC indicated it would seek recovery of amounts recorded in the MCRAMA in its next general rate case, or other regulatory proceeding as directed by the Commission. On August 3, 2009, SJWC filed Supplemental AL 407-D, which clarified the accounting procedures for the MCRAMA. Supplemental AL 407-D became effective on August 3, 2009.

SJWC's present rates became effective on January 1, 2010, as authorized by AL 409.¹ The ratemaking mechanism the Commission has authorized for SJWC is a "Monterey-style" Water Revenue Adjustment Mechanism (Monterey-style WRAM), per D.08-08-030. This pricing adjustment mechanism tracks the difference between revenue SJWC receives for actual metered sales through the tiered volumetric rates and the revenue SJWC would have received through the uniform, single quantity rates if those rates had been in effect.

SJWC seeks to recover the balances booked into its MCRAMA up to May 1, 2010. In AL 407-D the utility stated that the MCRAMA would remain in effect until May 1, 2010, or until SCVWD declared over the water shortage and conservation goals, whichever happened first.

On June 3, 2010, SJWC filed Advice Letter 415 requesting amortization of its MCRAMA. SJWC requested recovery in rates the amount of \$6,011,377 by adding a surcharge of \$0.0989 per 100 cubic feet to the Quantity Rates in each customer's bill to be recovered over twelve months.

On June 23, 2010, the Division of Ratepayer Advocates (DRA) requested and received an extension of the protest period for AL 415 to resolve some issues in the filing. DRA's proposed changes included removal from recovery of the portion of SJWC's Monterey-style WRAM Balancing Account associated with the calculation of the MCRAMA as well as gross up for Local Franchise Tax and Uncollectibles. SJWC filed Supplemental AL 415-A on July 8, 2010, resolving these issues by removing the Monterey-style

¹ The utility filed AL 409 pursuant to Ordering Paragraph #5 of D.09-11-032, which authorized SJWC to file a Tier 1 AL requesting an escalation adjustment for 2011 to be calculated in conformance with the Rate Case Plan adopted in D.07-05-062 (Appendix A).

WRAM portion from the MCRAMA request and stating that it would request authorization to amortize the Monterey-style WRAM balance at a later date. In AL 415-A, SJWC amended its original request and sought to recover in rates the amount of \$5,740,078 by adding a surcharge of \$0.0944 per 100 cubic feet to the Quantity Rates in each customer's bill to be recovered over twelve months.

On November 29, 2010, the Division of Water and Audits (DWA) issued a letter rejecting without prejudice AL 415-A on grounds that the recovery would result in the modification of a Commission decision, i.e., D.08-08-030, and was therefore a matter inappropriate for an advice letter. In its rejection letter DWA noted that SJWC could seek a petition for modification of D.08-08-030. On December 7, 2010, SJWC requested Commission review of the DWA's rejection without prejudice of AL 415-A.

On April 29, 2011, a draft resolution was mailed to the utility and protestants for comments, which affirmed DWA's rejection of AL 415-A and denied SJWC the authority to recover in rates the amount recorded in its MCRAMA. SJWC filed comments with respect to this draft on June 15, 2011. In its comments, SJWC argued that SCVWD's conservation declaration was mandatory and that SJWC was not protected from any revenue shortfall resulting from SCVWD's conservation measures.

On July 13, 2011, the DWA withdrew from the Commission's agenda the draft resolution mailed out on April 29, 2011. Upon further review, the DWA prepared this Resolution for the Commission's consideration and approval.

NOTICE AND PROTESTS

SJWC gave public notice of its rate increase request via newspaper notice and customer bill inserts, per General Order 96-B (GO 96-B), Industry Rule 3.1 and General Rule 4.2. The public notice in the San Jose Mercury News ran on Saturday June 5, 2010. The bill inserts were provided from June 17, 2010, to August 16, 2010, as residential customers are on bi-monthly billing. The publication and bill inserts indicate the proposed increases to the applicable rate schedules.

SJWC served copies of AL 415 and AL 415-A in accordance with GO 96-B, Industry Rule 4.1 and General Rules 4.3 and 7.2. Service was provided to SJWC's Service List. Three protests were filed.

Two protests stated that although the customers continued to conserve water their bills were higher during the effective period of the MCRAMA as compared to the period before the MCRAMA was implemented. SJWC can not earn more than its authorized revenues approved by the Commission. As such, customers are not penalized for

conserving water and only pay up to the authorized level granted by the Commission. Another customer questioned excessive salaries and expenses for SJWC. SJWC's salaries and expenses are routinely audited by the DWA during general rate cases so that SJWC does not burden its customers with inflated figures for expenses.

DISCUSSION

SJWC seeks to recover the balances in the MCRAMA in the amount of \$5,740,078 for reduced water consumption by customers that resulted from SJWC's implementation of mandatory water measures during the period of August 3, 2009 through May 1, 2010. We authorize this recovery for the reasons, and under the conditions, discussed below.

A. Recovery of conservation related revenue losses

The Commission in D.90-08-055 and D.91-10-042 established a method for computing revenue losses resulting from mandatory and voluntary conservation programs.² D.91-10-042, Ordering Paragraph 3, also authorized recovery of revenue losses resulting from implementation of these types of water conservation measures contingent upon the following:

1. Approval of the utility's water management program;
2. Reduction of the memorandum account balance pursuant to the risk reduction adjustment set-forth in D.91-10-042; and
3. Offset of the memorandum account balance, where applicable, by water rationing.

SJWC is required, per Section 10620 of the Water Code, to prepare an Urban Water Management Plan (UWMP) every five years and to submit this plan to the California Department of Water Resources. Class A and B water utilities also submit their UWMPs as part of their General Rate Cases (GRCs). SJWC submitted to the Commission its 2005 UWMP for its service area as part of its 2006 GRC adopted through D.06-11-015 and is currently preparing an updated plan for 2010. The DWA reviewed SJWC's UWMP and determined that it meets the water management plant requirements established by D.90-08-055, which include: 1) clear and specific goals for reducing water usage; 2) multiple approaches for conserving water; 3) long-term water

² These decisions were issues in the Commission's Order Instituting Investigation (I.) 89-03-005, *Measures to Mitigate the Effect of Drought on Regulated Water Utilities, Their Customers, and the General Public*.

conservation programs (including incentive-based programs); 4) cost-effectiveness of the programs; and 5) method for measuring the effectiveness of the programs.

SJWC applied the reduction of the memorandum account balance pursuant to the risk reduction adjustment of 20 basis points on equity in compliance with D.91-10-042. SJWC computed the revenue shortfall through its MCRAMA as follows:

1. SJWC first recognized the most recently adopted water sales revenue (per D.06-11-015 and D.09-11-032) adjusted for all subsequent rate increases;
2. SJWC then recorded the actual water sale revenue collected adjusted for existing Revenue Adjustment Mechanism;
3. SJWC also recognized the most recently adopted variable expenses for purchased water, pump tax, and power;
4. SJWC then recorded the actual variable expenses;
5. The total net MCRAMA balance was then calculated to be (Step 1 minus Step 2) plus (Step 3 minus Step 4); and
6. SJWC then computed the 20 basis point reduction on equity required by D.91-10-042.

The DWA reviewed SJWC's calculations and confirmed that it complied with the risk reduction adjustment adopted in D.90-08-055 and D.91-10-042.

The DWA therefore finds SJWC in compliance with the requirements set forth in D.90-08-055 and D.91-10-042 and recommends approval of SJWC's AL 415-A. We concur with the DWA's recommendation.

The memorandum account surcharge will result in an increase of 2.62% in annual metered revenue, while the bill for the average customer using 15 Ccf per month will increase by \$1.42 per month, or approximately 2.62%. SJWC is currently earning below its authorized Rate of Return.

B. Providing notice of the draft Resolution to the parties to D.08-08-030

As stated above, the ratemaking treatment the Commission has authorized for SJWC, in SJWC's most recent conservation case, which is D.08-08-030, is a Monterey-style WRAM. Recovery under this ratemaking treatment adjusts for the difference between uniform rates and the tiered rates the Commission adopted for SJWC in D.08-08-030.³

³ D.08-08-030 implemented two-tiered increasing block rates for residential customers and the Monterey-style WRAM that will track the difference between revenue SJWC receives for actual metered sales through the tiered volumetric rates

However, recovery of the balances in the MCRAMA under the request in AL 415-A would supplement, for the period August 3, 2009 through May 1, 2010, the recovery authorized under SJWC's Monterey-style WRAM and essentially provide to SJWC the recovery the utility would have achieved if the Commission had authorized a full decoupling Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) ratemaking mechanism for SJWC during this period in its most recent conservation case.⁴

While the amortization of the MCRAMA here would be consistent with the requirements set forth in D.90-08-055 and D.91-10-042 for computing revenue losses resulting from mandatory and voluntary conservation programs, it would also effectively change the ratemaking mechanism authorized in D.08-08-030. Ordinarily, the mechanism for seeking a change to a previous Commission decision is through a petition for a modification, as provided for by GO 96-B, General Rule 5.2, and this is the course the DWA had recommended in the first draft resolution with respect to this AL that was circulated on April 29, 2011.⁵

Under our rules in GO 96-B, we may waive the application of GO 96-B rules as we determine is appropriate considering the circumstances in specific situations. GO 96-B, General Rule 1.3, provides that "the Commission in a specific instance may authorize an exception to the operation of [GO 96-B] as appropriate." In this instance, we find that it is appropriate for SJWC to seek recovery of the balances in the MCRAMA and to waive the requirement for seeking a petition for modification of D.08-08-030 because: (1) we have previously established in D.90-08-055 and D.91-10-042 a method for computing

and the revenue SJWC would have received through the uniform, single quantity rates if they had been in effect.

⁴Both the MCRAMA and the balancing accounts under the full WRAM/MCBA account for lost revenues in a similar manner. Both mechanisms take the net difference between adopted water sales revenue and actual water sales revenue and compare this difference to the difference between adopted variable expenses and actual recorded variable expenses to derive a net balance. In addition, this net balance in the recovery authorized here is reduced for SJWC by the equivalent of a 20 basis point reduction on its return on equity, as discussed above.

⁵ As relevant here, GO 96-B, General Rule 5.2, states that a utility must file a petition for modification if the utility requests modification of a decision issued in a formal proceeding or otherwise seeks relief that the Commission can grant only after holding an evidentiary hearing, or by decision rendered in a formal proceeding.

revenue losses resulting from mandatory and voluntary conservation programs, and SJWC's recovery request here complies with these decisions; and (2) the concern raised by DRA to AL 415 has been addressed in the Supplemental AL 415-A that is before us; thus, there is no longer any disagreement between DRA and SJWC, the two parties to the settlement agreement that gave rise to the Monterey-style WRAM that we approved in D.08-08-030. Therefore, for the reasons discussed above, we waive the requirement that SJWC seek to have the recovery issue raised here addressed through a petition for modification of D.08-08-030, and grant the recovery requested in AL 415-A.

However, because the recovery authorized here will result in a modification to a previous Commission decision, i.e., D.08-08-030, the parties to D.08-08-030 must be provided notice and an opportunity to be heard on this issue as is required by Public Utilities Code section 1708.⁶ Accordingly, notice of this draft Resolution is being provided to the parties to D.08-08-030, as provided for in the Comments discussion below.

COMMENTS

Public Utilities Code Section 311(g) (1) generally requires that that resolutions must be served on all parties and be subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, on August 9, 2011 the draft Resolution was mailed for 30-day public review and comment to the utility and protestants, and to the parties on the service list for D.08-08-030. _____ comments were received.

FINDINGS AND CONCLUSIONS

1. On June 3, 2010, San Jose Water Company filed Advice Letter 415 to request amortization of its Mandatory Conservation Revenue Adjustment Memorandum Account. San Jose Water Company requested to recover in rates the amount of \$6,011,377 by adding a surcharge of \$0.0989 per 100 cubic feet to the Quantity Rates in each customer's bill to be recovered over twelve months.
2. On June 23, 2010, the Division of Ratepayer Advocates requested and received an extension of the protest period for Advice Letter 415 to resolve some of its proposed

⁶ Public Utilities Code section 1708 states: "The commission may at any time, upon notice to the parties, and with the opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or decision shall, when served upon the parties, have the same effect as an original order or decision."

changes to the filing. The proposed changes included removal of the recovery of the portion of San Jose Water Company's "Monterey Style" Water Revenue Adjustment Mechanism (Monterey-style WRAM) Balancing Account associated with the calculation of the Mandatory Conservation Revenue Adjustment Memorandum Account as well as gross up for Local Franchise Tax and Uncollectibles.

3. San Jose Water Company filed Supplemental Advice Letter 415-A on July 8, 2010, resolving these issues and stating that it would request authorization to amortize the Monterey-style WRAM balance at a later date. In Advice Letter 415-A, San Jose Water Company amended its original request and sought to recover in rates the amount of \$5,740,078 by adding a surcharge of \$0.0944 per 100 cubic feet to the Quantity Rates in each customer's bill to be recovered over twelve months.
4. On November 29, 2010, the Division of Water and Audits issued a letter rejecting without prejudice Advice Letter 415-A on grounds that the recovery was a matter inappropriate for an advice letter and that San Jose Water Company should file a petition for modification of Decision 08-08-030.
5. San Jose Water Company filed a timely request for Commission review of the Division of Water and Audits' disposition of Advice Letter 415-A on December 7, 2010.
6. Santa Clara Valley Water District issued its initial request for a 15 percent mandatory water conservation of all water retailers in Santa Clara County in Resolution 09-25 issued March 24, 2009.
7. San Jose Water Company is a water retailer in Santa Clara County.
8. The rate-making mechanism that the Commission has authorized for San Jose Water Company is a "Monterey-style" Water Revenue Adjustment Mechanism; the Commission authorized this rate-making treatment in D.08-08-030.
9. The Commission Decisions 90-08-055 and 91-10-042 established a method for computing revenue losses resulting from mandatory and voluntary conservation programs.
10. Commission Decision 91-10-042, Ordering Paragraph 3, authorized recovery of revenue losses resulting from implementation of mandatory and voluntary water conservation measures contingent upon the following:

- a. Approval of the utility's water management program;
 - b. Reduction of the memorandum account balance pursuant to the risk reduction adjustment set-forth in Decision 91-10-042; and
 - c. Offset of the memorandum account balance, where applicable, by water rationing.
11. The Division of Water and Audits finds that San Jose Water Company's 2005 Urban Water Management Plan meets the water management program requirement established by Decision 91-10-042, Ordering Paragraph 3.
 12. The Division of Water and Audits reviewed San Jose Water Company's revenue losses calculations and finds that they are in compliance with the risk reduction adjustment adopted in Decisions 90-08-055 and 91-10-042, including the contingencies established by Ordering Paragraph 3.
 13. The Division of Water and Audits recommends approval of San Jose Water Company's Advice Letter 415-A.
 14. Recovery of the balance in the Mandatory Conservation Revenue Adjustment Memorandum Account would supplement, for the period August 3, 2009 through May 1, 2010, the recovery authorized under San Jose Water Company's Monterey-style Water Revenue Adjustment Mechanism and essentially provide to SJWC the recovery the utility would have achieved if the Commission had authorized a full decoupling Water Revenue Adjustment Mechanism/Modified Cost Balancing Account (WRAM/MCBA) ratemaking mechanism for SJWC during this period in its most recent conservation rate case.
 15. While the amortization of the Mandatory Conservation Revenue Adjustment Memorandum Account here would be consistent with the requirements set forth in D.90-08-055 and D.91-10-042 for computing revenue losses resulting from mandatory and voluntary conservation programs, it would also effectively change the rate-making mechanism authorized in D.08-08-030.
 16. Ordinarily, the mechanism for seeking a change to a previous Commission decision is through a petition for modification, as provided for by General Order 96-B, General Rule 5.2, and this is the course the Division of Water & Audits had recommended in the first draft resolution with respect to this Advice Letter that was circulated on April 29, 2011.

17. In this instance, it is appropriate for San Jose Water Company to seek recovery of the balances in the Mandatory Conservation Revenue Adjustment Memorandum Account and for the Commission to waive the requirement for seeking a petition for modification of D.08-08-030 because:
 - a. The Commission has previously established in D.90-08-055 and D.91-10-042 a method for computing revenue losses resulting from mandatory and voluntary conservation programs and San Jose Water Company's recovery request here complies with these decisions; and
 - b. The concern raised by the Division of Ratepayer Advocate to Advice Letter 415 has been addressed in the Supplement Advice Letter 415-A that is before the Commission, and thus, there is no longer any disagreement between the Division of Ratepayer Advocates and San Jose Water Company, the two parties to the settlement agreement that gave rise to the Monterey-style Water Revenue Adjustment Mechanism that the Commission approved in D.08-08-030.
18. This draft Resolution was circulated for public comment pursuant to Public Utilities Code Section 311(g) (1).
19. San Jose Water Company filed comments on August ____, 2011.
20. The surcharge of \$0.0944 per 100 cubic feet added to the quantity rates over twelve months herein would allow San Jose Water Company to recover in rates the \$5,740,078 in lost revenues.
21. San Jose Water Company should be permitted to transfer \$5,740,078 from its Mandatory Conservation Revenue Adjustment Memorandum Account to a balancing account for recovery.
22. Consistent with Public Utilities Code Section 792.5, San Jose Water Company shall track revenues collected under the surcharges authorized in this Resolution in a balancing account and account for any over or under collection in its next General Rate Case.
23. It is consistent with Standard Practice U-27-W for San Jose Water Company to assess a 12-month surcharge for recovery.

24. The following tariff schedules should be approved in a Tier 1 Advice Letter filing as attached to this Resolution: 1) Schedule No. 1, General Metered Service; 2) Schedule No. 1B, General Metered Service with Automatic Fire Sprinkler System; and 3) Schedule No. 1C, General Metered Service for Mountain District.

THEREFORE IT IS ORDERED THAT:

1. San Jose Water Company is permitted to transfer \$5,740,078 from its Mandatory Conservation Revenue Adjustment Memorandum Account to a balancing account for recovery. San Jose Water Company is authorized to earn interest on the balance in this balancing account at the 90-day commercial paper rate.
2. San Jose Water Company is authorized to implement a surcharge of \$0.0944 per 100 cubic feet added to the quantity rates over twelve months to recover in rates the \$5,740,078 in lost revenues.
3. San Jose Water Company is authorized to file a Tier 1 Advice Letter to make effective the following tariff schedules attached to this Resolution, and to cancel the corresponding tariffs for the presently effective rate schedules:
 - a. Schedule No. 1, General Metered Service;
 - b. Schedule No. 1B, General Metered Service with Automatic Fire Sprinkler System; and
 - c. Schedule No. 1C, General Metered Service for Mountain District.

This Advice Letter shall become effective five days after the date of filing.

4. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on September 8, 2011; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

SAN JOSE WATER COMPANY (U168W)
San Jose, California

Canceling

Revised
Revised

Cal. P.U.C. Sheet No. 1433-W
Cal. P.U.C. Sheet No. 1407-W

Schedule No. 1

GENERAL METERED SERVICE

(Continued)

6. To amortize the over-collection in the Balancing Account, a surcredit of \$0.0278 per 100 cu.ft. is to be calculated based on the Quantity Rate shown for a 12-month period beginning with the effective date of this tariff.
7. To amortize to balance in the Water Quality Expense Memorandum Account, a one-time surcharge of \$0.41 per customer is to be added to the water bill beginning with the effective date of this tariff.
8. To amortize SJWC's customers share of the gain on sale of the Main Office approved by the CPUC in D.08-10-018, a surcredit of \$0.0250 per 100 cu. ft. is to be calculated on the Quantity rate charged for a 12-month period beginning with the effective date of this tariff.
9. To amortize the under-collection in the Mandatory Conservation Revenue Adjustment Memorandum Account, a surcharge of of \$0.0944 per 100 cu.ft. is to be added to the Quantity Rate shown for a 12-month period beginning with the effective date authorized in Resolution W-4875. (N)
I
(N)

SAN JOSE WATER COMPANY (U168W)
 San Jose, California

Canceling

Revised
Revised

Cal. P.U.C. Sheet No. 1434-W
 Cal. P.U.C. Sheet No. 1410-W

Schedule No. 1B

GENERAL METERED SERVICE WITH
 AUTOMATIC FIRE SPRINKLER SYSTEM
 (Continued)

6. To fund the repayment of a Safe Drinking Water State Revolving Fund loan, pursuant To D.05-01-048 dated January 27, 2005, a monthly surcharge will be added to the bill as follows:

Surcharge:	Year 1-10	Year 11-20
	Per Meter Per Month	
For 5/8 x 3/4-inch meter	\$0.02	\$0.02
For 3/4-inch meter	0.02	0.02
For 1-inch meter	0.04	0.02
For 1-1/2-inch meter	0.08	0.06
For 2-inch meter	0.13	0.09
For 3-inch meter	0.23	0.18
For 4-inch meter	0.38	0.32
For 6-inch meter	0.74	0.67
For 8-inch meter	1.19	1.08
For 10-inch meter	1.71	1.55

7. To amortize the over-collection in the Balancing Account, a surcredit of \$0.0278 per 100 cu.ft. is to be calculated based on the Quantity Rate shown for a 12-month period beginning with the effective date of this tariff.
8. To amortize to balance in the Water Quality Expense Memorandum Account, a one-time surcharge of \$0.41 per customer is to be added to the water bill beginning with the effective date of this tariff.
9. To amortize SJWC's customers share of the gain on sale of the Main Office approved by the CPUC in D.08-10-018, a surcredit of \$0.0250 per 100 cu. ft. is to be calculated on the Quantity rate charged for a 12-month period beginning with the effective date of this tariff.
10. To amortize the under-collection in the Mandatory Conservation Revenue Adjustment Memorandum Account, a surcharge of of \$0.0944 per 100 cu.ft. is to be added to the Quantity Rate shown for a 12-month period beginning with the effective date authorized in Resolution W-4875. (N)
 I
 (N)

SAN JOSE WATER COMPANY (U168W)
San Jose, California

Canceling

Original

Cal. P.U.C. Sheet No. 1435-W
Cal. P.U.C. Sheet No. _____

Schedule No. 1C

GENERAL METERED SERVICE
Mountain District
(Continued)

12. To amortize the under-collection in the Mandatory Conservation Revenue Adjustment Memorandum Account, a surcharge of of \$0.0944 per 100 cu.ft. is to be added to the Quantity Rate shown for a 12-month period beginning with the effective date authorized in Resolution W-4875.
- (N)
I
(N)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution W-4885 on all parties in this filing or their attorneys as shown on the attached list.

Dated August 9, 2011, at San Francisco, California.

/s/JOSIE L. JONES

Josie L. Jones

NOTICE

Parties should notify the Division of Water and Audits, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

**SERVICE LIST
DRAFT RESOLUTION W-4885**

Palle Jensen
Director - Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95196
palle_jensen@sjwater.com

Masoud Akbarzadeh
3670 Madrid Street
San Jose, CA. 95132

Olivia B. Wein
National Consumer Law Center
1001 Connecticut Ave., NW., Ste 510
Washington, DC 20036
owein@nclcdc.org

David A. Bershoff
Fulbright & Jaworski, LLP
555 South Flower Street
Los Angeles, CA. 90071
debershoff@fulbright.com

Leigh K. Jordan
Apple Valley Ranchos Water Company
PO BOX 7002
Downey, CA. 90241
leigh@parkwater.com

Daniel A. Dell'Osa
San Gabriel Valley Water Company
dadellosa@sgvwater.com

Jenny Darney-Lane
Golden State Water Company
630 E. Foothill Blvd
San Dimas, CA. 91773-9016
jdarneylane@gswater.com

Ronald Moore
Golden State Water Company
630 E. Foothill Blvd
San Dimas, CA. 91773-9016
rkmoore@gswater.com

Mr. and Mrs. Jeff Lou
1230 Clark Way
San Jose, CA 95125
jjflash73@sbcglobal.net

Charlie Harak
National Consumer Law Center
7 Winthrop Square, 4th Floor
Boston, MA. 02110-1006
charak@nclc.org

Allyson Taketa
Fulbright & Jaworski, LLP
555 South Flower Street
Los Angeles, CA. 90071
ataketa@fulbright.com

Fred G. Yanney
Fulbright & Jaworski, LLP
555 South Flower Street
Los Angeles, CA. 90071
fyannay@fulbright.com

Greg Milleman
Valencia Water Company
24631 Avenue Rockefeller
Valencia, CA. 91355
gmlleman@valenciawater.com

Michael L. Whitehead
San Gabriel Valley Water Company
mlwhitehead@sgvwater.com

Keith Switzer
Golden State Water Company
630 E. Foothill Blvd
San Dimas, CA. 91773-9016
kswitzer@gswater.com

Kendall H. Macvey, Esq.
Best, Best & Krieger, LLP
3750 University Avenue, Suite 300
Riverside, CA. 92501-1028
kendall.macVey@bbklaw.com

Betsy Wolf-Graves
Betsy237@prodsyse.com

Jean L. Kiddo
Bingham McCutchen LLP
202 K Street, N.W.
Washington D.C. 20006
jlkiddoo@swidlaw.com

B. Tilden Kim
Richards Watson & Gershon
355 South Grand Ave., 40th Floor
Los Angeles, CA. 90071
tkim@rwglaw.com

Edward N. Jackson
Park Water Company
PO Box 7200
Downey, CA. 90241
ed.jackson@parkwater.com

Robert Kelly
Suburban Water Systems
1211 East Center Court Drive
Covina, CA. 91724-3603
bobkelly@bobkelly.com

Timothy J. Ryan
San Gabriel Valley Water Co.
TJRyan@sgvwater.com

Nanci Tran
Golden State Water Company
630 E. Foothill Blvd
San Dimas, CA. 91773-9016
nancitrان@gswater.com

Sarah E. Leeper
California American Water Co.
333 Hayes Street, Ste. 202
San Francisco, CA. 94102
sarah.leeper@amwater.com

John K. Hawks
California Water Association
601 Van Ness Ave, Ste. 2047
San Francisco, CA. 94102-3200
jhawks_cwa@comcast.net

Monica L. McCrary
CA Public Utilities Commission
505 Van Ness Ave
San Francisco, CA. 94102-3214
mlm@cpuc.ca.gov

Nina Suetake
The Utility Reform Network
115 Sansome Street, Suite 900
San Francisco, CA. 94104
nsuetake@turn.org

Lisa Burger
Disability Rights Advocates
2001 Center Street, 3rd Floor
Berkeley, CA. 94704
pucservice@dralegal.org

Francis S. Ferraro
California Water Service Company
1720 North First Street
San Jose, CA. 95112
sferraro@calwater.com

Bill Marcus
JBS energy
311 D Street, Ste A
West Sacramento, CA. 95605
bill@jbsenergy.com

David P. Stephenson
California American Water Company
4701 Beloit Drive
Sacramento, CA. 95838
dave.stephenson@amwater.com

Geraldine Kim
CA Public Utilities Commission
505 Van Ness Ave
San Francisco, CA. 94102-3214
vo2@cpuc.ca.gov

Christine Mailloux
The Utility Reform Network
115 Sansome Street, Suite 900
San Francisco, CA. 94104
cmailloux@turn.org

Lenard G. Weiss
Manatt, Phelps & Phillips, LLP
One Embarcadero Center, 30th Floor
San Francisco, CA 94111
lweiss@manatt.com

Rebecca Williford
Disability Rights Advocates
2001 Center Street, 3rd Floor
Berkeley, CA. 94704
rwilliford@dralegal.org

Lynne P. McGhee
California Water Service Company
1720 North First Street
San Jose, CA. 95112
lmcghee@calwater.com

Jeffrey Nahigan
JBS energy
311 D Street, Ste A
West Sacramento, CA. 95605
jeff@jbsenergy.com

Lisa Bilir
CPUC
505 Van Ness Ave
San Francisco, CA. 94102-3214
lwa@cpuc.ca.gov

Marcelo Poirier
CA Public Utilities Commission
505 Van Ness Ave
San Francisco, CA. 94102-3214
mipo@cpuc.ca.gov

Marcel Hawiger
The Utility Reform Network
115 Sansome Street, Suite 900
San Francisco, CA. 94104
marcel@turn.org

Martin A. Mattes
Nossaman, LLP
50 California Street, 34th Floor
San Francisco, CA. 94111-4799
mmattes@nossaman.com

Patricica A. Schmiede
Law Office of Patricia A. Schmiede
705 Mission Avenue, Suite 200
San Rafael, CA. 94901
pschmiede@schmiedelaw.com

Betty R. Roeder
Great Oaks Water Company
20 Great Oaks Blvd., Ste 120
San Jose, CA. 95119-1368
broeder@greatoakswater.com

Nicole Blake
Consumer Federation of California
1107 9th Street, Ste 625
Sacramento, CA 95814
blake@consumercal.org

Lindsey Fransen
CPUC
505 Van Ness Ave
San Francisco, CA. 94102-3214
lfr@cpuc.ca.gov