

San Jose Water Company

San Jose Water Company (SJWC) has applied to revise its cost of capital – the rate that the Company is authorized to earn on its invested capital.

Application A.21-05-004 Cost of Capital					
San Jose Water Company					
	<u>Authorized Return on Equity</u>	<u>Authorized Cost of Debt</u>	<u>Debt/Equity Portions</u>		<u>Overall Authorized Rate of Return</u>
			<u>Equity Ratio</u>	<u>Debt Ratio</u>	
<u>Previous Authorization (In place now)</u>	8.90%	6.20%	53.28%	46.72%	7.64%
<u>Current Application (Pending)</u>	10.30%	5.48%	54.55%	45.45%	8.11%

What effect would this have on my bill? The effect on each customer would depend on the size of the meter and the level of consumption. The effects would be in both the General Metered Service Charge and the charge per CCF Consumed. The tables below show the effects if the application were granted in full.

San Jose Water Co, Cost of Capital Application				
Proposed Metered Service Charge Increases				
Meter Size	Present Rates	Proposed 2022 Rates	Proposed Increase	
			(\$)	(%)
5/8"	\$41.69	\$42.35	\$0.66	1.58%
3/4"	\$41.69	\$42.35	\$0.66	1.58%
1"	\$69.48	\$70.60	\$1.12	1.61%
1.5"	\$138.99	\$141.22	\$2.23	1.60%
2"	\$222.38	\$225.95	\$3.57	1.61%
3"	\$416.95	\$423.64	\$6.69	1.60%
4"	\$694.91	\$706.07	\$11.16	1.61%
6"	\$1,389.83	\$1,412.15	\$22.32	1.61%
8"	\$2,223.74	\$2,259.45	\$35.71	1.61%
10"	\$3,196.60	\$3,247.93	\$51.33	1.61%

San Jose Water Co, Cost of Capital Application				
Proposed Volumetric (Per CCF) Rate Impact				
	Present Rates	Proposed 2022 Rates	Increase	
			(\$)	(%)
<u>Residential Customers</u>				
0 to 3 CCF (First tier)	\$3.3770	\$3.4316	\$0.0546	1.62%
4 to 18 CCF (Second tier)	\$5.0660	\$5.1479	\$0.0819	1.62%
Over 18 CCF (Third tier)	\$6.7545	\$6.8637	\$0.1092	1.62%
<u>All Other Customers (Business Industrial, Public Authority, Resale)</u>				
Each CCF	\$5.0660	\$5.1479	\$0.0819	1.62%

What would be the effect for an average customer? A calculation shows a customer with a 3/4" meter consuming 11 CCF per month would see increase from the current rate of \$92.35 to a proposed amount of \$93.83, an increase of \$1.48, or 1.60%.

What other matters is SJWC pursuing before the CPUC? The Company has two other proceedings under way.

- The Company has an application for authorization to raise general rates, known as a General Rate Case (GRC) (A.21-01-003). The Company is applying for an increase of 13.35% in total revenue requirement. The table below shows the monthly residential bills of an average customer if the requested rate relief were granted in full.

San Jose Water Co, General Rate Case Application: Summary for a Typical Residential Customer									
3/4" Meter, 11 CCF per Month									
Present Rates	Requested Rates								
	2022			2023			2024		
(\$)	(\$)	(\$ Increase)	(%)	(\$)	(\$ Increase)	(%)	(\$)	(\$ Increase)	(%)
\$92.54	\$109.87	\$17.33	18.73%	\$113.42	\$3.55	3.23%	3.38%	\$3.84	\$117.25

- There is also a request for approval of Cost Recovery for Advanced Metering Infrastructure, Application A.19-12-002. In that proceeding, the Company states there will be both additional costs (\$159.7 million) and savings (\$204.8 million), resulting in net savings of \$45.1 million over 20 years.

Where can I get more information?

- Contact San Jose Water Company. Please refer to Application: A.21-05-004.
 - Phone: 1-408-279-7900.
 - E-mail: customer.service@sjwater.com.
 - Mail: San Jose Water Company
110 W. Taylor Street
San Jose, CA 95110.
 - View the Company's application and further information: www.sjwater.com/A2105004.
- Contact the CPUC. Please reference Application A.21-05-004.
 - Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
 - Email: Public.Advisor@cpuc.ca.gov
 - Mail: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102