June 18, 2017

Tariff Unit, Water Division, 3rd floor

Public Utilities Commission

505 Van Ness Avenue

San Francisco CA 94102

Re: Protest of SJWC’s Advice Letter No. 510 dated June 6, 2017

Dear CPUC Water Division,

WRATES, Water Rate Advocates for Transparency, Equity and Sustainability, is protesting San Jose Water Company's (SJWC) Advice Letter No. 510 dated June 6, 2017. SJWC requests authorization to implement a surcredit to refund readiness to serve charge rate changes as a result of a change in billing practice effective January 1, 2017.

We respectfully request that the CPUC put SJWC's request on hold until a fair and just settlement is reached through the Formal Complaint process.

WRATES is protesting Advice Letter 510 for the following reasons:

**Protest Ground 3** - *The analysis, calculations, or data in the advice letter contain material error or omissions*

**Protest Ground 4** -*The relief requested in the advice letter is pending before the Commission in a formal proceeding*

**Protest Ground 5** - *The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process*

**Protest Ground 6** - *The relief requested in the advice letter is unjust, unreasonable, or discriminatory*

Advice Letter 510 is unjust, unreasonable and unfair. The agreement reached by the CPUC Water Division and SJWC to refund the ratepayer for the service charge overcharges is unjust and unreasonable. The service charge overcharges are well in excess of $13 million dollars, not $1,794,439 as stated in Advice Letter 510. This settlement does not address several key points.

1. The CPUC and SJWC have circumvented Formal Complaint C.17-06-009 filed with the CPUC on April 17, 2017. The Formal Complaint was put on hold for unknown reasons on April 18, 2017 by Raminder Kahlon and then taken off hold by Mr. Kahlon on May 22, 2017 after inquires were made. WRATES was informed by the docket office of Rule 4.1b a few days after Mr. Kahlon took the complaint off hold.The Formal Complaint was refiled on May 30, 2017 which including 70 signatures to comply with Rule 4.1b (only 25 signatures are required). Mr. Kahlon then informed WRATES of Rule 4.1b a day later implying that that was why the complaint was on hold.
   * As stated in General Order #96-B, **7.4.1-Filing of Protest** and **7.6.1-Industry Division Disposition of Advice Letters**, the Industry Division will (2) reject without prejudice an advice letter whose disposition would require an evidentiary hearing or otherwise require review in a formal proceeding.
2. Advice Letter 510 does not include adequate details about how SJWC calculated the surcredit. There is no explanation as to how SJWC arrived at 22.4% as a percentage of the current service charge. All dates and amounts of overcharges need to be clearly explained and documented.
3. Advice Letter 510 ignores the fact that customers were double-billed for the entire amount of the service charge (eg: $50.04 for 3/4” meter, $83.32 for 1” meter, $166.72 for 1 1/2” meter etc.) during the transition from billing in advance to billing in arrears.
4. Advice Letter 510 does not address the PUC surcharge which is affected by the overcharges. There should be a PUC surcharge adjustment.
5. Advice Letter 510 does not address the San Jose City tax which is affected by the overcharges. There should be a San Jose City tax adjustment.
6. Advice Letter 510 does not address the Interest on overcharges. The ratepayer should be entitled to the interest SJWC earned on the overcharges.

The following are SJWC’s Advice Letter Rate Increases since January 1, 2017:

AL 498 - 3.83% - general rate case increase - approved

AL 501 - 3.65% - SRM drought shortfall recovery - rejected & SJWC currently appealing

AL 506 - 1.51% - Montevina Upgrade Project - approved

AL 508 - 3.30% - 2014/15 WCMA mandatory conservation recovery - approved

AL 509 - 3.66% - SCVWD pass through increase - approval expected

TOTAL: **12.30%** rate increases thus far and if SJWC is successful at appealing AL 501, the total increase will be 15.95%.

Since 2013, the CPUC has allowed SJWC to increase its rates an average of 20% per year and at this rate, SJWC will achieve or surpass a 20% increase for 2017. SJWC water rates are already unreasonable and they are quickly becoming unaffordable.

I respectfully request that Advice Letter 510 be put on hold until a fair and just settlement is reached through the Formal Complaint process. The ratepayers deserve full reimbursement from SJWC in this matter, not a token surcredit.. It is time for the CPUC to honor its mission statement and align itself with the ratepayer and not the utility.

Rita Benton

WRATES

Water Rate Advocates for Transparency, Equity and Sustainability