



Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Councilmembers
Rocha & Khamis

SUBJECT: ACTIONS RELATED TO
SAN JOSE WATER COMPANY
GENERAL RATE CASE

DATE: March 1, 2018

Approved

Don Rocha
PR

Date

3-1-18

RECOMMENDATION

Direct staff to bring forward (in open or closed session, as appropriate) a Council discussion on the City's options for registering an opinion with the California Public Utilities Commission (CPUC) regarding the San Jose Water Company General Rate Case A.18.01-004. As part of this discussion, staff should outline the City's options for filing a motion with the CPUC to become a party to the proceedings of the general rate case.

ANALYSIS

On January 4, San Jose Water Company (SJWC) filed a General Rate Case (GRC) asking for the CPUC's authorization to increase rates for water by 9.76% in 2019, 3.70% in 2020 and 5.17% in 2021. These increases are in addition to a steady stream of previous rate increases that SJWC has requested over the last few years.

Our residents understand that reasonable rate increases for water are to be expected, but we have heard increasing concern from residents in recent years about the pace and size of rate increases. As we discussed when the City Council last took up this issue, the City of San Jose itself has seen a 62% SJWC service rate increase from 2012 to 2017.

Given that approximately 800,000 residents in the City of San Jose are served by SJWC and the City itself is a customer facing these rate increases, it's appropriate for the City to consider its options for expressing an opinion to the CPUC about the rate increase. This memo proposes that staff be directed to return to Council (in closed session, if necessary) to present options for making our opinion known, including the option of filing a motion to become a party to the proceedings of the case. Other cities in similar circumstances have decided to pursue this option—for example, the City of Carson recently filed a motion to join a CPUC rate case for Golden State Water Company. I think this is an option that we should at least consider. The first step is asking staff to bring forward discussion of how we would pursue it.

I'd like to close by thanking the community for its activism on this issue. When the Council last took up this matter, we heard many residents speak to their strong interest in this issue and their desire for the City to join together with community advocates and make our mutual interests known to the CPUC. It's always inspiring to see our residents organize and take action on important issues.