



110 W. Taylor Street  
San Jose, CA 95110-2131

April 28, 2016

David Brandt  
City Manager  
City of Cupertino  
10300 Torre Avenue  
Cupertino, CA 95014

**RE: Request for Water Rate Increase for Cupertino Municipal Water System**

Dear Mr. Brandt:

In accordance with the provisions in the Agreement for Lease of Real Property (Water System) between the City of Cupertino (City) and SJWC executed on October 1, 1997, I write to seek the City's approval to implement the 2016 increase to customers of the Water System.

The California Public Utilities Commission's (CPUC) Proposed Decision (PD) for SJWC's 2015 General Rate Case Application grants an 8.56% increase for 2016. For the average customer using 15 ccf per month, the monthly water bill will increase by approximately \$7.04 or \$0.24 per day. We anticipate new rates to become effective on or about June 1, 2016. The next billing cycle for the Water System customers will be on June 22, 2016.

The PD can be viewed at the link provided below and a summary of the proposed rate schedule changes is as follows:

**Residential Customers with 5/8x3/4-inch Meter**

		<b>2015</b>	<b>2016</b>
For Total Monthly Usage from	0 to 3 ccfs	\$3.2103	\$4.0366
For Total Monthly Usage from	3+ to 18 ccfs	\$3.5670	\$4.4851
For Total Monthly Usage over	18 ccfs	\$3.9237	\$4.9336
Service Charges per Meter per month	5/8x3/4-inch meter	\$21.07	\$23.84

Please note that because of the processing delay at the CPUC, interim rates were implemented effective January 1, 2016, for all customers including those served by the Water System. The actual rates in place from 2015 did not change as a result of this action. New rates approved for 2016 will be retroactively applied to January 1, 2016, for all Water System customers.

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We very much appreciate the opportunity to provide high quality and reliable water and exceptional customer service to the City's residents and look forward to continuing our partnership.

If you have any questions, please do not hesitate to contact John Tang at 408-279-7933 or [john.tang@sjwater.com](mailto:john.tang@sjwater.com).

Sincerely,



Palle Jensen  
Senior Vice President of Regulatory Affairs

PD: <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=160019418>

c: T. Borden, City of Cupertino  
R. Lee, City of Cupertino  
J. Tang, SJWC