



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

June 20, 2012

Mr. Tony Kovaleski
NBC Bay Area
2450 North First Street
San Jose, CA 95131

RE: Information Request

Dear Mr. Kovaleski:

We have received and considered your request to provide the expense reports of company executives and Board members. Since its founding in 1866, SJWC has reflected the community it serves and maintained an outstanding water quality, environmental, compliance, customer service, and community involvement record. SJWC directors, officers, and employees are proud of our record. We are committed to the principles of integrity in all we do, and in providing outstanding water service.

SJWC is subject to a complex and extensive matrix of regulations intended to ensure strict governance, transparent financial reporting, and compliance with operational requirements established by the California Public Utilities Commission (CPUC), the Securities Exchange Commission (SEC), the California Department of Public Health, the Internal Revenue Service, and a host of other state and federal regulatory bodies. SJWC is subject to extensive external and internal reviews of employee and Board member expenses. The external and internal examinations, as well as CPUC and SEC compliance and reporting requirements ensure proper reviews, robust controls, and accurate accounting and reporting of company expenses.

SJWC is not only obligated but firmly committed to transparency and strict compliance within the extensive legal and regulatory framework in which we operate. Our compliance record is excellent, complete, and transparent. SJWC's reporting and disclosure obligations have been fulfilled in the spirit and intent of the applicable laws and regulations governing such and, accordingly, we respectfully decline your request for information above and beyond what has already been provided in various reports to numerous regulatory bodies.

Please also note that SJWC's filing of General Rate Cases (GRC) is mandated by the CPUC. Every three years, SJWC is required to file a general rate case with, and undergo a comprehensive review by the CPUC. GRC filings contain extensive information and are accompanied by a rigorous review of the company, its cost structure, and its expenditures.

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Should you desire to learn more about the key rate drivers or learn more about the operations of SJWC, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'John B. Tang', with a stylized, cursive flourish.

John B. Tang
Director, Government Relations
& Corporate Communications