

SJW CORP  
Form 10-Q  
October 31, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2016  
Commission file number 1-8966  
SJW Corp.  
(Exact name of registrant as specified in its charter)

California 77-0066628  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

110 West Taylor Street, San Jose, CA 95110  
(Address of principal executive offices) (Zip Code)  
408-279-7800  
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of October 21, 2016, there were 20,456,225 shares of the registrant's Common Stock outstanding.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

SJW Corp. and Subsidiaries

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
OPERATING REVENUE	\$ 112,344	82,955	\$ 260,400	217,469
OPERATING EXPENSE:				
Production Expenses:				
Purchased water	28,681	22,085	52,863	47,371
Power	2,141	2,500	4,992	5,200
Groundwater extraction charges	10,867	7,920	25,627	22,053
Other production expenses	3,311	3,033	9,815	9,095
Total production expenses	45,000	35,538	93,297	83,719
Administrative and general	12,449	12,101	35,690	34,861
Maintenance	4,217	3,975	12,082	11,187
Property taxes and other non-income taxes	3,213	2,893	9,115	8,878
Depreciation and amortization	11,119	10,188	33,489	30,549
Total operating expense	75,998	64,695	183,673	169,194
OPERATING INCOME	36,346	18,260	76,727	48,275
OTHER (EXPENSE) INCOME:				
Interest on long-term debt	(4,993 )	(5,200 )	(15,039 )	(15,838 )
Mortgage and other interest expense	(433 )	(316 )	(1,291 )	(948 )
Gain on sale of California Water Service Group stock	—	—	3,197	—
Gain on sale of real estate investments	124	1,886	124	1,886
Dividend income	17	43	70	130
Other, net	410	398	869	921
Income before income taxes	31,471	15,071	64,657	34,426
Provision for income taxes	12,512	5,537	25,545	12,736
NET INCOME	18,959	9,534	39,112	21,690
Other comprehensive income (loss), net of tax:				
Unrealized (loss) gain on investment	(169 )	(112 )	848	(382 )
Reclassification adjustment for gain realized on sale of investments	—	—	(1,742 )	—
COMPREHENSIVE INCOME	\$ 18,790	9,422	\$ 38,218	21,308
EARNINGS PER SHARE				
Basic	\$0.93	0.47	\$ 1.91	1.07
Diluted	\$0.92	0.46	\$ 1.90	1.06
DIVIDENDS PER SHARE	\$0.20	0.20	\$0.61	0.59
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	20,451,930	20,375,960	20,434,494	20,353,487
Diluted	20,602,410	20,531,855	20,580,728	20,504,701

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.



SJW Corp. and Subsidiaries  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands, except share and per share data)

	September 30, December 31,	
	2016	2015
<b>ASSETS</b>		
Utility plant:		
Land	\$ 17,885	17,853
Depreciable plant and equipment	1,535,986	1,438,321
Construction in progress	65,101	45,573
Intangible assets	23,811	22,675
	1,642,783	1,524,422
Less accumulated depreciation and amortization	517,314	487,659
	1,125,469	1,036,763
Real estate investments	62,127	74,641
Less accumulated depreciation and amortization	11,412	

**LEGAL OPINION**

The legality of the notes will be passed upon for us by Chadbourne & Parke LLP, New York, New York, and the legality of the notes will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

**EXPERTS**

The consolidated financial statements of Fortune Brands, Inc. and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this prospectus supplement by reference to Fortune Brands, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**PROSPECTUS**

**Debt Securities**

**Common Stock**

**Preferred Stock**

**Warrants To Purchase Debt Securities**

**Warrants To Purchase Common Stock**

**Warrants To Purchase Preferred Stock**

This prospectus describes some of the general terms that may apply to securities that we may issue and sell at various times. Please note that:

Prospectus supplements will be filed and other offering materials may be provided at later dates that will contain specific terms of each issuance of securities.

You should read this prospectus and any prospectus supplements or other offering materials filed or provided by us carefully before you decide to invest.

We may sell the securities to or through underwriters, and also to other purchasers or through agents. The names of the underwriters will be stated in an applicable prospectus supplement or other offering materials. We may also sell securities directly to investors.

Our common stock is listed on the New York Stock Exchange under the symbol FO. Any common stock that we may sell pursuant to this prospectus will be listed on the New York Stock Exchange upon official notice of issuance.

***Investing in our securities involves certain risks. You should carefully consider the risks described under Risk Factors in Part I, Item 1A of our most recent annual report on Form 10-K, which is incorporated by reference herein, as well as other risk factor information contained or incorporated by reference in this prospectus or in any prospectus supplement before making a decision to invest in our securities. See Risk Factors on page 2 of this prospectus.***

**Neither the Securities and Exchange Commission nor other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is May 6, 2009.

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**You should rely only on the information contained in or incorporated by reference into this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus or any applicable prospectus supplement or the documents incorporated by reference is accurate as of any date other than the date on the front of each of those documents. As used in this prospectus the terms the Company,&**