

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended June 30, 1994

Commission file number 1-8966

SJW Corp.

(Exact name of registrant as specified in its charter)

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

374 West Santa Clara Street, San Jose, CA 95196
(Address of principal executive offices)
(Zip Code)

408-279-7810
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Common stock outstanding as of July 1, 1994 and as of the
date of this report is 3,250,746 shares.

PART 1. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

SJW CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
(In thousands, except per share amounts)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	1994	1993	1994	1993
Operating revenue	\$ 26,715	23,847	45,706	41,024
Operating expense:				
Operation:				
Purchased water	5,251	6,274	8,740	10,204
Power	1,395	934	2,152	1,307
Pump taxes	4,518	3,005	7,312	4,362
Other	5,238	4,925	10,879	9,670
Maintenance	1,539	1,402	2,893	2,587
Property and other nonincome taxes	703	656	1,419	1,333
Depreciation	1,755	1,655	3,580	3,310
Income taxes	2,230	1,624	2,859	2,570
	-----	-----	-----	-----
	22,629	20,475	39,834	35,343
	-----	-----	-----	-----
Operating income	4,086	3,372	5,872	5,681

Other income	147	111	294	284
Dividend income	272	264	544	528
Interest and other charges	(1,368)	(1,350)	(2,749)	(2,705)
	-----	-----	-----	-----
Net income	\$ 3,137	2,397	3,961	3,788
	=====	=====	=====	=====
Earnings per share of common stock	\$ 0.97	0.74	1.22	1.17
	=====	=====	=====	=====
Dividends per share of common stock	\$ 0.525	0.51	1.05	1.02
	=====	=====	=====	=====
Weighted average outstanding outstanding common shares	3,236,992	3,232,377	3,236,992	3,232,377
	=====	=====	=====	=====

SJW CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(In thousands)

	JUNE 30 1994	DECEMBER 31 1993
ASSETS		
Utility plant	\$ 300,546	293,683
Less accumulated depreciation	92,528	90,030
	-----	-----
Net utility plant	208,018	203,653
Nonutility property	7,242	6,775
Current assets:		
Cash and equivalents	1,288	2,363
Temporary investments	-	195
Accounts receivable and accrued revenue	11,514	8,025
Prepaid expenses and other	2,247	3,099
	-----	-----
Total current assets	15,049	13,682
Other assets:		
Investment in California Water Service Company	19,730	21,999
Debt issuance and reacquisition costs	4,338	4,389
Regulatory asset	4,053	4,060
Goodwill	1,877	1,906
Other	360	387
	-----	-----
Total other assets	30,358	32,741
	-----	-----
	\$ 260,667	256,851
	=====	=====

CAPITALIZATION AND LIABILITIES

Capitalization:		
Common stock	\$ 10,116	10,116
Additional paid-in capital	21,763	21,763
Retained earnings	69,528	68,980
Unrealized gain on investment	932	2,271
	-----	-----
Total common shareholders' equity	102,339	103,130
Long-term debt, less current maturities	64,000	64,000
	-----	-----
Total capitalization	166,339	167,130
Current liabilities:		
Current maturities of long-term debt	2,000	2,000
Line of credit	-	-
Accounts payable	790	421
Accrued interest	2,169	1,431
Accrued pump taxes and purchased water	3,868	3,264
Income taxes payable	1,208	-
Postretirement benefits	1,395	1,168
Other current liabilities	2,413	1,787
	-----	-----
Total current liabilities	13,843	10,071
Deferred income taxes and tax credits	16,039	16,937
Other noncurrent liabilities	1,836	1,933
Advances for and contributions in aid of construction	62,610	60,780
	-----	-----
	\$ 260,667	256,851
	=====	=====

SJW CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
(In thousands)

	SIX MONTHS ENDED	
	JUNE 30	
	1994	1993
	----	----
Operating activities:		
Net income	\$ 3,961	3,788
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,723	3,310
Deferred income taxes and credits	31	(510)
Changes in operating assets and liabilities:		
Accounts receivable and accrued revenue	(3,489)	(1,536)
Accounts payable and other current liabilities	995	294
Accrued pump taxes and purchased water	604	1,451
Conservation fees	0	(244)
Income taxes payable	2,908	1,774
Accrued interest	738	272
Other changes, net	(614)	1,020
	-----	-----
Net cash provided by operating activities	8,857	9,619
	-----	-----
Investing activities:		
Additions to utility plant	(8,231)	(9,462)
Additions to nonutility property	(488)	(368)
Cost to retire utility plant	(222)	(124)
Temporary investments	195	3,405
	-----	-----
Net cash used in investing activities	(8,746)	(6,549)
	-----	-----
Financing activities:		
Dividends paid	(3,413)	(3,321)
Line of credit	-	(1,594)
Advances and contributions in aid of construction	2,858	2,867
Refunds of advances	(631)	(681)
Retirement of long-term debt	-	(2,500)
	-----	-----
Net cash used in financing activities	(1,186)	(5,229)
	-----	-----
Net change in cash and equivalents	(1,075)	(2,159)
	-----	-----
Cash and equivalents, beginning of period	2,363	5,616
	-----	-----
Cash and equivalents, end of period	\$ 1,288	3,457
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during period for:		
Interest	\$ 1,878	2,390
Income taxes	\$ -	1,239

SJW CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 1994

NOTE I - General

In the opinion of SJW Corp., the accompanying unaudited consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the results for the interim periods.

The Notes to Consolidated Financial Statements

incorporated by reference in the Company's 1993 Annual Report on Form 10-K should be read with the accompanying consolidated financial statements.

PART II. OTHER INFORMATION

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources:

San Jose Water Company's ("SJWC") liquidity and capital are provided through cash flow from operations and through long-term debt and a line of credit. Results of operations are described in a following section.

SJWC will redeem at maturity, on November 1, 1994, its 4.65% Series M first mortgage bonds in the amount of \$2,000,000. No other redemption or sinking fund payments for other first mortgage bonds or long-term debt will be made in 1994.

SJWC's weighted average cost of long-term debt at June 30, 1994, including the amortization of debt issuance costs, was 8.23% compared to 8.78% at June 30, 1993.

SJWC has a commercial bank line of credit that provides for unsecured borrowings of up to \$15,000,000 at rates which approximate the bank's prime or reference rate. At June 30, 1994, SJWC had no outstanding borrowings on its line of credit.

SJWC's 1994 company-financed (excluding capital expenditures financed by advances and contributions) construction budget of \$10,500,000 will be funded by cash flow from operations and, if necessary, line of credit borrowings.

Results of Operations:

Since the water business is highly seasonal in nature, comparisons of the current quarter with the immediately preceding quarter are not meaningful. One quarter's results of operations are not indicative of results for the entire year.

Quarter ended June 30, 1994

Consolidated earnings per common share for the second quarter of 1994 were \$0.97, compared to earnings of \$.74 per common share in the second quarter of 1993.

Second quarter 1994 operating revenue increased \$2,868,000 or 12%, from the second quarter of 1993 due primarily to a 14% increase in usage by SJWC customers. Total operating expense increased \$2,145,000, or 11%, due to a lack of surface water which resulted in higher production costs.

Six Months Ended June 30, 1994

Earnings per share for the six months ended June 30, 1994 were \$1.22, compared to earnings of \$1.17 per common share for the same period in 1993.

Operating revenue increased \$4,682,000 or less than 11% from 1993, while operating expense increased approximately \$4,491,000 or 13%. The primary reason for the increase is the change in supply mix from less costly surface supplies to more costly purchased and pumped supplies. The substantially lower surface supplies can be expected to adversely impact the results of operations for the second half of 1994, resulting in 1994 earnings below those of 1993.

Water Supply:

June brought little or no precipitation to Santa Clara

County, thus rainfall totals finished the season (July 1, 1993 to June 30, 1994) at about 70% of average. The Company's reservoirs, which store surface supplies, are at base levels and will not be available to meet water needs. Ground water levels for basins in Santa Clara County remain considerably above pre-drought levels.

The California Department of Water Resources reported the Sacramento River Index for 1993-1994 as "critical". Statewide runoff is now expected to be only 45% of average, which is comparable to the 1991 and 1992 drought years.

As a result of relatively low statewide precipitation and runoff, imported supplies will be below contract entitlements during 1994.

Average metered usage for both the second quarter and year to date increased 14% over similar periods in 1993.

Regulatory Affairs:

On June 22, 1994 the California Public Utilities Commission rendered its decision on its investigation into the financial and operational risks of regulated water utilities. They concluded that no fundamental changes are required in their ratemaking procedures at this time based on the risks of an endemic water shortage and increased costs of water quality. They authorized interest on expense balancing accounts and will permit water companies to apply to broaden the coverage of existing water quality memorandum accounts. The Company and other investor owned water utilities in California sought to demonstrate that water shortages and increased water quality costs increased operating and financial risks and that water utilities should be accorded a higher rate of return on equity.

Item 5. OTHER INFORMATION

On July 21, 1994, the SJW Corp. Board of Directors declared the regular quarterly dividend of \$.525 per common share. The dividend will be paid September 1, 1994 to shareholders of record as of the close of business on August 1, 1994.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a.) Exhibits required to be filed by Item 601 of Regulation S-K.

There were no exhibits required to be filed by Item 601 of Regulation S-K for the quarter ended June 30, 1994.

(b.) Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended June 30, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SJW Corp.

Date: August 12, 1994

By /s/ W. R. Roth
W. R. ROTH
Senior Vice President