



GREAT OAKS WATER COMPANY

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March 13, 2015

California Public Utilities Commission
Division of Water and Audits
Room 3102
505 Van Ness Avenue
San Francisco, CA 94102-3298

**Advice Letter 244-W
Great Oaks Water Company (U-162-W)
To the California Public Utilities Commission**

Great Oaks Water Company (Great Oaks) submits this Tier 1 advice letter filing requesting authority to implement a surcharge to amortize the balance in Great Oaks' authorized balancing accounts. The following tariff sheets implementing this surcharge are attached to this advice letter:

CPUC Sheet Number	Title	Canceling
768-W	Schedule No. 1 GENERAL METERED SERVICE SPECIAL CONDITIONS	764-W
769-W	Schedule No 3M IRRIGATION SERVICE SPECIAL CONDITIONS	761-W
770-W	Schedule No. 6 CONTRACT RESALE SERVICE CONDITIONS	762-W
771-W	TABLE OF CONTENTS	765-W

Summary

This is an advice letter to amortize balancing accounts under Public Utilities Code §792.5 and General Order 96-B, Industry Rule 8.5. The balancing accounts being amortized, Commission authority, and the amount of each balancing account is shown in the table below. The workpapers attached as Exhibit A include account details.

Balancing Account	Commission Authority	Amount (-)under/over collection (\$)
AL 225-W-A Audit Cost (2009 and 2010 Audits)	D.10-12-057	11,176
Purchased Power	Public Util. Code §792.5	-111,075
Pump Tax, Non-Ag	Public Util. Code §792.5	75,199
Pump Tax, Ag	Public Util. Code §792.5	706
Low Income Program	Resolution W-4594	-325,830
AL 236-W Recovery of GRC Rehearing Settlement	D.13-11-009	-13,932
Total		-363,756

The accounts listed in the table above are described more fully in the following paragraphs.

1. AL 225-W-A Audit Cost (2009 and 2010 Audits). In Decision 10-12-057, issued December 21, 2010, the Commission ordered Great Oaks to engage the services of an independent Certified Public Accountant (CPA), with utility client experience, to perform a full and complete audit of the company beginning with all transactions as of January 1, 2009.¹ Advice Letter 225-W-A was a Tier 3 advice letter approved by Commission Resolution W-4928, issued August 3, 2012. Resolution W-4928 authorized a 12-month surcharge to collect the balance in the Audit Cost Memorandum Account. The amount to be amortized in this advice letter is the over-collection of that balance.

2. Purchased Power Balancing Account. This account tracks increasing recorded power costs using a calculated composite rate based on four different electric rate schedules with various seasonal, times of day, and surcharge rates, all as authorized under Public Utilities Code §792.5.

3. Groundwater Charges Other Than Agricultural Irrigation Balancing Account. This account tracks costs related to groundwater charges other than agricultural irrigation, as authorized under Public Utilities Code §792.5.

¹ D.10-12-057, Ordering Paragraph 5.

4. Groundwater Charges, Agricultural Irrigation Balancing Account. This account tracks costs related to agricultural irrigation, as authorized under Public Utilities Code §792.5.
5. Low Income Lost Revenue Memorandum Account. This account lost revenues and expenses associated with the Company's Low Income Customer Assistance Program, all as authorized by Commission Resolution W-4594.
6. AL 236-W Limited Rehearing Under-Collection Balancing Account. This account tracks the recovery of an under-collection resulting from the Company's 2009 general rate case, as authorized by Commission Decision 13-11-009.

Great Oaks last amortized memorandum and balancing accounts in Advice Letter 234-W, effective March 5, 2014. The balances in the accounts being amortized in this Advice Letter 244-W are for the time period beginning January 1, 2014 and ending on the dates shown in the Workpapers attached to this advice letter as Exhibit A. The balances in the accounts being amortized have been calculated utilizing the same methodology previously approved by the Commission in Great Oaks' Advice Letters 224-W and 234-W.

Authority for Requested Surcharge

This advice letter is filed pursuant to Rule 8.5 of General Order 96-B which authorizes the filing of advice letter seeking to amortize an over- or under-collected balancing account when the balance exceeds two percent of the most recent annual report revenue for the Utility. The most recent annual report revenue of Great Oaks is \$15,771,934 (from Great Oaks' 2013 Annual Report, Schedule B Income Account). Two percent (2%) of that revenue amount is \$315,439. The amount to be amortized (\$363,756) exceeds the two percent threshold for the filing of this type of advice letter.

Request to Impose Surcharge

This Advice Letter 244-W requests authorization to impose a surcharge of \$0.0758/ccf on the quantity charge of its active service connections for a twelve-month period.

The accompanying workpapers provide detail for each of the balancing accounts being amortized.

Rate Impact

The \$363,756 under-collection balance being amortized represents 2.3% of Great Oaks' most recent annual report revenue of \$15,771,934. For the average single-family customer with a 5/8"x3/4" meter using 13 ccf of water per month, the surcharge will increase a bi-monthly bill by \$2.10 (2.23%) from \$94.37 to \$96.47 (including the CPUC surcharge and local utility taxes), as shown in the table below. All water users will be subject to the surcharge for a twelve-month period.

Bill Comparison Before and After Advice Letter 244-W Surcharge

Current Rates		With AL 244-W Surcharge	
2-month Meter Charge 5/8 x 3/4"	\$19.62	2-month Meter Charge 5/8 x 3/4"	\$19.82
Water Usage 13 ccf @ \$2.1526	27.98	Water Usage 13 ccf @ \$2.1526	27.98
Water Usage 13 ccf @ \$2.3314	30.31	Water Usage 13 ccf @ \$2.3314	30.31
2013 Pump Tax Surcharge 26 ccf @ \$0.1192	3.10	2013 Pump Tax Surcharge 26 ccf @ \$0.1192	3.10
2014 Pump Tax Surcharge 26 ccf @ \$0.1327	3.45	2014 Pump Tax Surcharge 26 ccf @ \$0.1327	3.45
AL 234-W Amortization Surcharge 26 ccf @ \$0.0512	1.33	AL 234-W Amortization Surcharge 26 ccf @ \$0.0512	1.33
AL 242-W Monterey WRAM Surcharge 26 ccf @ \$0.1059	2.75	AL 242-W Monterey WRAM Surcharge 26 ccf @ \$0.1059	2.75
		AL 244-W Amortization Surcharge 26 ccf @ \$0.0758	1.97
Sub-Total	88.54	Sub-Total	90.51
California PUC Surcharge @ 1.5%	1.33	California PUC Surcharge @ 1.5%	1.36
Sub-Total	89.87	Sub-Total	91.87
San Jose City Utility Tax @ 5%	4.50	San Jose City Utility Tax @ 5%	4.60
Total	\$94.37	Total	\$96.47

Note: Actual increase depends upon meter size and water usage. The table above is for comparison purposes only and may not reflect actual customer costs.

Tier Designation

Pursuant to General Order 96-B and Water Industry Rule 8.5, this is a Tier 1 advice letter seeking the amortization of balancing-type accounts.

Requested Effective Date

Great Oaks requests that the effective date of the tariff sheets be April 14, 2015.

Notice

Great Oaks is publishing notice of this Advice Letter 244-W in the San Jose Mercury News, a newspaper of local circulation, pursuant to General Order 96-B, Water Industry Rule 3.1. A copy of the published notice will be provided to the Division of Water and Audits after receipt from the newspaper.

Response or Protest

Anyone may protest and respond to this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth specific grounds on which it is based. These grounds may be based upon the following:

- (1) The utility did not properly serve or give notice of the advice letter; or
- (2) The relief requested in the advice letter would violate a statute or Commission order, or is not authorized by statute or Commission order on which the utility relies; or
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions; or
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require re-litigating a prior order of the Commission).

Any protest or response must be made in writing or by electronic mail and must be received by the Commission's Division of Water and Audits within 20 days of the date this advice letter is filed. The advice letter process does not provide for any protests, responses or other comments, except for a reply by Great Oaks, after the 20-day comment period expires. The address for mailing or delivering a protest or response is:

Tariff Unit, Division of Water and Audits, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date any protest or response is submitted to the Water Division, the protesting or responding person, entity or party must serve a copy of the protest or response on Great Oaks addressed to:

Timothy S. Guster
Great Oaks Water Co.
PO Box 23490
San Jose, CA 95153
Telephone: (408) 227-9540
Facsimile: (408) 227-7126
Email: tguster@greatoakswater.com

Great Oaks Water Company

/s/

Timothy S. Guster
General Counsel
Legal and Regulatory Affairs

cc: Ting-Pong Yuen, DRA

Certificate of Service

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s Advice Letter 244-W (without Workpapers) on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid. Workpapers are available upon request.

Executed on March 13, 2015 at San Jose, California.

/s/
Timothy S. Guster

Great Oaks Water Co.
Distribution List

Municipal Water System
City of San Jose
3025 Tuers Road
San Jose, CA 95121

County Clerk
County of Santa Clara
70 W. Hedding Street
San Jose, CA 95110

Safe Drinking Water Office
Department of Water Resources
1416 9th Street, Room 804
Sacramento, CA 95814

Office of Regulatory Affairs
California Water Service Company
1720 North First Street
San Jose, CA 95112

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Regulatory Affairs
San Jose Water Company
110 West Taylor Street
San Jose, CA 95156

Great Oaks Water Company
Advice Letter 244-W
Proposed Tariff Sheets