



GREAT OAKS WATER COMPANY

P.O. Box 23490
San Jose, CA 95153
(408) 227-9540
tguster@greatoakswater.com

May 31, 2018

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

Advice Letter 272-W Great Oaks Water Company (U-162-W) to the California Public Utilities Commission

Great Oaks Water Company (Great Oaks) transmits this Tier 3 advice letter requesting a resolution from the California Public Utilities Commission (Commission) authorizing Great Oaks to offset the adjusted balance in its Conservation Lost Revenue and Expense Memorandum Account (Conservation Memo Account) with excess usage surcharges that were assessed in accord with Great Oaks' authorized Schedule No. 14.1 tariff and booked as required under Commission Resolution (Res.) W-4976.

Because of its success in achieving all voluntary and mandatory water conservation goals, Great Oaks seeks no changes to rates or to its authorized tariffs. Moreover, this advice letter does not request a surcharge or other increase in the cost of water service to Great Oaks' customers. As expected, excess usage surcharges have sufficiently offset conservation lost revenues and expenses so that our customers who have sacrificed and conserved will not face a rate or bill increase.

As discussed below, this advice letter is an integral part of Great Oaks' ongoing conservation efforts that have been successful in meeting and exceeding both voluntary and mandatory conservation goals.

Summary of AL 272-W Request

Great Oaks requests authority to reduce and then amortize the \$2,737,911 of conservation lost revenues and expenses incurred by Great Oaks by offsetting the amount remaining after the required ROE adjustment with excess usage surcharges of the same amount billed by the Company during the period of time such surcharges were assessed under its Schedule No. 14.1 tariff. Each step of the process is described in detail below. Granting the requested authority will result in no impact upon Great Oaks' customers, rates, or service.

I. Background

A. Great Oaks' Conservation Efforts

On January 17, 2014, California's Governor issued an executive order proclaiming a Drought State of Emergency and directing state officials to take all necessary actions to prepare for drought conditions. This executive order initiated a series of actions across the State.

Great Oaks' service area is located in Santa Clara County. On February 25, 2014, in response to the worsening water supply outlook for Santa Clara County, the Santa Clara Valley Water District (SCVWD) adopted a resolution calling for mandatory conservation measures to achieve a twenty percent (20%) reduction in water use (as compared to water use in 2013) through the end of the 2014 calendar year.

On February 27, 2014, the Commission issued Resolution (Res.) W-4976 adopting drought procedures for water conservation, rationing, and service connection moratoria. Res. W-4976 required all Class A and B water utilities with a Tariff Rule 14.1 to activate it within thirty days and to provide the Commission's then Division of Water and Audits with notice by letter and email of the utility's activation thereof. Great Oaks provided that notice on the very next day - February 28, 2014.

Res. W-4976 also authorized water utilities without a full revenue decoupling Water Revenue Adjustment Mechanism (WRAM)¹ to request authorization for a memorandum account to track lost revenues and expenses associated with Tariff Rule 14.1 conservation measures. On February 28, 2014, Great Oaks filed its Advice Letter 238-W requesting Commission authority to establish a Conservation Memo Account. Advice Letter 238-W was approved and Great Oaks added the Conservation Memo Account to its tariffs with an effective date of March 1, 2014.

Great Oaks has recorded entries in the Conservation Memo Account according to the terms of its authorized tariff since the effective date.

To help our customers better understand how they are using water and what they can do to conserve, after telephone consultation with both the Commission's Water Division and its Office of Ratepayer Advocates (ORA), and with their respective verbal approvals, Great Oaks entered into a contract with WaterSmart Software (WaterSmart) to provide 10,000 of Great Oaks' single-

¹ Great Oaks does not have a full or partial revenue-decoupling WRAM.

family residential customers with Water Reports containing information about usage, conservation, and conservation-related news. The costs of the WaterSmart program were initially “shared” with SCVWD² to reduce the cost of this conservation program to Great Oaks’ customers by approximately fifty percent. Great Oaks’ costs of the WaterSmart program that were not covered by rates were recorded in the Conservation Memo Account.³

On April 25, 2014, the Governor issued a second drought-related executive order to strengthen the State’s ability to manage water during the drought. This executive order called upon California residents to refrain from wasting water and directed the State Water Resources Control Board (Water Board) to adopt emergency regulations deemed necessary to implement the Governor’s executive order directives.

On July 15, 2014, the Water Board adopted an Emergency Regulation for Statewide Water Conservation (Emergency Regulation I) which adopted amendments to the California Code of Regulations in ways intended to promote water conservation. Emergency Regulation I also required all water utilities to provide notice of the Emergency Regulation and its mandatory restrictions and potential fines for violations of prohibited water uses, as well as to report on a monthly basis comparative information about water production and conservation measures.

On August 14, 2014, the Commission issued Res. W-5000 requiring all Commission-regulated water utilities to comply with Emergency Regulation I and to assist in assuring compliance with the restrictions on water uses by working with local law enforcement or public agencies charged with enforcing the mandatory use restrictions. Great Oaks has complied in all respects with Emergency Regulation I, including its reporting requirements, as required by Res. W-5000. Great Oaks has also worked in close coordination with local government agencies charged with enforcing Emergency Regulation I’s water use restrictions, including SCVWD.

On March 17, 2015, the Water Board re-adopted Emergency Regulation I and added additional potable water use restrictions (Emergency Regulation II). Then, on April 1, 2015, Governor Brown issued another executive order which extended Emergency Regulation I’s requirements and ordered further reductions in potable water usage through February 28, 2016. And, on April 10, 2015, the Commission issued Res. W-5034 ordering compliance with Emergency Regulation II. Res. W-5034 also called upon all Class A and B water utilities under Commission jurisdiction to add Schedule No. 14.1 to their respective tariffs.

Res. W-5034 anticipated further action by the Water Board intended to achieve the statewide 25% reduction in potable water usage called for in the Governor’s April 1, 2015 executive order. And, on May 5, 2015, the Water Board adopted additional emergency regulations that included a specific Conservation Standard for Great Oaks of 20% of its 2013 potable water production.

² Costs were “shared” pursuant to SCVWD’s cost-sharing program, under which SCVWD reimbursed Great Oaks for fifty percent of the WaterSmart costs during the time period the cost-sharing program was in effect for Great Oaks.

³ In the settlement of Great Oaks’ 2015 General Rate Case, the cost of the WaterSmart program was incorporated into rates beginning July 1, 2015. Only the net cost of the WaterSmart program incurred by Great Oaks from its inception through June 30, 2015 are included in the Conservation Memo Account.

Locally, however, the call for conservation was both louder and stronger, with SCVWD calling for a 30% reduction in water use as compared to 2013. Consistent with SCVWD's call for a 30% reduction and Res. W-5000, which called upon Great Oaks to cooperate and coordinate with local government agencies on conservation, Great Oaks developed and filed its Advice Letter 245-W (and its supplement, Advice Letter 245-W-A) to add a Schedule No. 14.1 tariff that was designed to produce SCVWD's desired 30% reduction in water usage. The Commission approved Advice Letter 245-W-A on June 16, 2015, with an effective date of June 12, 2015.

Great Oaks' authorized Schedule No. 14.1 tariff implemented an excess usage surcharge for all usage over the applicable drought allocation. The excess usage surcharge equaled two times Great Oaks' uniform quantity charge and was applied to all units (CCF) over the customer's drought allocation for the billing period. Great Oaks began tracking and recording excess usage surcharges at that time, all in accord with the procedures of Res. W-4976 and the terms of the authorized Conservation Memo Account.

During the last half of 2015 and the first half of 2016, Great Oaks' conservation efforts proved successful under its Schedule No. 14.1 tariff. On June 14, 2016, SCVWD lowered its conservation requirements for Santa Clara County (from 30% reductions to 20% reductions, as compared to water usage in 2013). The City of San José similarly adopted the same 20% water usage reductions on June 21, 2016.

Following these local government actions, on June 21, 2016, Great Oaks submitted its required self-certification and notified the Water Board that Great Oaks would be taking action consistent with SCVWD's call for 20% water use reductions.

Then, on June 23, 2016, the Commission issued its Res. W-5103 Option A, requiring Commission-regulated water utilities to comply with the most recent Water Board Emergency Regulations.

As a result of these changes and new rates authorized in D.16-05-041, on July 11, 2016, Great Oaks filed its Advice Letter 254-W requesting modification to Schedule No. 14.1 tariff. That request was granted, with an effective date of July 25, 2016. The changes authorized under Advice Letter 254-W updated drought allocations and excess usage surcharges.

On January 26, 2017, Great Oaks filed Advice Letter 258-W to deactivate Stage 2 of its Schedule No. 14.1 tariff due to actions of SCVWD and improved local water supply conditions. Drought allocations and excess usage surcharges were discontinued at that time, although mandatory water conservation measures, including water waste prohibitions, continue to be in effect.

On January 31, 2017, SCVWD issued its Resolution 17-08 calling for a continued 20% reduction in water use, as compared to water use in calendar year 2013. A copy of this Resolution is attached hereto as Exhibit A. SCVWD Resolution 17-08 remains in effect to this day⁴ and Great

⁴ On May 14, 2018, the Manager of SCVWD's Water Supply Planning & Conservation Unit reminded all water utilities in Santa Clara County by email that Resolution No. 17-08 is "still in place and has no end date."

Oaks continues its efforts to reduce customer water usage by 20%, as evidenced by the fact that even 2018 water usage is down more than 20% over the first four months of the year.

On April 7, 2017, Governor Brown issued Executive Order B-40-17, which lifted the drought emergency throughout most of California. In Santa Clara County, however, SCVWD continues to call for 20% water use reductions (compared to 2013) to protect and preserve local water supplies, and Great Oaks continues to cooperate and work with SCVWD on conservation and water use reductions. Mandatory conservation measures under Schedule No 14.1 Stage 1 tariff remain in effect.

B. Results of Conservation Efforts by Great Oaks

The following tables compare water production during the months covered by this Advice Letter - March 1, 2014 through February 28, 2018 – four full years (as well as for the months of March and April of 2018⁵). Comparisons to water production during the same months in 2013 (the base year for conservation purposes) are also shown.

2014 – Acre Feet (AF)

Month	2013	2014	Comparison
March	840.187	722.270	-14.03%
April	1,028.535	799.175	-22.30%
May	1,292.999	1,109.365	-14.20%
June	1,339.659	1,234.216	-7.87%
July	1,423.782	1,190.308	-16.40%
August	1,382.813	1,152.007	-16.70%
September	1,251.425	1,017.992	-18.65%
October	1,110.639	957.013	-13.83%
November	877.758	707.935	-19.35%
December	750.663	582.783	-22.36%
Total	11,298.460	9,473.064	-16.16%

2015 – AF

Month	2013	2015	Comparison
January	655.983	630.730	-3.85%
February	654.287	589.752	-9.86%
March	840.187	755.167	-10.12%
April	1,028.535	766.511	-25.48%
May	1,292.999	795.363	-38.49%
June	1,339.659	850.706	-36.50%
July	1,423.782	910.033	-36.08%
August	1,382.813	896.018	-35.20%
September	1,251.425	838.587	-32.99%
October	1,110.639	780.444	-29.73%
November	877.758	581.907	-33.69%
December	750.663	549.794	-26.76%
Total	12,608.730	8,945.012	-29.06%

⁵ It was necessary to compile water sales data through April so as to fully include all water sales through the month of February due to Great Oaks’ bi-monthly billing system. Meters read in the last full week of April 2018 included water sales in the last days of February 2018.

2016 – AF

Month	2013	2016	Comparison
January	655.983	531.312	-19.01%
February	654.287	514.246	-21.40%
March	840.187	562.937	-33.00%
April	1,028.535	637.580	-38.01%
May	1,292.999	813.452	-37.09%
June	1,339.659	989.431	-26.14%
July	1,423.782	976.513	-31.41%
August	1,382.813	1,016.446	-26.49%
September	1,251.425	931.468	-25.57%
October	1,110.639	785.173	-29.35%
November	877.758	590.136	-32.77%
December	750.663	562.521	-25.06%
Total	12,608.730	8,911.215	-29.33%

2017 – AF

Month	2013	2017	Comparison
January	655.983	558.052	-14.93%
February	654.287	499.274	-23.69%
March	840.187	589.814	-29.80%
April	1,028.535	638.640	-37.91%
May	1,292.999	975.817	-24.53%
June	1,339.659	1,056.301	-21.15%
July	1,423.782	1,155.249	-18.86%
August	1,382.813	1,143.234	-17.33%
September	1,251.425	1,071.435	-14.39%
October	9,869.670	7,687.816	-22.11%
November	877.758	684.400	-22.03%
December	750.663	658.728	-12.25%
Total	12,608.730	9,996.270	-20.72%

2018 - AF

Month	2013	2018	Comparison
January	655.983	601.645	-8.28%
February	654.287	609.877	-6.79%
March	840.187	624.993	-25.61%
April	1,028.535	697.304	-32.20%
Totals	3,178.992	2,533.819	-20.29%

Great Oaks continues to work closely with SCVWD and the City of San José on conservation. While it is expected that SCVWD’s call for 20% conservation as compared to 2013 will continue indefinitely, the City of San José’s long-term conservation goals call for even greater usage reductions over time. Those long-term conservation goals of the City, however, have not yet been established, nor have actions intended to achieve those goals been implemented as of this date.

II. Relief Requested

A. Great Oaks' Authorized Conservation Memo Account

Great Oaks requested and received authority to establish its Conservation Memo Account pursuant to Res. W-4976. Great Oaks first filed its Advice Letter 238-W on February 28, 2014 to establish the Conservation Memo Account, and then subsequently filed Advice Letter 243-W on August 14, 2014 to correct an inadvertent omission error in the terms of the Conservation Memo Account. The authorized tariff sheets detailing the terms and conditions of Great Oaks' Conservation Memo Account, with an effective date of March 1, 2014, are attached hereto as Exhibit B.

Great Oaks' rate year is the period of time from July 1 to June 30. The period of time covered by this Advice Letter spans four full years but includes a portion of five different rate years: (1) a portion of the 2013/2014 rate year (March 1, 2014 to June 30, 2014); (2) the entire 2014/2015 rate year (July 1, 2014 to June 30, 2015); (3) the entire 2015/2016 rate year (July 1, 2015 to June 30, 2016); (4) the entire 2016/2017 rate year (July 1, 2016 to June 30, 2017); and (5) a portion of the 2017/2018 rate year (July 1, 2017 to February 28, 2018). Each of these time periods is discussed separately below, with all supporting data and calculations for each time period included in the Exhibit C AL 272-W Workpapers.

B. Recorded Conservation Lost Revenues and Expenses

Great Oaks has complied with the terms and conditions of its Conservation Memo Account since its establishment and effective date of March 1, 2014. Through February 28, 2018 – a time period of four full years – the total balance in the Conservation Memo Account was \$2,737,911.⁶ Details of the conservation lost revenues and expenses recorded in the Conservation Memo Account are provided in the Exhibit C AL 272-W Workpapers on the “Conservation Memo Acct.” tab and are summarized below.

(1) Rate Year 2013/2014: March 1, 2014 to June 30, 2014.

Because the first time period of conservation lost revenues and expenses covered by this Advice Letter represents the last four months of Great Oaks' 2013/2014 rate year, Great Oaks first calculated the average amount of sales per month for the three non-drought years immediately preceding the most-recently declared drought emergency. Those calculations are shown in the Exhibit C AL 272-W Workpapers on the page entitled “Monthly Sales %.”. Based upon these calculations, the months of March through June of 2014 represent 27.92% of Great Oaks' annual sales and revenues.

Conservation lost revenues and expenses (with interest) recorded during the March 1, 2014 to June 30, 2014 period were \$98,968.⁷

(2) Rate Year 2014/2015: July 1, 2014 to June 30, 2015.

⁶ The exact balance of \$2,737,910.55 has been rounded up to \$2,737,511.

⁷ See Exhibit C AL 272 Workpapers, Conservation Memo Acct., Cell W23.

Conservation lost revenues and expenses (with interest) recorded during the 2014/2015 rate year were \$776,028.⁸

(3) Rate Year 2015/2016: July 1, 2015 to June 30, 2016.

Conservation lost revenues and expenses (with interest) recorded during the 2015/2016 rate year were \$1,251,526.⁹

(4) Rate Year 2016/2017: July 1, 2016 to June 30, 2017.

Conservation lost revenues and expenses (with interest) recorded during the 2016/2017 rate year were \$606,536.¹⁰

(5) Rate Year 2017/2018: July 1, 2017 to February 28, 2018.

This time period represents 72.08% of annual sales.¹¹ Conservation lost revenues and expenses (with interest) recorded during the July 1, 2017 to February 28, 2018 period were \$4,852.¹²

Included within these totals are the conservation expenses shown in the table below. Each expense is one that is solely related to conservation and was/is not already included in rates, as required under the terms of the Conservation Memo Account.

Conservation Expenses

Expense	Amount
2,814 mailings to June 2014 cycle 7 (postage, paper, and envelopes); 45 individual letters (postage, paper, envelopes, and labor); 50 e-mail replies @ 15 minutes each; 141 letters to highest water users.	\$2,970.17
\$1,575 San Jose Mercury News ad shared with San Jose Water Company + \$1,346.16 State Water Resources Control Board Notice	\$2,921.16
WaterSmart Software - Contract period 11/15/2014 to 2/15/2016 (as amended)	\$120,000.00
50% reimbursement from SCVWD received January 2015	(\$60,000.00)
\$1,575 San Jose Mercury News ad shared with San Jose Water Company plus \$1,573.68 for AL 245-W related to Schedule 14.1	\$3,148.68
30 minutes for General Counsel to answer 6 appeal letters plus postage, plus letterhead paper	\$70.85
4 hours, 5 minutes for General Counsel to answer 49 appeal letters plus postage, plus letterhead paper	\$578.56
5 hours, 10 minutes for General Counsel to answer 62 appeal letters plus postage, plus letterhead paper	\$732.16
WaterSmart software - Contract period 2/15/2016 to 2/15/2017	\$100,000.00
3 hours, 35 minutes for General Counsel to answer 43 appeal letters plus postage, plus letterhead paper	\$507.31

⁸ *Id.*, at Cell W40 (Total = W40 – W23).

⁹ *Id.*, at Cell W57 (Total = W57 – W40).

¹⁰ *Id.*, at Cell W74 (Total = W74 – W57).

¹¹ *Id.*, at “Monthly Sales %.”

¹² *Id.*, at Cell W87 (Total = W87 – W74).

2 hours, 50 minutes for General Counsel to answer 34 appeal letters plus postage, plus letterhead paper	\$401.03
50% reimbursement from SCVWD received January 2016	(\$50,000.00)
1 hour, 50 minutes for General Counsel to answer 22 appeal letters plus postage, plus letterhead paper	\$259.33
3 hours, 15 minutes for General Counsel to answer 39 appeal letters plus postage, plus letterhead paper	\$460.53
2 hours, 25 minutes for General Counsel to answer 29 appeal letters plus postage, plus letterhead paper	\$342.89
1 hour, 35 minutes for General Counsel to answer 19 appeal letters plus postage, plus letterhead paper	\$223.91
1 hour, 20 minutes for General Counsel to answer 16 appeal letters plus postage, plus letterhead paper	\$188.48
2 hours, 0 minutes for General Counsel to answer 24 appeal letters plus postage, plus letterhead paper	\$283.40
Total Conservation Expenses	\$123,088.46

(6) Total Conservation Lost Revenues and Expenses.

The balance recorded in the Conservation Memo Account is the combined balances of the years referenced above and the total conservation expenses - \$2,737,911.

C. Commission Procedure to Amortize Conservation Lost Revenues

Res. W-4976, issued February 28, 2014, not only authorized the establishment of Conservation Lost Revenue Memorandum Accounts, but also set forth the procedure for amortization of balances in such accounts:

The following procedures for amortizing the recovery of the lost revenue memorandum account was approved in Res. W-4781 and this procedure should be used. Before seeking recovery of the memorandum account balance, the utility subtracts from the balance a revenue requirement amount equal to a 20-basis point reduction in the utility’s most recent adopted return on equity. Then if necessary, the utility further reduces the amount to be recovered to a level sufficient to ensure that such recovery does not cause the utility to exceed its authorized rate of return for the period covered by the memorandum account.¹³

In addition to this procedure, Res. W-4976 also provides utilities with instructions on how to utilize “[a]ll monies collected by the utility through water use violation fines” under Schedule No. 14.1. Such monies are not to be accounted for as income, but rather “booked to a memorandum account to offset authorized expenses incurred and lost revenues from reduced sales due to conservation or rationing.”¹⁴

Great Oaks is following Res. W-4976’s required procedures in this advice letter, as discussed more in detail below.

¹³ Res. W-4976, Attachment A – Drought Procedures – paragraph 36, pages 12-13.

¹⁴ *Id.*, at paragraph 24, page 9.

(1) Reduction in Authorized Return on Equity.

Great Oaks’ authorized return on equity for the time period covered by this advice letter is 9.79%, as authorized in D.13-05-027. A 20-basis point reduction in the authorized return on equity would reduce that return on equity to 9.59%. The table below shows the calculation of the Res. W-4976 required reduction in the return on equity.

Calculation of ROE Adjustment Per Res. W-4976				
Authority	Debt/Equity	Percentage	Rate	Rate of Return
D.13-05-027	Long Term Debt	30.00%	7.50%	2.25%
	Common Equity	70.00%	9.79%	6.85%
Rate of Return		100.00%		9.10%
ROE Adjustment				
	Long Term Debt	30.00%	7.50%	2.25%
Res. W-4976	Common Equity	70.00%	9.59%	6.71%
Rate of Return		100.00%		8.96%

After calculating the adjustment to Great Oaks’ return on equity, it is necessary to convert the ROE adjustment to dollars. And, because the period of time covered by this advice letter spans parts of five different rate years, it is necessary to determine the dollar value of the ROE adjustment for each of those rate years, and then calculate the amount of the ROE adjustment for the partial-year periods.

The ROE adjustment for the time period covered by this advice letter is shown in the table below and is supported by the calculations on the Exhibit C AL 272-W Workpapers, on the tab entitled “ROE Adjustment.”

Rate Year ROE Adjustment Per Res. W-4976					
Rate Year>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Auth. Revenues At 9.10%	\$14,527,290	\$14,628,693	\$17,347,766	\$17,254,557	\$18,132,445
Auth. Revenues At 8.96%	\$14,509,111	\$14,610,203	\$17,329,276	\$17,236,015	\$18,108,608
Difference	\$18,179	\$18,490	\$18,490	\$18,542	\$23,837
Percentage of Year	27.92%	100%	100%	100%	72.08%
ROE Adjustment	\$5,076	\$18,490	\$18,490	\$18,542	\$20,903
Total ROE Adjustment					\$81,500

Applying the ROE adjustment to the balance in the Conservation Memo Account results in a reduced balance of \$2,656,411 (\$2,737,911 - \$81,500).

(2) No Further Reductions Required Per Res. W-4976.

As noted above, Res. W-4976 requires further reductions in the Conservation Memo Account balance being amortized if necessary to ensure the utility does not exceed its authorized rate of return. Great Oaks is providing a summary of earnings for each rate year covered by this advice

letter in the Exhibit C AL 272-W Workpapers that shows the maximum amount recoverable during each year¹⁵ so that no “excess” recovery is being requested. The amount being amortized in this advice letter (\$2,656,411) is less than the maximum amount recoverable under the Res. W-4976 limitations (\$3,301,374), so no additional reductions in the Conservation Memo Account balances are required.

Maximum Amount Recoverable Per Rate Year and Res. W-4976 Limitations					
Rate Year>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Auth. Revenues	*\$329,903	\$1,201,858	\$1,201,858	\$1,205,260	**\$940,939
Recorded Revs.	*\$232,388	\$1,037,423	\$937,397	-\$765,705	**\$55,440
Conservation Memo Acct. Balance	*\$98,968	\$164,435	\$264,461	\$1,970,964	**\$885,499
Less ROE Adjustment	*-\$5,076	-\$18,490	-\$18,490	-\$18,542	**-\$20,903
Max Amount Recoverable	*\$92,439	\$145,945	\$245,971	\$1,952,422	**\$864,597
Total					\$3,301,374

*Based upon 27.92% of annual sales.

**Based upon 72.08% of annual sales

(3) Offset of Conservation Lost Revenues and Expenses with Excess Usage Surcharges.

During the time period excess usage surcharges were in effect – June 12, 2015 to January 26, 2017 – total excess usage surcharges billed and received totaled \$3,391,715.¹⁶ Sufficient excess usage surcharges exist to offset the Conservation Memo Account balance being amortized, resulting in no changes in rates or other charges to customers. The remaining balance of excess usage surcharges (\$735,304) will continue to be held for future disposition.

III. Advice Letter Procedure

(1) Effective Date – May 31, 2018.

Great Oaks requests that the effective date of the requested resolution be the filing date of this advice letter – May 31, 2018. For tax purposes, it is important that the effective date be during the 2018 calendar year.

(2) Tier Designation.

This is a Tier 3 Advice Letter pursuant to Res. W-4976.

(3) Notice and Service.

This advice letter is being posted to Great Oaks Water Company’s website and is also being served upon the Distribution List provided below.

¹⁵ See Exhibit C AL 272 Workpapers at the tabs entitled: 2013-2014 SOE; 2014-2015 SOE; 2015-2016 SOE; 2016-2017 SOE; and 2017-2018 SOE.

¹⁶ Exhibit C AL 272-W Workpapers, Excess Usage Surcharges tab.

(4) Protests and Responses.

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:

- (a) The utility did not properly serve or give notice of the Advice Letter; or
- (b) 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
- (c) The analysis, calculations, or data in the Advice Letter contain material error or omissions; or
- (d) The relief requested in the Advice Letter is pending before the Commission in a formal proceeding; or
- (e) The relief requested in the Advice Letter requires consideration in a formal hearing, or is otherwise inappropriate for the Advice Letter process; or
- (f) 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 Water Division of the Commission 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, Water Division, 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, 408-227-9540, 408 227-7126 (fax), email: tguster@greatoakswater.com.

Respectfully submitted,

Great Oaks Water Company

_____/s/
Timothy S. Guster
Vice President and General Counsel
Legal and Regulatory Affairs

VERIFICATION

I am an officer of the Great Oaks Water Company and am authorized to make this verification on its behalf. The statements in the foregoing document, Great Oaks Water Co.'s Advice Letter 272-W, are true of my own knowledge, except as to matters that are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 31, 2018 at San Jose, California.

_____/s/_____
Timothy S. Guster

Certificate of Service

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s Advice Letter 272-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid, unless otherwise noted.

Executed on May 31, 2018 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*
By email to:
rateshelp@calwater.com

Santa Clara Valley Water District*
5750 Almaden Expressway
San Jose, CA 95118

Raminder Kahlon
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Ting-Pong Yuen
Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3214

Regulatory Affairs*
San Jose Water Company
110 West Taylor Street
San Jose, CA 95110

*Exhibits not included but are available upon request to tguster@greatoakswater.com.