GREAT OAKS WATER COMPANY

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

May 31, 2017

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

Advice Letter 261-W
Great Oaks Water Company (U-162-W) to the California Public Utilities Commission
Requesting Pump Tax Offset Surcharge

Great Oaks Water Company (Great Oaks) transmits this Tier 1 advice letter establishing a surcharge to pass-through additional taxes being imposed upon Great Oaks by the Santa Clara Valley Water District effective July 1, 2017. The following changes in tariff schedules applicable to Great Oaks entire service area are proposed:

CPUC Sheet No.	Title of Tariff Sheet	Canceling Sheet No.
833-W	Schedule No. 1 General Metered Service Special Conditions	829-W
834-W	Schedule No. 3M Irrigation Service Special Conditions	825-W
835-W	Schedule No. 6 Contract Resale Service Special Conditions	812-W
836-W	Table of Contents	832-W

Summary of Advice Letter 261-W

This Tier 1 advice letter establishes a surcharge to address higher groundwater production charges (pump taxes) levied by the Santa Clara Valley Water District (Water District), effective July 1, 2017. On May 9, 2017, the Water District Board of Directors passed Resolution 17-20 adopting pump taxes for the period of time from July 1, 2017 to June 30, 2018. A copy of Water District Resolution 17-20 is attached hereto as Exhibit A.

The Water District has adopted a new and higher pump tax in each of the last three years, as shown in the table below. When the Commission issued its Decision (D.) approving the settlement in Great Oaks' last general rate case (D.16-05-041), the pump tax then in effect (for the July 1, 2015 to June 30, 2016 year) was incorporated into Great Oaks' rates. When a higher pump tax was adopted by the Water District in May of 2016, Great Oaks' Advice Letter 253-W-A established a corresponding offset surcharge applicable to each unit (ccf) of water sold throughout Great Oaks' service area beginning July 1, 2016.

Now, the Water District has again adopted a higher pump tax, and it is again time to establish an offset surcharge to collect revenues sufficient to pay the higher pump taxes.

Water District Zone	**July 1, 2015 – June 30, 2016**	**July 1, 2016 – June 30, 2017**	**July 1, 2017 – June 30, 2018**
W-2 (North) Municipal & Industrial	$894.00/Acre Foot	$1,072.00/Acre Foot	$1,175.00/Acre Foot
W-2 (North) Agricultural	$21.36/Acre Foot	$23.59/Acre Foot	$25.09/Acre Foot
W-5 (South) Municipal & Industrial	$356.00/Acre Foot	$393.00/Acre Foot	$418.00/Acre Foot
W-5 (South) Agricultural	$21.36/Acre Foot	$23.59/Acre Foot	$25.09/Acre Foot

Other Pending Advice Letter

On May 15, 2017, Great Oaks filed and served Advice Letter 260-W (and, later, its supplement, Advice Letter 260-W-A[1]) requesting authorization to establish and implement an escalation year rate change. Tariff sheets accompanying this Advice Letter 261-W are based upon the Advice Letter 260-W-A escalation year rate change and associated tariff sheets.

Effect of Pending Advice Letter 260-W-A on this Advice Letter Filing

This Advice Letter has two basic components. First, because Standard Practice U-34-W required Great Oaks to utilize normalized metered customers and consumption in its escalation filing (Advice Letter 260-W-A), the pump tax offset surcharge authorized through Advice Letter 253-W-A will become obsolete upon approval of Advice Letter 260-W-A after June 30, 2017. The tariff sheets submitted with this Advice Letter 261-W, therefore, place an expiration date of June 30, 2017 on the Advice Letter 253-W-A $0.3298 per ccf surcharge.

[1] Supplemental Advice Letter 260-W-A only corrects an inadvertent calculation error in the LICAP Surcharge.

Then, to replace the soon-to-be obsolete Advice Letter 253-W-A surcharge, the tariff sheets submitted with this Advice Letter 261-W provide for the new surcharge to be applied to all water delivered on and after July 1, 2017 so that Great Oaks may recover the full amount of increased pump taxes (and associated uncollectible expenses and City of San José franchise fees). Calculations for the new surcharge are provided in the Exhibit B Workpapers.

The Effects of Higher Pump Taxes on Water Rates

The pump tax is a government-imposed tax on a utility's water-producing real property. For ratesetting purposes the Commission treats pump tax as one of the variable operating expenses factored into rates charged for water service. Under the new and higher rates, pump tax expenses for Great Oaks' 2017/2018 escalation year are projected to be $9,408,192.[2]

A higher pump tax also affects the amount of the franchise taxes imposed by the City of San José and the amount of uncollectible expenses. All other expenses and net operating income values remain the same. Overall differences in City of San José franchise fees (Account 796) and uncollectible expenses (Account 775) are shown in Exhibit B, page WP-1.

The total revenue requirement for this Advice Letter 261-W is $17,871,948, which is $779,330 (4.56%) higher than the revenue requirement resulting from the combination of Advice Letter 260-W-A with the Advice Letter 253-W-A offset surcharge. See Exhibit B Workpapers, page WP-2.

Surcharge on Quantity Usage

When the Advice Letter 253-W-A pump tax offset surcharge becomes obsolete on July 1, 2017, a surcharge of $0.5053 per CCF on customer quantity usage on and after July 1, 2017 will take its place. The surcharge calculation is shown in Exhibit B, page WP-2. Information about the surcharge is included on the proposed tariff sheets attached to this advice letter.

Effects on Average Customer Bills

The effect of the new and higher pump tax on the bill of an average single-family residential customer with a 5/8" x 3/4" meter using 11 CCF of water per month[3] is $4.11 (4.51%) per bimonthly bill,[4] as shown in the following table taken from the Exhibit B Workpapers, page WP-3.

Bill Comparison

Average Single Family Residential Customer with 5/8" x 3/4" Meter Using 11 ccf per Month

At AL 260-W-A Rates with AL 253-W-A Surcharge				At AL 260-W-A Rates with AL 261-W Surcharge			
Item	Amount	Units	Total	Item	Amount	Units	Total
Monthly Service Charge	$8.33	2	$16.66	Monthly Service Charge	$8.33	2	$16.66
Tier 1	$2.6869	13	$34.93	Tier 1	$2.6869	13	$34.93
Tier 2	$2.9101	9	$26.19	Tier 2	$2.9101	9	$26.19
AL 253-W-A Surcharge	$0.3298	22	$7.26	AL 261-W Surcharge	$0.5053	22	$11.12
LICAP Surcharge	$0.0293	22	$0.64	LICAP Surcharge	$0.0293	22	$0.64
Subtotal			$85.68	Subtotal			$89.54
CPUC Fee	1.44%		$1.23	CPUC Fee	1.44%		$1.29
Subtotal			$86.91	Subtotal			$90.83
SJ Utility Tax	5.00%		$4.35	SJ Utility Tax	5.00%		$4.54
Total			$91.26	Total			$95.37
				Increase	$4.11		
				Percentage	4.51%		

[2] Projected pump tax expenses for escalation year 2017/2018 are calculated based upon values in Great Oaks' Advice Letter 260-W escalation year filing. See Exhibit B Workpapers, page WP-2.

[3] Per D.16-05-041, average annual consumption by single-family residential customers is 131.80 ccf, or 10.98 ccf per month (rounded to 11 ccf per month for this example).

[4] The monthly increase calculates to $2.055 for the average customer.

No Effect on Water Service

This Advice Letter filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

Effective Date – July 1, 2017

The surcharge established through this Advice Letter becomes effective July 1, 2017.

Tier Designation

This is a Tier 1 Advice Letter pursuant to General Order 96-B and Water Industry Rule 7.3.1(7).

Notice and Service

Notice is being provided by publishing a legal notice in the form attached hereto as Exhibit C in the San Jose Mercury News, a newspaper of local circulation, pursuant to General Order 96-B, Water Industry Rule 3.1. Proof of publication will be provided to the Commission when notification has been completed. This Advice Letter is also being served upon the Distribution List provided below.

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:

(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 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.

Great Oaks Water Company

_____/s/_____

Timothy S. Guster
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 261-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, 2017 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 261-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid.

Executed on May 31, 2017 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

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

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

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

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

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

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

Raminder Kahlon
Water Division
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

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.

Great Oaks Water Company
Advice Letter 261-W

Proposed Tariff Sheets

Schedule No. 1
GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

2. To provide ongoing funding for the Utility's Low Income Customer Assistance Program (LICAP), as described in Tariff Rule 22, a surcharge of $0.0293 will be added to the Quantity Charge for all customers except LICAP participants.

3. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective, July 1, 2016, a surcharge of $0.3298 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2016 through June 30, 2017. (C)

4. To refund a net over-collection in authorized balancing and memorandum accounts, a credit in the total amount of $33.73 will be applied to the service charge portion of each customer's bill over a period of four billing cycles. The amount of the credit per billing cycle will be $8.43 in each of the first three billing cycles and $8.44 in the fourth billing cycle. Only customers with accounts established by December 31, 2016 will receive the credit against the service charge.

5. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective, July 1, (N)
2017, a surcharge of $0.5053 per 100 cu.ft. will be added to the Quantity Charge for each customer |
for all water delivered on and after July 1, 2017. (N)

Schedule No. 3M
IRRIGATION SERVICE
(Continued)

SPECIAL CONDITIONS

1. The Santa Clara Valley Water District requires the customer to certify the water is used to irrigate commercial agricultural crops for sale to qualify for this rate. It is an express condition of this Irrigation Service that the customer cooperates in making the necessary certification to the Water District.

2. The Santa Clara Valley Water District has surcharges or discounts applicable to water used to irrigate commercial agricultural crops if the customer/farmer participates in the Water District's special programs. These surcharges or discounts are applied per Acre Ft., are granted or imposed by the Water District each month based on the customer/farmer's level of participation, and will be passed through by the Company each month to the customer/farmer.

3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

4. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the Utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of $1.6904 per 100 cu.ft. used during the period covered by that bill.

5. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2016, a surcharge of $0.3298 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2016 through June 30, 2017. (C)

6. To refund a net over-collection in authorized balancing and memorandum accounts, a credit in the total amount of $33.73 will be applied to the service charge portion of each customer's bill over a period of four billing cycles. The amount of the credit per billing cycle will be $8.43 in each of the first three billing cycles and $8.44 in the fourth billing cycle. Only customers with accounts established by December 31, 2016 will receive the credit against the service charge.

7. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2017, a surcharge of $0.5053 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2017. (N) | (N)

Schedule No. 6
CONTRACT RESALE SERVICE

CONDITIONS

1. Resale water service is provided under this tariff only if deemed available, in the sole judgment of the Company. The Company may interrupt service from time to time to protect continuous service to its own retail customers.

2. The Company is not providing fire protection supply as it does for its own retail customers.

3. The retailer receiving service under this tariff shall defend and hold the Company harmless from any failure of service or any other claim of damage or injury once the water passes through the Company's meter into the sole possession of the retailer.

4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

5. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2016, a surcharge of $0.3298 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2016 through June 30, 2017. (C)

6. To offset the higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2017, a surcharge of $0.5053 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2017. (N) | (N)

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Schedule No. 3M, Irrigation Service	830-W, 834-W	(C)
Schedule No. 4, Private Fire Protection Service	802-W	
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Schedule No. 6, Contract Resale Service	831-W, 835-W	(C)
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Great Oaks Water Company

Advice Letter 261-W

Exhibit A
Santa Clara Valley Water District
Resolution No. 17-20
Determining Groundwater Production Charges
For Fiscal Year 2017-2018

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 17-20

DETERMINING GROUNDWATER PRODUCTION CHARGES
FOR FISCAL YEAR 2017-2018

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, has been prepared including: a financial analysis of the District's water utility system, information as to the present and future water requirements of the District, the water supply available to the District, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of the District during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;

2. That on the 24th day of February 2017, said report was duly delivered to the Clerk of the District Board;

3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 11th day of April 2017, at the Santa Clara Valley Water District at the address and at the time stated;

4. That on February 24, 2017, written notice was mailed to all owners and operators of water-producing facilities within the District's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;

5. That pursuant to Section 26.6 of the District Act, on the 11th day of April 2017, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 13, 2017 (in Morgan Hill) and again to the evening of April 25, 2017 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;

7. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed groundwater production charge increase;

8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and

operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes;

9. That this Board considered all protests objecting to the proposed groundwater production charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of groundwater production facilities in either Zone W-2 or Zone W-5;

10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

11. That CEQA does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits,

    b. Purchasing or leasing supplies, equipment or materials,

    c. Meeting financial reserve needs, and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: District activities in the geographic area identified as Zone W-2 provide services to the users of water in said zone who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and District activities in the geographic area of the District identified as Zone W-5 provide services to users of water in said zone who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2016-2017 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of the District for fiscal year 2017-2018 (July 1, 2017–June 30, 2018) at the following rates:

Water Other Than Agricultural	Agricultural Water

$1,175.00	$25.09

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2016-2017 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of the District for fiscal year 2017-2018 (July 1, 2017–June 30, 2018) at the following amounts:

Water Other Than Agricultural	**Agricultural Water**
$418.00	$25.09

FOURTH: Notice of the setting of groundwater production charges in the identified amounts shall be given as provided in Section 26.8 of the District Act.

FIFTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017.

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, J. Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: John L. Varela
JOHN L. VARELA
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

Great Oaks Water Company

Advice Letter 261-W

Exhibit B - Workpapers

Great Oaks Water Company
Advice Letter 261-W

	AL 260-W-A	AL 261-W	Difference
Operating Revenues			
Metered Water Service Revenues	$15,607,382	$17,791,208	**$2,183,826**
Fire Protection Revenues	$80,740	$80,740	$0
Other Water Revenues	$0	$0	$0
Net Balancing Account Adjustment	$0	$0	$0
Total Operating Revenues (excluding CPUC fees)	$15,687,216	$17,871,948	**$2,184,732**
Operating Expenses			
Net Payroll Expense	$2,102,808	$2,102,808	$0
Groundwater Charges, Acct. 700	$7,271,260	$9,408,148	**$2,136,888**
Op. Labor & Expense (Excluding Labor), Acct. 702	$17,887	$17,887	$0
Misc. Pump Exp., Acct. 725	$8,943	$8,943	$0
Purchased Power, Acct. 726	$784,046	$784,046	$0
Maintenance Of Pumping Equipment, Accts. 711, 732	$6,654	$6,654	$0
Chemicals & Filtering, Acct. 744	$40,824	$40,824	$0
Meter Expense, Acct. 754	$2,000	$2,000	$0
T&D Misc Expense, Acct. 756	$8,943	$8,943	$0
T&D Maint & Supv., Accts 753, 758	$0	$0	$0
Maintenance of Reservoirs & Tanks, Acct. 760	$0	$0	$0
Maintenance of T&D Mains, Acct. 761	$52,668	$52,668	$0
Maintenance of Services, Acct 763	$35,921	$35,921	$0
Maintenance of Meters, Acct 764	$112	$112	$0
Maintenance of Hydrants, Acct 765	$474	$474	$0
Maintenance of General Plant, Acct 805	$99,000	$99,000	$0
Meter Reading Expense, Acct 772	$17,887	$17,887	$0
Customer Records & Collection, Acct 773	$157,955	$157,955	$0
Uncollectible Accounts, Acct 775	$29,806	$33,957	**$4,151**
Office Supplies & Other Expense, Acct 792	$53,561	$53,561	$0
Property Insurance, Acct. 793	$81,650	$81,650	$0
Injuries & Damages, Acct 794	$50,182	$50,182	$0
Employee Pensions & Benefits, Acct 795	$867,121	$867,121	$0
Franchise Requirements, Acct 796	$313,744	$357,439	**$43,695**
Regulatory Commission Expenses, Acct 797	$11,034	$11,034	$0
Outside Services, Including GRC Expense, Acct 798, 800	$319,652	$319,652	$0
Miscellaneous General Expense Including CWA Dues, Acct 799	$149,450	$149,450	$0
Rents, Acct 811	$215,831	$215,831	$0
Transportation Expense, Acct 903	$0	$0	$0
Passive Income 30% Ratepayer Credit	-$36,884	-$36,884	$0
Total O&M and A&G Expenses	$12,662,531	$14,847,263	**$2,184,732**
Depreciation Expense	$836,275	$836,275	$0
Taxes Other than Income	$367,216	$367,216	$0
Current State Income Tax	$132,461	$132,461	$0
Current Federal Income Tax (Including DPAD)	$431,103	$431,103	$0
Deferred Tax Expense	$0	$0	$0
Total Depreciation and Taxes	$1,767,055	$1,767,055	$0
Total Operating Expenses	$14,429,586	$16,614,318	**$2,184,732**
Net Operating Revenue	$1,257,630	$1,257,630	$0
Rate Base	$14,345,155	$14,345,155	$0
Rate of Return, Percent	8.77%	8.77%	0
Adopted Rate of Return, Percent	9.10%	9.10%	0

Summary of Revenues and Expenses
WP-1

AL 260-W-A				
Pump Tax Expenses				
AL 260-W Water Sales, ccf			4,323,440.6	
AL 260-W Water Production, AF			9,925.3	
Current Groundwater Charges for 2016/2017				
Zone W-2	70%	6,947.7	$894	$6,211,224
Zone W-5	30%	2,977.6	$356	$1,060,017
Total				$7,271,241

AL 261-W				
Pump Tax Expenses				
AL 260-W Water Sales, ccf			4,323,440.6	
AL 260-W Water Production, AF			9,925.3	
Water District Groundwater Charges for 2017/2018				
Zone W-2	70%	6,947.7	$1,175	$8,163,521
Zone W-5	30%	2,977.6	$418	$1,244,627
				$9,408,148

Calculation of AL 261-W Surcharge		
Total Difference in Revenue Requirement		$2,184,732
AL 260-W Water Sales, ccf		4,323,440.6
AL 261-W Surcharge, ccf	**$0.5053**	

Bill Comparison

Average Single Family Residential Customer with 5/8" x 3/4" Meter Using 11 ccf per Month

At AL 260-W-A Rates with AL 253-W-A Surcharge

Item	Amount	Units	Total
Monthly Service Charge	$8.33	2	$16.66
Tier 1	$2.6869	13	$34.93
Tier 2	$2.9101	9	$26.19
AL 253-W-A Surcharge	$0.3298	22	$7.26
LICAP Surcharge	$0.0293	22	$0.64
Subtotal			$85.68
CPUC Fee	1.44%		$1.23
Subtotal			$86.91
SJ Utility Tax	5.00%		$4.35
Total			$91.26

At AL 260-W-A Rates with AL 261-W Surcharge

Item	Amount	Units	Total
Monthly Service Charge	$8.33	2	$16.66
Tier 1	$2.6869	13	$34.93
Tier 2	$2.9101	9	$26.19
AL 261-W Surcharge	$0.5053	22	$11.12
LICAP Surcharge	$0.0293	22	$0.64
Subtotal			$89.54
CPUC Fee	1.44%		$1.29
Subtotal			$90.83
SJ Utility Tax	5.00%		$4.54
Total			$95.37

Increase	$4.11
Percentage	4.51%

Great Oaks Water Company
Advice Letter 261-W

Exhibit C
Notice Submitted for Publication

GREAT OAKS WATER COMPANY NOTICE OF ESCALATION YEAR RATE CHANGES AUTHORIZED BY CALIFORNIA PUBLIC UTILITIES COMMISSION

Great Oaks Water Company (Great Oaks) has filed Advice Letter (AL) 261-W with the California Public Utilities Commission (Commission) to address higher groundwater charges (pump taxes) recently adopted by the Santa Clara Valley Water District. The current pump tax surcharge will apply to water sold through June 30, 2017, and will then be replaced by the new AL 261-W pump tax surcharge. Under AL 261-W and supplemental AL 260-W-A (escalation increase and corresponding adjustment to Low Income Customer Assistance Program surcharge), Great Oaks' total revenue requirement increases by $779,330 (4.56%) over previously authorized revenues. As shown in the table below, the average single-family residential customer bimonthly bill will increase by $4.11 (4.51%). Complete copies of the AL filings are available at www.greatoakswater.com.

Bill Comparison

Average Single-Family Residential Customer with 5/8" Meter Using 11 ccf per Month

At AL 260-W-A Rates				At AL 261-W Rates			
Item	Amount	Units	Total	Item	Amount	Units	Total
Monthly Service Charge	$8.33	2	$16.66	Monthly Service Charge	$8.33	2	$16.66
Tier 1 Usage	$2.6869	13	$34.93	Tier 1 Usage	$2.6869	13	$34.93
Tier 2 Usage	$2.9101	9	$26.19	Tier 2 Usage	$2.9101	9	$26.19
Pump Tax Surcharge	$0.3298	22	$7.26	Pump Tax Surcharge	$0.5053	22	$11.12
LICAP Surcharge	$0.0293	22	$0.64	LICPA Surcharge	$0.0293	22	$0.64
Subtotal			$85.68	Subtotal			$89.54
CPUC Fee	1.44%		$1.23	CPUC Fee	1.44%		$1.29
Subtotal			$86.91	Subtotal			$90.83
SJ Utility Tax	5.00%		$4.35	SJ Utility Tax	5.00%		$4.54
Total			$91.26	Total			$95.37

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 Letters. 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 Letters; or
(2) The relief requested in the Advice Letters 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 Letters contain material error or omissions; or
(4) The relief requested in the Advice Letters is pending before the Commission in a formal proceeding; or
(5) The relief requested in the Advice Letters requires consideration in a formal hearing, or is otherwise inappropriate for the Advice Letter process; or
(6) The relief requested in the Advice Letters 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 Letters are filed. The Advice Letter process does not provide for any Protests, Responses or other comments, except for a reply by Great Oaks Water Company, 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., 20 Great Oaks Blvd. Suite 120, San Jose, CA 95119, 408-227-9540, 408 227-7126 (fax), tguster@greatoakswater.com.