



# GREAT OAKS WATER COMPANY

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May 31, 2017

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

**Advice Letter 262-W  
Great Oaks Water Company (U-162-W) to the California Public Utilities Commission  
Requesting Amendment to School Lead Testing Memorandum Account**

Great Oaks Water Company (Great Oaks) transmits this Tier 2 advice letter filing seeking authorization to amend the language of its School Lead Testing Memorandum Account, as instructed by the Water Division of the California Public Utilities Commission (Commission). 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.
837-W	Preliminary Statement	822-W
838-W	Table of Contents	836-W

Summary of Advice Letter 262-W

On May 8, 2017, the Commission's Water Division issued a memorandum to all Class A water and sewer utilities to increase outreach efforts to the K – 12 schools they serve to improve the current school response rate to the lead testing in schools requirements. A copy of the memorandum is attached as Exhibit A.

The Water Division's memorandum also stated:

Utilities should file a Tier 2 advice letter to amend their School Lead Testing Memorandum Account if the current language does not provide for the ability to record additional outreach costs.

Great Oaks' School Lead Testing Memorandum Account (Memo Account) was approved through Advice Letter 257-W. The current language of the Memo Account does not provide for the ability to record the costs of the additional outreach requested in the Water Division's May 8, 2017 memorandum.

This Advice Letter 262-W requests authority to amend the Memo Account language to provide for the ability to record those additional outreach costs.

The requested amendment is simple, straightforward, and limited to additional outreach costs incurred complying with the Water Division's memorandum. All that is added to the existing language of the Memo Account is the word "outreach" in section 2.a. of the Memo Account. The proposed tariff sheet with this amendment is attached hereto.

#### Other Pending Advice Letters

At this time, Great Oaks has two advice letters pending (Advice Letters 260-W-A and 261-W), neither of which relate to or are affected by this filing.

#### 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

Great Oaks requests that the amendment requested in this Advice Letter become effective July 1, 2017.

#### Tier Designation

This is a Tier 2 Advice Letter pursuant to General Order 96-B and Water Industry Rule 7.3.2. (Tier 2 Advice Letter).

#### Notice and Service

Notice is being provided by publishing this Advice Letter on Great Oaks' website ([www.greatoakswater.com](http://www.greatoakswater.com)) and through service 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](mailto:tguster@greatoakswater.com).

Great Oaks Water Company

\_\_\_\_\_  
/s/

Timothy S. Guster  
General Counsel  
Legal and Regulatory Affairs



Great Oaks Water Co.  
Distribution List

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City of San Jose  
3025 Tuers Road  
San Jose, CA 95121

County Clerk  
County of Santa Clara  
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Department of Water Resources  
1416 9<sup>th</sup> Street, Room 804  
Sacramento, CA 95814

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1720 North First Street  
San Jose, CA 95112

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San Jose, CA 95118

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

Great Oaks Water Company  
Advice Letter 262-W

Proposed Tariff Sheets

**PRELIMINARY STATEMENT**  
(Continued)

V. Pension Expense Balancing Account.

5. Ratemaking Procedure. The PEBA is recoverable in a Tier 2 advice letter filing if the accumulated balance exceeds two percent (2%) of gross adopted revenues for the Utility in accordance with General Order 96-B and standard practices or be request in the next general rate case. In any filing, Utility shall demonstrate its continued compliance with SFAS 87 and demonstrate that any changes to its expenses were reasonable and prudently incurred.

W. School Lead Testing Memorandum Account.

1. Purpose. This School Lead Testing Memorandum Account (SLTMA) is being established pursuant to an Amendment to the Domestic Water Supply permit issued to Great Oaks Water Company (Utility) by the State Water Resources Control Board on January 17, 2017 that establishes the School Lead Testing Program. The purpose of the SLTMA is to track the incremental expenses (not already reflected in authorized rates) incurred by Utility that are unforeseen, unexpected, and directly associated with complying with and implementing the School Lead Testing Program.

2. Applicability. The SLTMA does not have a rate component. The SLTMA shall include, but will not be limited to:

a. Incremental labor costs associated with outreach, planning, and coordination with K-12 schools to develop individual sampling plans, collecting and submitting samples to laboratories, administering program requirements, and contracted labor; and

b. Laboratory fees for all lead sampling and reporting of results to the Division of Drinking Water and the schools, and all laboratory coordination and instruction.

3. Accounting Procedure. Utility shall maintain the SLTMA by making entries at the end of each month in which applicable expenses are incurred as follows:

a. A debit entry shall be made to the SLMTA to record applicable expenses.

b. Interest shall accrue to the SLMTA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. Effective Date. The SLMTA shall be effective January 17, 2017.

5. Disposition. Disposition of amounts recorded in the SLMTA shall be determined in a subsequent filing, as authorized by the Commission.

(N)

(To be inserted by utility)  
Advice Letter No. 262-W

*Issued by*  
**Timothy S. Guster**  
NAME

(To be inserted by Cal. P.U.C.)  
Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

**General Counsel**  
TITLE

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**TABLE OF CONTENTS**

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information.

<u>Subject Matter of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
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Service Area Map	644-W to 670-W
<b>Rate Schedules:</b>	
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Schedule No. 3M, Irrigation Service	830-W, 834-W
Schedule No. 4, Private Fire Protection Service	802-W
Schedule No. 5, Public Fire Hydrant Service	3-W
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Schedule UF, Surcharge to Fund Public Utilities Commission Reimbursement Fee	820-W
Summary List of Contracts & Deviations	477-W
<b>Rules:</b>	
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No. 2 Description of Services	191-W
No. 3 Application for Service	10-W, 503-W, 600-W
No. 4 Contracts	11-W
No. 5 Special Information Required on Forms	365-367-W
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No. 9 Rendering and Payment of Bills	18-W, 19-W, 598-W, 732-W, 787-W
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No. 17 Standards for Measurement of Service	352-W
No. 18 Meter Tests and Adjustment of Bills for Meter Error	43-45-W
No. 19 Service to Separate Premises and Multiple Units, Resale of Water	279-W, 280-W
No. 20 Water Conservation	538-W
No. 21 Fire Protection	537-W
No. 22 Low Income Customer Assistance Program	490-W

(To be inserted by utility)

*Issued by*

(To be inserted by Cal. P.U.C.)

Advice Letter No. 262-W

Timothy S. Guster  
NAME

Date Filed \_\_\_\_\_

Decision No. \_\_\_\_\_

General Counsel  
TITLE

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



Great Oaks Water Company  
Advice Letter 262-W

Exhibit A

May 8, 2017 Water Division Memorandum

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

May 8, 2017

To: All Class A Water and Sewer Utilities

From: Water Division

RE: Lead Testing for Schools

The State Water Resources Control Board (Board), as a condition of your amended water supply permit, requires all public water systems to sample for lead when requested by schools. Schools may request lead sampling any time prior to November 1, 2019. The latest data from the Board shows that as of April 28, 2017 only 876 out of an estimated 13,000 K-12 schools in California have either requested lead sampling from their water supplier or submitted lead testing results.<sup>1</sup> This represents a 6.7% response rate from schools. These results are consistent with the information provided by the nine Class A water utilities at the end of March 2017 where 123 schools out of an estimated 1,837 schools served have requested lead sampling to be undertaken.

In an attempt to improve the current response rate, the Commission requests that the utilities increase their outreach efforts to K-12 schools they serve. You should inform schools that they are not responsible for any costs associated with lead sampling, including collecting, analyzing, and reporting the results. Schools should also be informed that the Board is establishing a new program to provide financial assistance through its Drinking Water for Schools Grant Program pursuant to Senate Bill 82 to address remediation costs associated with positive lead results. Program and contact information is available on the Board's webpage at:

[http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/schools/](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/schools/)

Utilities should file a Tier 2 advice letter to amend their School Lead Testing Memorandum Account if the current language does not provide for the ability to record additional outreach costs.

Finally, in order to track the response rate from schools going forward, Water Division requests that the utilities update their data quarterly on: 1) the number of schools served; 2) the number of schools requesting lead sampling; 3) the number of schools where lead sampling tests have been completed and; 4) the test results of those samples. The first update should be for the quarter ending June 30, 2017.

1

[http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/documents/ca\\_maplead\\_sampling\\_in\\_ca\\_scho ols\\_2017\\_%20aa.pdf](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/ca_maplead_sampling_in_ca_scho ols_2017_%20aa.pdf)

School Lead Testing Program

May 8, 2017

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If you have any questions regarding the above, please contact James Boothe at (415) 703-1748 or [jb5@cpuc.ca.gov](mailto:jb5@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Rami Kahlon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rami Kahlon, Director  
Water Division

Cc: CPUC Commissioners  
Lisa Bilir, Office of Rate Payer Advocates  
Jack Hawks, California Water Association