



GREAT OAKS WATER COMPANY

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December 28, 2017

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

**Advice Letter 267-W
Great Oaks Water Company (U-162-W)
To the California Public Utilities Commission**

On December 22, 2017, the Water Division of the California Public Utilities Commission (Commission) issued instructions to all Class A and B Water and Sewer Utilities to file Tier 1 advice letters to establish a 2018 Tax Accounting Memorandum Account to track the impact of the “2018 Tax Cuts and Jobs Act” on Commission-jurisdictional revenue requirements. This advice letter is being filed pursuant to those instructions.

Great Oaks submits the following tariff sheets in with this Advice Letter 267-W:

CPUC Sheet Number	Title	Canceling
850-W	Preliminary Statement (Continued)	New
851-W	Table of Contents	849-W

Background and Basis for Advice Letter Request

On December 22, 2017, President Trump signed into law what is commonly referred to as the “Tax Cuts and Jobs Act” (TCJA). The TCJA makes several changes to existing tax law that may impact the Commission-jurisdiction revenue requirement for water utilities. On the same day, the Water Division issued a letter to all Class A and B Water and Sewer Utilities with instructions to file a Tier 1 advice letter to track the impact of the TCJA on the pertinent Commission-jurisdiction revenue requirement

The proposed tariff language submitted with this Advice Letter 267-W incorporates the language necessary to fulfill the Water Division’s instructions.

Tier Designation

This is a Tier 1 Advice Letter under General Order 96-B, as it is submitted in compliance with the instructions from the Water Division.

Requested Effective Date

Great Oaks requests that this Advice Letter be approved with an effective date of January 1, 2018, consistent with the Water Division’s instructions.

Notice and Service

This Advice Letter is 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

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)
California Water Service Company
1720 North First Street
San Jose, CA 95112

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

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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

PRELIMINARY STATEMENT
(Continued)

Y. “Tax Cuts and Jobs Act” Memorandum Account.

(N)

1. Purpose: The purpose of the “Tax Cuts and Jobs Act” (TCJA) Memorandum Account (Memo Account) is to track on a CPUC-jurisdictional revenue requirement basis the impacts of the TCJA not otherwise reflected in rates from January 1, 2018 until the effective date of the revenue requirement changes in the Utility’s next General Rate Case (Memo Account Period).
2. General Information. The Utility shall record in this Memo Account realized increases or decreases in its CPUC-jurisdictional revenue requirement resulting from the TCJA. The Memo Account shall be used in determining whether any rate adjustment is necessary to reflect impacts of the TCJA during the Memo Account Period.
3. Memo Account Entries. The entries in the Memo Account may include the following:
 - a. Realized decreases in revenue requirement resulting from the TCJA during the Memo Account Period.
 - b. Realized increases in revenue requirement resulting from the TCJA during the Memo Account Period.
 - c. Balances in the Memo Account will accrue interest at the 90-day commercial paper rate.
4. Disposition of Memo Account Balance. In the Utility’s next General Rate Case, or at such other time as ordered by the CPUC, the balance in the Memo Account shall be addressed and rates shall be adjusted accordingly, as appropriate.

(N)

(To be inserted by utility)
Advice Letter No. 267-W

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

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

Decision No. NA

Effective _____

Resolution No. _____

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(To be inserted by utility)

Issued by

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

Advice Letter No. 267-W

Timothy S. Guster
NAME

Date Filed _____

Decision No. NA

General Counsel
TITLE

Effective _____

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