



ORA

Office of Ratepayer Advocates
California Public Utilities Commission
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June 23, 2017

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

Re: San Jose Water Company's Advice Letter 510-W

Dear Mr. Kahlon:

The Office of Ratepayer Advocates (ORA) of the California Public Utilities Commission hereby submits its timely Protest to Advice Letter (AL) 510, which was designated Tier II and filed by San Jose Water Company (SJWC) on June 6, 2017.

The 20-day protest period of AL 510 ends on June 26, 2017.

A. SUMMARY OF ADVICE LETTER REQUEST

In AL 510, SJWC proposes to refund a three-year period of overcharges purportedly totaling \$1.8 million that the company claims were "a result of a change in billing practice effective January 1, 2017."¹

B. GROUNDS FOR PROTEST & RECOMMENDATION

Consistent with General Order 96-B, General Rule 7.4.2, ORA protests AL 510 on the grounds that the relief requested in the advice letter requires consideration in a formal hearing and is inappropriate for the advice letter process.

Rule 5.1 of General Order 96-B states that, "The advice letter process provides a quick and simplified review of the types of utility requests that are expected neither to be controversial nor to raise important policy questions." Based upon information presented to the Commission in a pending formal complaint,² the request contained in AL 510 appears to raise significant policy questions and to be highly controversial.

¹ Advice Letter No. 510, page 2

² C.17-06-009

AL 510 should be rejected. Since the issues in AL 510 parallel those presented to the Commission in a pending formal complaint, both matters should be consolidated within the scope of a formal investigation.

C. BACKGROUND

On January 15 2017, SJWC was contacted by a customer who claimed to have been billed unauthorized service charges.

As detailed in multiple correspondences, the customer appears to have received conflicting and contradictory explanations regarding the cause and magnitude of the overcharges.³

On April 17, 2017, the customer submitted a formal complaint to the Commission.

On June 6, 2017, SJWC filed AL 510 with the Commission.

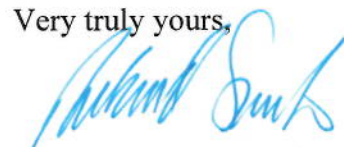
D. DISCUSSION

The issues raised in AL 510 cannot be adequately examined and resolved through an informal process. The fact that multiple customers were overcharged is undisputed. However, the cause(s) and magnitude of the overcharges remain unresolved by the Commission and should be examined within an evidentiary record. Ascertaining the factual basis to determine appropriate remedies requires consideration beyond that which can be reasonably performed in an informal, ministerial proceeding.

E. CONCLUSION AND RECOMMENDATION

To afford due process of law and preserve the integrity of the regulatory process, the Commission should reject AL 510 and consolidate the relevant issues contained in both AL 510 and the formal complaint within the scope of an Order Instituting Investigation (OII) in order to determine the cause(s), magnitude, and appropriate remedies associated with the overcharging of ratepayers.

Very truly yours,



Richard Smith, Program Manager
Water Branch, Office of Ratepayer Advocates
California Public Utilities Commission

³ Attachment 1 in C.17-06-009

cc: Elizabeth Echols – CPUC, ORA Director
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