

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
10-06-16  
04:59 PM

Charles Paul Varvayanis,

Complainant,

C1610005

vs.

Odd Fellows Sierra Recreation Association,

Defendant.

Complaint  
(Rule 4.2)

PART 3 OF 4 PARTS

EXHIBITS D – G

COMPLAINANT	DEFENDANT
Charles Paul Varvayanis P.O. Box 395 Long Barn CA 95335-0395 T-209-586-3782 Email: <a href="mailto:charles@varvayanis.com">charles@varvayanis.com</a>	Odd Fellows Sierra Recreation Association Attn: Del Wallis, President P.O. Box 116 Long Barn CA 95335-0116 T1-209-586-4065 T2-209-586-3098 Email1: <a href="mailto:ofsra-parkmgt@sierrapark.org">ofsra-parkmgt@sierrapark.org</a> Email2: <a href="mailto:wallis@mlode.com">wallis@mlode.com</a>

**Page 1 of 1     Exhibit D**

**Sierra Park Property Owners,**

**Enclosed is a portion of your 2012-2013 water refund as ruled by the CPUC in Decision 16-01-047 dated January 28, 2016.**

**The enclosed amount is the 1<sup>st</sup> of 20 quarterly refunds for water services billed in FY 2012-2013.**

**You are being refunded one twentieth of the difference between what you paid and the \$514.00 billing authorized by the CPUC.**

**If you paid the \$571.60 for water service for FY 2012-2013, you are being refunded \$2.88.**

**If you are receiving less, it is based on the fact you paid less than \$571.60.**

**This process is in compliance with the standard practice per the CPA retained by the OFSRA and approved by the CPUC Division of Water and Audits.**



### File a Complaint

Welcome to the California Public Utilities Commission Consumer Affairs Branch Website.

Using this page, you can file a complaint against the company that provides your telephone, energy (electric or gas), or water service.

I wish to follow up on a previously reported complaint:

Enter Complaint Number:

OR

I wish to file a new complaint.

Please fill in the information requested below.

(Please do NOT report the same complaint for a case which is still pending.)

Note: If you have a Safety Related Issue (this includes safety of gas, electric, cable, phone and mobile home park utilities, such as live wires dangling from power poles, gas leaks etc.), please dial 911 and report the problem.

For other issues that you have been unable to resolve with the utility directly, please enter your complaint information below. All personal identifying information provided is confidential, and will be used solely for the purpose of resolving your complaint.

Items marked with an asterisk [\*] are required.  
Use the TAB key to move from field to field.

#### Service Contact and Location Information :

First Name \*  Last Name \*

If the complaint pertains to your business, enter business name here:

Street \*  Unit

City \*  Email Address

State  Can be reached at \*  -  -

Zip \*  -  Home Phone  -  -

#### Alternate Contact Information:

If your mailing address differs from the address provided above, please fill in the information below.

Street  Unit

City

State

Zip  -

**Company/Utility Information:**

The Account Number, if entered will be used only to resolve the complaint with the utility company.

Utility Name \*

Account No.

**Describe the Complaint :**

All personal details provided are treated as confidential information to be used by the CPUC to resolve the complaint with the utility. If the descriptive blocks below do not accommodate the length of your complaint due to the 200 word limitation, you may attach letters and other documents as needed toward the end of this form.

What is the situation that concerns you?

*1000 characters (about 200 words) max*

CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 orders Odd Fellows Sierra Recreation Association to refund \$109,432 for 2012-2013 which translates to a refund of approximately \$300 per lot. Odd Fellows Sierra Recreation Association has communicated to its rate payers it is refunding only \$57.60. The CPUC used actual operating cost of \$98,000 for 2012-2013 and not the backcasted amount of \$514 for 2012-2013 for calculating the refund. Odd Fellows Sierra Recreation Association publishing the backcasted amount of \$514 is both misleading and irresponsible. See attached document.

What did the utility say when you contacted them?

*1000 characters (about 200 words) max*

No response as of yet.

What action do you want the CPUC to take?

*1000 characters (about 200 words) max*


Inforce the CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 that orders a refund of \$109,432 which translates to a refund of approximately \$300 per lot.

If you wish to attach any files which pertain to your case, please do so here ( **File size should be less than 4 MB** ) . Please do not name your file using special symbols or characters. Only the following file types are allowed "Word","Excel","pdf","jpeg","png","gif".

Attach File

**File Uploaded.**

no file selected

File Name	Size	Remove
OFSRA NEWSLETTER MARCH 2016.pdf	141.41 KB	

How did you find out about California Public Utilities Commission?

Were you referred here by a Community Based Organization or Consumer Advocacy Group?

If you were referred by a Community Based Organization, please choose from the following list:

If you have selected "OTHERS", please enter the Community Based Organization name:



**Complaint Submitted.**

**Thank you for providing us with your information.**  
We will respond with a case number after your information has been reviewed.

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To: California Public Utilities Commission  
Consumer Affairs Branch  
505 Van Ness Avenue  
San Francisco, CA 94102  
consumer-affairs@cpuc.ca.gov

March 31, 2016

CC: California Public Utilities Commission  
Ravi Kumra  
Division of Water and Audits  
505 Van Ness Avenue  
San Francisco, CA 94102  
ravi.kumra@cpuc.ca.gov

**Regarding: CPUC Decision 16-01-047 and the Odd Fellows Sierra Recreation Association Refund**

Dear CPUC,

We own two developed lots with water connections in the Odd Fellows Sierra Camp Subdivision, A.K.A. Sierra Park, situated in Tuolumne County California. During the period of June 1, 2012 through May 31, 2013 (2012-2013) the water system was owned and operated by Odd Fellows Sierra Recreation Association, Inc. (OFSRA) and water billing and collections was performed by or under the direction of OFSRA.

During the CPUC proceedings of C1203017, the CPUC requested the 2012-2013 operating expenses from OFSRA. OFSRA provided a list of expenses, that the CPUC determined may have been fraudulent and requested supporting evidence, which OFSRA did not supply. The CPUC temporarily replaced the list of expenses submitted by OFSRA with an estimated backcasted amount of \$514 per lot generated by the CPUC Division of Water and Audits but eventually switched to and used the true operating expenses of about \$98,000 submitted by the complainants. The operating expense amount of about \$98,000 was used for the all of proceedings that followed and in calculating the amount to be refunded and ordered in the CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016.

Del Wallis (President of OFSRA) fraudulently informed OFSRA Rate Payers the CPUC set a “\$514.00 water rate fee for fiscal year 2012-2013” and that “O.F.S.R.A. is refunding \$57.60 to the paid property owners”

I contacted OFSRA requesting OFSRA refund to me the amount order by CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016, about \$300 per lot. Del Wallis fraudulently replied to me the refund amount was based on “the \$514.00 the CPUC authorized”.

OFSRA sent a fraudulent note to its Rate Payers informing them “You are being refunded one twentieth of the difference between what you paid and the \$514.00 billing authorized by the CPUC.” and “This process is in compliance with the standard practice per the CPA retained by the OFSRA and approved by the CPUC Division of Water and Audits.”



Chronology of events:

- January 28, 2016 – CPUC Decision 16-01-047 handed down. CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 orders Odd Fellows Sierra Recreation Association to refund \$109,432 for 2012-2013, approximately \$300 per lot ( $\$109,432 \div 364$  lots).
- March 13, 2016 – Del Wallis (President of OFSRA) sent a newsletter to OFSRA's Rate Payers fraudulently communicating the CPUC had set a "\$514.00 water rate fee for fiscal year 2012-2013" and "O.F.S.R.A. is refunding \$57.60 to the paid property owners".
- March 14, 2016 – I sent an e-mail to OFSRA requesting the full refund amount ordered by CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016.
- March 22, 2016 – Del Wallis responded to my e-mail fraudulently informing me OFSRA based the refund on "the \$514.00 the CPUC authorized".
- March 25, 2016 – OFSRA sent a note and refund check of \$2.88 per lot. In the note, OFSRA fraudulently claimed "You are being refunded one twentieth of the difference between what you paid and the \$514.00 billing authorized by the CPUC." and "This process is in compliance with the standard practice per the CPA retained by the OFSRA and approved by the CPUC Division of Water and Audits."

Please enforce the CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 that orders a refund of \$109,432 which is to a refund of approximately \$300 per lot.

Sincerely,



Charles Varvayanis

Enclosures:

- Del Wallis' OFSRA March 2016 Newsletter to its Rate Payers - March 13, 2016
- e-mail sent to OFSRA - March 14, 2016
- e-mail response received from Del Wallis - March 22, 2016
- Note from OFSRA and checks - March 25, 2016



# Odd Fellows Sierra Recreation Association Newsletter

Phone: 209-586-3098

**MARCH 2016**

WWW.Recreation Association-PARKMGT.ORG

email: Recreation Association: [ofsra-parkmgt@sierrapark.org](mailto:ofsra-parkmgt@sierrapark.org)

**BOARD OF DIRECTORS – 2015-2016:**

**President:** Del Wallis  
**Vice President:** Ron Hawke

**Secretary:** Claire Velayas  
**Treasurer:** Friedhelm Peter

**Members:** Gloria Harvey Bob Cloak Greg Brown  
Larry Adams Dick Barrett

## GOOD NEWS!

After three years of working with the California Public Utilities Commission, perseverance prevailed for Sierra Park Water Company, O.F.S.R.A. and you the property owner. The P.U.C. *Decision Resolving The Complaint And Authorizing A Certificate Of Public Convenience And Necessity As Modified* has been received and Sierra Park Water Company is in the process of becoming a public utility. Not surprisingly, the complainants didn't get the \$54.95 annual water rate they claimed was fair, but instead were blessed with a \$514.00 water rate fee for fiscal year 2012-2013. Since O.F.S.R.A.'s billing for water was \$571.60 for fiscal year 2012-2013, O.F.S.R.A. is refunding \$57.60 to the paid property owners. This will be prorated over the next five years and reflected in the next twenty quarterly statements issued by Sierra Park Water Company.

We have started the process of transferring assets over to Sierra Park Water Company. We look forward to completing the process in the near future.

In the meantime, don't forget the 2016 Annual Meeting being held On May 28<sup>th</sup>. Sign in at 9:30 a.m. in the Rec Hall.

Enjoy the rest of winter.

Del Wallis

We are currently updating our email address database, so if you would like to receive newsletters via email, please send your email address to: [ofsra-parkmgt@sierrapark.org](mailto:ofsra-parkmgt@sierrapark.org).

**From:** [Charles P. Varvayanis](#)  
**To:** "Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc."  
**Cc:** [Delwyn and Rosie Wallis \(wallis@mlode.com\)](#); [Shaun Velayas \(shaun@crestonemtg.com\)](#); [Gloria Harvey \(glonway1037@gmail.com\)](#); [Lawrence \(Larry\) and Barbara Adams \(greendodge@comcast.net\)](#); [Friedhelm Peter \(fpeter@hughes.net\)](#); [Ron Hawke \(hawke@sonnet.com\)](#); [Ron Hawke \(rshawke@gmail.com\)](#); ["lindaclarkforsra@yahoo.com"](#); [Ravi Kumra \(ravi.kumra@cpuc.ca.gov\)](#)  
**Bcc:** [Fred and Ann Coleman \(mtbunchfredann@gmail.com\)](#)  
**Subject:** OFSRA Refund Amount - RE: March 2016 Newsletter  
**Date:** Monday, March 14, 2016 7:45:00 AM

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Hello,

The refund amount you published in the OFSRA March 2016 Newsletter for 2012-2013 does not match the \$109,432 refund ordered in the CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 which translates to a refund of approximately \$300 per lot for 2012-2013. Odd Fellows Sierra Recreation Association has more than once stated its cost for operating the water system in 2012-2013 was \$98,000 which closely matches the \$571.60 I paid for 2012-2013 minus the ordered refund.

Please refund to me the amount order by CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016.

The CPUC used actual operating cost for 2012-2013 and not the backcasted amount of \$514 for 2012-2013 for calculating the refund. Publishing the backcasted amount of \$514 is both misleading and irresponsible.

Sincerely,

Charles Varvayanis



**Charles Varvayanis**

*Computer and Communication Systems*  
P.O. Box 395, Long Barn, CA 95335-0395  
Phone: (209) 586-3782 | Fax: (209) 586-3761  
[charles@varvayanis.com](mailto:charles@varvayanis.com) | [www.varvayanis.com](http://www.varvayanis.com)

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**From:** Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc.  
[mailto:lindaclarkforsra@yahoo.com]  
**Sent:** Sunday, March 13, 2016 3:43 PM  
**To:** Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc. <lindaclarkforsra@yahoo.com>  
**Subject:** March 2016 Newsletter

Attached is the March 2016 newsletter.

**From:** [Rosie Wallis](#)  
**To:** [Kumra, Ravi](#)  
**Cc:** [Charles P. Varvayanis](#); [wallis@mlode.com](mailto:wallis@mlode.com)  
**Subject:** Re: OFSRA Refund Amount - RE: March 2016 Newsletter  
**Date:** Tuesday, March 22, 2016 8:45:06 PM

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Mr. Varvayanis,

The CPUC decision is quite clear in several areas. A review of the Conclusions of Law, Item 12, page 34, identifies who will get refunds. Since you admit you paid \$571.60 for water service, and our records indicate you did pay \$571.60, for each service, you will receive the difference between the \$571.60 you paid and the \$514.00 the CPUC authorized. This refund will be distributed in 20 quarterly increments.

Del Wallis

On Tue, Mar 22, 2016 at 5:09 PM, Kumra, Ravi <[ravi.kumra@cpuc.ca.gov](mailto:ravi.kumra@cpuc.ca.gov)> wrote:

Mr. Wallis:

I am forwarding a communication that we received from Mr. Varvayanis regarding some issues regarding the refunds for 2012 – 2013. Could you please respond to Mr. Varvayanis' concerns and furnish a copy of your response including but not limited to the computation of refunds to me. Please refer to Decision 16-01-047, Ordering Paragraph Number 3b. Thank you.

***Ravi Kumra, P. E.***

Senior Utilities Engineer

California Public Utilities Commission

Division of Water and Audits

505 Van Ness Avenue

San Francisco, CA 94102

[\(415\) 703-2571](tel:(415)703-2571)

[\(415\) 703-5548](tel:(415)703-5548) Fax

[Ravi.kumra@cpuc.ca.gov](mailto:Ravi.kumra@cpuc.ca.gov)

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**From:** Kumra, Ravi  
**Sent:** Monday, March 14, 2016 8:54 PM  
**To:** Charles P. Varvayanis  
**Subject:** RE: OFSRA Refund Amount - RE: March 2016 Newsletter

Mr. Varvayanis:

I am currently out of the office and will respond to this note and your communication of March 10th upon my return after March 21st. Thank you.

Ravi Kumra

---

**From:** Charles P. Varvayanis [[charles@varvayanis.com](mailto:charles@varvayanis.com)]  
**Sent:** Monday, March 14, 2016 7:45 AM  
**To:** 'Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc.'  
**Cc:** Delwyn and Rosie Wallis; Shaun Velayas; Gloria Harvey; Lawrence (Larry) and Barbara Adams; Friedhelm Peter; Ron Hawke; Ron Hawke; [lindaclarkforsra@yahoo.com](mailto:lindaclarkforsra@yahoo.com); Kumra, Ravi  
**Subject:** OFSRA Refund Amount - RE: March 2016 Newsletter

Hello,

The refund amount you published in the OFSRA March 2016 Newsletter for 2012-2013 does not match the \$109,432 refund ordered in the CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016 which translates to a refund of approximately \$300 per lot for 2012-2013. Odd Fellows Sierra Recreation Association has more than once stated its cost for operating the water system in 2012-2013 was \$98,000 which closely matches the \$571.60 I paid for 2012-2013 minus the ordered refund.

Please refund to me the amount order by CPUC Decision 16-01-047, Order Section 3. b. (page 37) dated January 28, 2016.

The CPUC used actual operating cost for 2012-2013 and not the backcasted amount of \$514 for 2012-2013 for calculating the refund. Publishing the backcasted amount of \$514 is both misleading and irresponsible.

Sincerely,

Charles Varvayanis



**Charles Varvayanis**

*Computer and Communication Systems*

P.O. Box 395, Long Barn, CA 95335-0395

Phone: [\(209\) 586-3782](tel:(209)586-3782) | Fax: [\(209\) 586-3761](tel:(209)586-3761)

[charles@varvayanis.com](mailto:charles@varvayanis.com) | [www.varvayanis.com](http://www.varvayanis.com)

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**From:** Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc.

[\[mailto:lindaclarkforsra@yahoo.com\]](mailto:lindaclarkforsra@yahoo.com)

**Sent:** Sunday, March 13, 2016 3:43 PM

**To:** Odd Fellows Sierra Recreation Assoc. Clark Bookkeeping Svc. <[lindaclarkforsra@yahoo.com](mailto:lindaclarkforsra@yahoo.com)>

**Subject:** March 2016 Newsletter

Attached is the March 2016 newsletter.

**Sierra Park Property Owners, Page 9 of 12 Exhibit F**

Enclosed is a portion of your 2012-2013 water refund as ruled by the CPUC in Decision 16-01-047 dated January 28, 2016.

The enclosed amount is the 1<sup>st</sup> of 20 quarterly refunds for water services billed in FY 2012-2013.

You are being refunded one twentieth of the difference between what you paid and the \$514.00 billing authorized by the CPUC.

If you paid the \$571.60 for water service for FY 2012-2013, you are being refunded \$2.88.

If you are receiving less, it is based on the fact you paid less than \$571.60.

This process is in compliance with the standard practice per the CPA retained by the OFSRA and approved by the CPUC Division of Water and Audits.

3122

ODD FELLOWS SIERRA RECREATION ASSN.  
P.O. BOX 116  
LONG BARN, CA 95335

OAK VALLEY COMMUNITY BANK  
14580 MONO WAY  
SONORA, CA 95370  
90-4211/1211

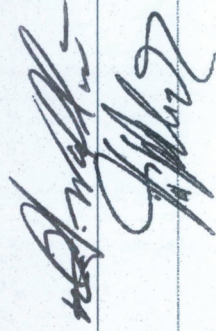
3/25/2016

PAY TO THE ORDER OF Charles Varvayanis

\$ \*\*2.88

Two and 88/100\*\*\*\*\* DOLLARS

Charles Varvayanis  
P.O. Box 395  
Long Barn, CA 95335



MEMO 09.007A 1 of 20 qrtly water assmt refunds for 2012/2013

⑈003122⑈ ⑆121142119⑆ 002 103435⑈

ODD FELLOWS SIERRA RECREATION ASSN.

Charles Varvayanis  
510 · Refunds

3/25/2016  
1 of 20 qrtly water assmt refunds for 2012/2013

3122

2.88

Oak Valley Bank Chec 1 of 20 qrtly water assmt refunds for 2012/2013

2.88



CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

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Exhibit F

3123

ODD FELLOWS SIERRA RECREATION ASSN.  
P.O. BOX 116  
LONG BARN, CA 95335

OAK VALLEY COMMUNITY BANK  
14580 MONO WAY  
SONORA, CA 95370  
90-4211/1211

3/25/2016

PAY TO THE ORDER OF Charles Varvayanis

\$ \*\*2.88

Two and 88/100 \*\*\*\*\* DOLLARS

Charles Varvayanis  
P.O. Box 395  
Long Barn, CA 95335

*Charles Varvayanis*  
*Charles Varvayanis*

MEMO 24.041  
24.0411 of 20 qrtly water assmt refunds for 2012/201

⑈003123⑈ ⑆214219⑆ 002 103435⑈

ODD FELLOWS SIERRA RECREATION ASSN.

Charles Varvayanis  
510 · Refunds

3/25/2016  
1 of 20 qrtly water assmt refunds for 2012/2013

3123

2.88

Oak Valley Bank Chec 24.0411 of 20 qrtly water assmt refunds for 2012

2.88



## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 1, 2016

Kirk Knudsen, President  
Sierra Park Water Company  
P. O. Box 424  
Miwuk Village, CA 95346  
Kirk.knudsen@creationtech.com

Re: Disposition of Sierra Park Water Company Advice Letter Number 1

Dear Mr. Knudsen:

This is to advise you that the Division of Water and Audits (DWA) has approved Sierra Park Water Company (Water Company) Advice Letter (AL) Number 1, filed on April 4, 2016. The protests to Advice Letter Number 1 are denied since the Tariffs are in conformance with California Public Utilities Commission (CPUC) Decision (D.) 16-01-047. The Water Company may establish its tariff book with tariff sheets, as amended, that were filed pursuant to D. 16-01-047 Ordering Paragraph <sup>1</sup> Number 6 <sup>2</sup>.

The Water Company filed Advice Letter Number 1 as a Tier 1 Filing, which is effective on filing. Since the filing was protested, DWA shall be treating it as a Tier 2 filing, subject to disposition pursuant to Public Utilities Code, General Order 96-B.

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<sup>1</sup> Ordering Paragraphs mentioned herein are from Decision 16.-01-047

<sup>2</sup> D. 16-01-047, Ordering Paragraph 6 states:

6. Sierra Park Water Company, Inc. (Water Company) must implement tariffs to adopt the test year revenue requirements and rates as calculated in the Division of Water and Audits Staff Report (Attachment A to this decision). Water Company must file a Tier 1 advice letter within 60 days of the effective date of this decision that add tariff sheets to:
  - a. implement adopted rates;
  - b. refund bill credits as ordered in Ordering Paragraph 3 and collect surcharges as ordered in Ordering paragraph 4. In documenting the refunds, the Water Company must redact the public version and file a confidential version of the advice letter under seal to the extent it believes necessary so that it does not disclose customer specific information;
  - c. include a service area map;
  - d. incorporate the standard tariff rules;
  - e. incorporate into preliminary statements a description of the memorandum account authorized to track costs and surcharge revenues associated with retaining an engineering consultant.

June 1, 2016

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**Background**

By D. 16-01-047, Odd Fellows Sierra Recreation Association (Odd Fellows) and the Water Company were ordered to refund excess amounts collected from customers for Fiscal Year (FY) 2012-13 (by Odd Fellows) ) and FY's 2013, 2014 and 2015 (by the Water Company).

Customer refunds were to be made in twenty quarterly installments over a period of five years starting March 31, 2016<sup>3</sup>. The Water Company was also required to collect a surcharge from all lot owners to fund the costs of retaining an engineering consultant. The consultant would evaluate the water system, recommend necessary capital improvement projects, propose budgets and time lines for implementing the recommendations and propose a rate design to implement the projects<sup>4</sup>. In addition, the Water Company was to refund to customers all unauthorized lease payments made to Odd Fellows and Sierra Park Services, Inc. (Service Company). As

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<sup>3</sup> D. 16-01-047 Ordering Paragraph 3 states:

3. Sierra Park Water Company, Inc. (Water Company) and Odd Fellows Sierra Recreation Association (Odd Fellows) must make the following refunds:
  - a. Water Company must refund \$157,756, allocated as follows: \$133,150 to the improved lots and \$24,606 to the unimproved lots as the lots are shown in the Division of Water and Audits Staff Report (Attachment A to this decision). The Water Company must also refund to customers their proportionate share of the overpayments, if any, made for Fiscal Years 2015-2016 according to the formula set forth in the decision and used to compute the Fiscal Year 2013 and 2014 refunds. Water Company must make the refunds in quarterly payments over five years (for a total of twenty payments) to customers. These payments are due for 2016, 2017, 2018, 2019 and 2020 by the following dates: March 31, June 30, September 30 and December 31. Water Company may offset the costs of the engineering study set forth in Ordering Paragraph 4 below from this refund.
  - b. Odd Fellows must make a full refund of \$109,432, allocate proportionately to the improved and unimproved lots as otherwise shown in the Division of Water and Audits Staff Report, its adjusted share prior to spinning-off Water Company. Odd Fellows must make the refund over five years (for a total of twenty payments by the dates set forth in Ordering Paragraph 3.a above by paying Water Company, who, in turn, must refund customers as proposed in the Division of Water and Audits Staff Report. Additionally, Odd Fellows must refund to the Water Company, no later than June 30, 2016, \$1,200 to reflect the \$600 per year it received from the Water Company for the use of easements on six miles of pipe for Fiscal Years 2013 and 2014, and any monies received from the Water Company for the six miles of pipe easements for Fiscal Year 2015.
  - c. Water Company must make a refund to customers of all payments made, if any, without authority to Sierra Park Services, inc., and allocated proportionately to the improved and unimproved lots as otherwise shown in the Division of Water and Audits Staff Report for refunds. This refund shall be as set in Ordering Paragraph 3.a above.

<sup>4</sup> D. 16-01-047 Ordering Paragraph 4 states:

4. Sierra Park Water Company, Inc., must implement a surcharge of \$124 for each connection to fund the costs of retaining an engineering consultant and may offset this surcharge against the refunds it owes customers.

June 1, 2016

Page 3

required by Ordering Paragraph 6, the Water Company filed a Tier 1 Advice Letter Number 1 and Tariffs on April 4, 2016.

The Water Company and Odd Fellows computed the excess amounts collected from customers and refunded the same to eligible customers pursuant to their interpretation of Ordering Paragraphs 3 and 4. The Water Company has reported that it did not receive all the refunds owed to it from the Service Company pursuant to Ordering Paragraph 3c<sup>5</sup>. The amounts paid to the Service Company are already included in rates.

**Protests and Responses**

Protests to Advice Letter Number 1 were received from three parties.<sup>6</sup> The Water Company responded to each protest. Key issues raised by the protestants, Water Company responses and the DWA's comments are discussed below:

***1. Accuracy of service area map***

Two protestants questioned the accuracy of the service area map shown on Tariff Sheet 6-W.

The Water Company hired a surveyor to investigate the matter, modified the service area map and filed an amended Tariff Sheet 6-W.

The DWA approves the amended Tariff Sheet 6-W.

***2. Charge for merging an unimproved lot***

One protestant questioned the proposed fee for charges for merging an unimproved lot.

In its response, the Water Company provided detailed computations justifying the charges.

The DWA agrees with the computations provided by the Water Company.

***3. Assessments for undeveloped lots***

Assessments were ordered by Ordering Paragraph 3 for both developed and undeveloped lots. One protestant questioned the assessment against undeveloped lots because no services were being provided for those lots.

In its response, the Water Company stated that it made the assessments as ordered by Commission Decision.

The DWA agrees with the Water Company's response. If the Protestant disagrees, he may request a change to a final Commission decision by filing a petition for modification pursuant to Rule 16.4 of the Commission's Rules of Practice and Procedure.

***4. Refund of overpaid amounts and request for hearings***

Two protestants believe that based on Ordering Paragraphs 3 and 4, (a) refunds issued by the Water Company and Odd Fellows are incorrect and should be revised; (b) Odd Fellows should

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<sup>5</sup> E-mail from Bill Ordwein, COO Sierra Park Water Company to Lael Potter dated May 21, 2016 regarding "Sierra Park Services Easement refunds".

<sup>6</sup> Protests were received from: Mr. Robbie Bettencourt, Mr. Charles Varvayanis and Mr. Fred Coleman.  
431574

June 1, 2016

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send all refunds to the Water Company rather than to customers for onward transmittal to the lot owners as ordered by Ordering Paragraph 3b; (c) Tariff sheet 74-W should be modified to bring it in compliance with Ordering Paragraphs 3 and 4; and (d) there should be hearings to discuss computation of refunds.

(a) Methodology for computing refund amounts

To determine the overpayments, the Water Company calculated the amount to be refunded to customers who were owed a refund as directed by the Commission (eligible customers) by taking 25% of the difference between actual payments received and the ordered assessment amount for each lot plus the engineering consultant fees ordered. The amount would be refunded to each eligible lot owner in 20 quarterly payments. The total refunded amount will be lower than \$157,756, the amount specified in Ordering Paragraph 3a.

One protestant stated that the methodology used by the Water Company is incorrect and is not in accord with the Decision. He recommended that the overpaid amounts should be computed based on 25% of the difference between the assessed amount and the Commission authorized amount plus 100% of the engineering consultant fees assessment for each lot. The Water Company agreed to revise the refunds using the protestant's recommended methodology. Since the first set of refunds have already been sent, the Water Company proposes to adjust its next quarterly refund that is due on June 30, 2016<sup>7</sup>. The DWA agrees with the methodology recommended by the Protestant as it is consistent with D. 16-01-047.

Odd Fellows calculated total refunds based on actual amounts collected less amounts authorized by D. 16-01-047 and divided that amount by the total number of connections. The amount to be refunded was calculated as \$20,996. Spread over all lots in the development yields \$2.88 per lot per quarter for the next 20 quarters<sup>8</sup>. Odd Fellows issued a check for \$2.88 to each eligible lot owner.

One protestant stated that the Commission should order Odd Fellows to refund \$15.03 and not \$2.88 per lot per quarter to be compliant with Ordering Paragraph 3b<sup>9</sup>. The DWA agrees with the Protestant's calculation as it is consistent with D. 16-01-047.

***DWA's comments:***

The Proposed Decision was circulated to the service list for comments prior to being voted on by the Commission. The Commission considered the comments filed by the Water Company and Odd Fellows to arrive at the refund amounts specified in the Decision. The Water Company and Odd Fellows are required to refund amounts as stated in Ordering Paragraphs 3 and 4.

Both the Water Company and the Odd Fellows believe that refunding amounts in excess of those actually collected from customers would mean that customers would be paid back more than paid in. The Water Company has informed the DWA that they as well as Odd Fellows plan to file a Petition to Modify D. 16-01-047 Ordering paragraphs to base refunds on actual collections

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<sup>7</sup> Per phone conversation between Ravi Kumra, Senior Utilities Engineer, and Bill Ordwein, Chief Operating Officer, Sierra Pacific Water Company, on May 20, 2016.

<sup>9</sup> Computed as: \$109,432 divided by (364 lots times 20 quarterly payments)  
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rather than absolute amounts that are currently contained in the Decision. Until the Commission rules on the Petition to Modify, D. 16-01-047 is still applicable.

(b) Refund checks by Odd Fellows

Ordering Paragraph 3b requires Odd Fellows to send all refund checks to the Water Company which would then send that refund along with its own to eligible customers. Odd Fellows did not follow that procedure and is out of compliance with D. 16-01-047. The DWA directs Odd Fellows to send all refunds to the Water Company as required by Ordering Paragraph 3b.

(c) Acceptance of Tariffs filed by Water Company

Two protests were received regarding Tariff Sheets 6-W and 74-W. The Water Company filed an amended Tariff Sheet 6-W based on a survey of the water system. An amended sheet 74-W that was compliant with D. 16-01-047 was also filed replacing the originally filed Tariff Sheet. There were no protests filed for the remaining Tariff sheets. The DWA recommends approval of Tariff sheets as amended and filed in Advice Letter Number 1.

(d) Request for rehearing for computation of refunds

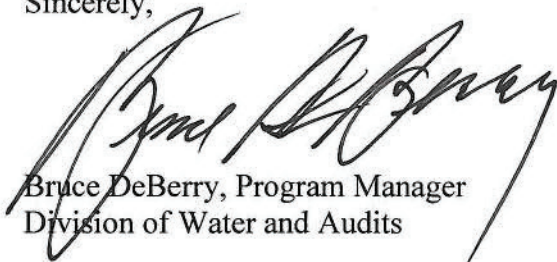
The DWA rejects the request for re-hearing. A Protest is not the proper vehicle for making such a request. A party may request rehearing of a decision or petition to modify a decision pursuant to Rules 16.1 and 16.4 of the Commission's Rules of Practice and Procedure.

The DWA finds that:

1. Advice Letter Number 1, as amended, conforms with Commission Decision 16-01-047 and is approved.
2. The Water Company and Odd Fellows are required to follow Ordering Paragraphs 3 and 4 of D. 16-01-047.
3. Protestants requesting rehearing or a petition to modify D. 16-01-047 must file pursuant to Rules 16.1 or 16.4 of the Commission's Rules of Practice and Procedure.

Questions should be directed to Mr. Ravi Kumra at (415) 703-2571 or at [ravi.kumra@cpuc.ca.gov](mailto:ravi.kumra@cpuc.ca.gov) or, Mr. Terence Shia at (415) 703-2213 or [terence.shia@cpuc.ca.gov](mailto:terence.shia@cpuc.ca.gov).

Sincerely,



Bruce DeBerry, Program Manager  
Division of Water and Audits

Cc: Terence Shia, Program and Project Supervisor, Division of Water and Audits  
Ravi Kumra, Senior Utilities Engineer, Division of Water and Audits  
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