

Notice to Customers of Lake Alpine Water Company

This is a notice from Lake Alpine Water Company (LAWC) to its customers regarding a temporary surcharge described below.

In 2003, the investor group, Aspen Forest Investment Co., purchased shares in LAWC from Jim and Marianne Orvis. In 2011, the staff at the California Public Utilities Commission's (CPUC) requested the investor group to file an application for a transfer of ownership. The Ratepayers of Lake Alpine Water Company (RLAWC), an unincorporated association headed by ratepayer Gloria Dralla, protested the application filed by the investor group.

The CPUC approved the investor group's application. While the CPUC acknowledged RLAWC's argument that the application should have been timely filed in 2003, they found that Aspen's purchase of shares in LAWC was in the interests of LAWC customers and that management since 2003 has "provided safe and reliable water service to the customers of LAWC."

RLAWC asked the CPUC to grant it \$209,854 in intervenor compensation (IC) for its efforts on behalf of the ratepayers in the case. In Decision 14-11-016, the CPUC reduced that claim and instead granted RLAWC the amount of \$42,517.07. Accordingly, in July 2015, LAWC sent a customer notice and implemented a 6 month surcharge of \$16.23 per connection per month in order to recover the \$42,517 paid to RLAWC.

RLAWC filed an appeal of Decision 14-11-016 and the CPUC recently reconsidered the matter and revised the intervenor compensation to a total of \$76,484, adding \$33,967 to the original amount.

Pursuant to Section 1807 of the Public Utilities Code, that sum, \$33,967, is allowed as an expense for LAWC and is to be fully recovered from LAWC customers through a surcharge within one year of payment by LAWC to the RLAWC. LAWC made a payment to RLAWC as required on October 12, 2016. In order to recover that expense, LAWC filed advice letter, AL108, requesting a \$15.99 monthly surcharge for four months. The surcharge will be added to the January-April, 2017 invoices.

The staff at LAWC would like to thank you for your patience and understanding as we negotiate this difficult matter and continue to work hard to provide reliable, quality water service. If you have any questions, please contact me at 209-753-2409 or info@lakealpinewater.com.

Thank you,
Kimi Johnson, General Manager