



# GREAT OAKS WATER COMPANY

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June 17, 2020

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

**Advice Letter 289-W  
Great Oaks Water Company (U-162-W) to the California Public Utilities  
Compliance with Resolution W-4843**

Great Oaks Water Company (Great Oaks) transmits this Tier 2 advice letter filing demonstrating compliance with California Public Utilities Commission (Commission) Resolution (Res.) W-4843. The following tariff sheets necessary for compliance with Res. W-4843 are attached to this advice letter:

CPUC Sheet Number	Title	Canceling
936-W	PRELIMINARY STATEMENT (Continued)	(New)
937-W	TABLE OF CONTENTS	935-W

Background – Res. W-4843 and Emergency Customer Protections.

Res. W-4843, issued May 29, 2020, authorizes certain rate-regulated utilities to enter into loan commitments to fund utility operating, maintenance, administrative, and general expenses due to the COVID-19 pandemic.

With respect to customer bill payments, Res. W-4843 included the following Findings:

7. The customer protections ordered by the Commission and implemented by the utilities under its jurisdiction of those customer protections will likely result in fewer utility customers paying their bills on time, paying their bills in full, or paying their bills at all.
8. As a direct result, the utilities providing the customer protections will likely not collect the full amount of billed revenues necessary to fully recover their costs for the utility services being provided during the COVID-19 emergency. <sup>1</sup>

Great Oaks has indeed implemented the customer protections being referenced in Res. W-4843. On March 17, 2020, Commission Executive Director Alice Stebbins issued a letter to all Class A and B water utilities in which she indicated that the Commission expects “the utilities and service providers subject to D.19-07-015 and D.19-08-025 to extend the same applicable customer protections in D.19-07-015 and D.19-08-025 to customers in response to the declared state of emergency due to the spread of COVID-19.”

On March 20, 2020, Great Oaks filed Advice Letter 285-W confirming implementation of the Emergency Disaster Relief Customer Protections. On April 6, 2020, the Commission’s Water Division issued approval of Great Oaks’ Advice Letter 285-W.

On April 17, 2020, the Commission issued Res. W-4842 directing utilities to implement emergency customer protections to support California customers during the COVID-19 pandemic. In response, on April 29, 2020, Great Oaks filed Advice Letter 288-W reporting on Great Oaks’ compliance with Res. W-4842. On June 9, 2020, the Commission’s Water Division issued approval of Great Oaks’ Advice Letter 288-W.

The “customer protections” referenced in Findings 7 and 8 of Res. W-4843 are the customer protections Great Oaks is providing under the Commission’s directives.

#### Compliance with Res. W-4843.

As stated above, Res. W-4843 authorizes certain rate-regulated utilities to enter into loan commitments to fund utility operating, maintenance, administrative, and general expenses due to the COVID-19 pandemic. Res. W-4843 specifically found Paycheck Protection Program (PPP) Loans to be eligible for the treatment authorized by the Resolution.<sup>2</sup>

On June 4, 2020, Great Oaks, through its Chief Executive Officer, completed its PPP Loan Application, a copy of which is attached as Exhibit A. Exhibit A also provides the calculations upon which the amount of the PPP Loan Application was based. The Terms and Conditions of the loan are provided in the promissory note attached hereto as Exhibit B.

<sup>1</sup> Res. W-4843, Findings 7 and 8, at pages 10 - 11.

<sup>2</sup> *Id.*, at page 5; *see also* Res. W-4843, Finding 11, at page 11.

As indicated in the PPP Loan Application, the purpose of the loan is to help Great Oaks pay its employees (payroll), including benefits, as well as other qualifying expenses, if necessary (including lease payments and utility services).

Res. W-4843 also requires, as a condition of authorizing the PPP Loan, a request to establish a Loan Memorandum account to track receipt of loan funds, operating and maintenance expense, cost of new or replacement utility plant, unpaid bills or portions thereof along with uncollectible expense component authorized in rates, and disbursements.

As Great Oaks will only be using the PPP Loan funds for the purposes stated in the PPP Loan Application (Exhibit A), the proposed Preliminary Statement tariff sheet for the Paycheck Protection Program Loan Memorandum Account attached hereto proposes to track receipt of loan funds, operating and maintenance expenses associated with the specific purpose of the PPP Loan, and disbursements of PPP Loan funds. Great Oaks will not be using PPP Loan funds for capital costs, utility plant, or to offset unpaid customer bills or portions thereof or the uncollectible expense component authorized in rates.

Great Oaks respectfully requests that this Advice Letter filing be accepted and approved and that the requested tariff sheets be authorized and issued.

#### No Effect on Water Service

This Advice Letter filing will not cause the withdrawal of service, nor conflict with other schedules or rules.

#### Tier Designation

This is a Tier 2 Advice Letter submitted in compliance with Res. W-4843.

#### Notice and Service

The Advice Letter is being published on Great Oaks' website and 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

Certificate of Service

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s Advice Letter 289-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid or by email to those marked with an asterisk (\*).

Executed on June 17, 2020 at San Jose, California.

\_\_\_\_\_/s/  
Timothy S. Guster

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  
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Department of Water Resources  
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505 Van Ness Avenue  
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**PRELIMINARY STATEMENT**  
(Continued)

CC. Paycheck Protection Program Loan Memorandum Account.

1. **Purpose:** The purpose of the Paycheck Protection Program Loan Memorandum Account is to track the receipt of loan funds, operating and maintenance expense, and disbursements. (N)
2. The Paycheck Protection Program Loan Memorandum Account will be reviewed and audited before any credit or debit entries can be transferred to a balancing account for future rate adjustment and may be approved in an advice letter or in an application, as appropriate.
3. Expenses associated with the Paycheck Protection Program Loan shall be reviewed in the utility's next General Rate Case. (N)

(To be inserted by utility)  
Advice Letter No. \_\_\_\_\_

*Issued by*  
Timothy S. Guster  
NAME  
General Counsel  
TITLE

(To be inserted by Cal. P.U.C.)  
Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

Decision No. Res. W-4843

**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>
Title Page	346-W
Table of Contents	937-W, 354-W (C)
Preliminary Statement	347-W, 348-W, 465-W, 466-W, 785-W, 876-W, 742-W, 743-W 783-W, 794-W, 795-W, 837-W, 841-W, 850-W, 885-W, 887-W, 935-W (N)
Service Area Map	644-W to 670-W
<b>Rate Schedules:</b>	
Schedule No. 1, General Metered Service	877-W, 878-W, 933-W
Schedule No. 3M, Irrigation Service	880-W, 934-W
Schedule No. 4, Private Fire Protection Service	882-W
Schedule No. 5, Public Fire Hydrant Service	3-W
Schedule No. 6, Contract Resale Service	883-W, 884-W
Schedule No. 9C, Construction Flat Rate Service	817-W, 818-W
Schedule No. 14.1 Mandatory Water Conservation	768-W, 814-W, 815-W, 771-W, 772-W, 773-W
Schedule UF, Surcharge to Fund Public Utilities Commission Reimbursement Fee	870-W
Summary List of Contracts & Deviations	477-W
<b>Rules:</b>	
No. 1 Definitions	917-W, 918-W
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	919-W - 921-W
No. 6 Establishment and Re-establishment of Credit	14-W
No. 7 Deposits	601-W, 602-W
No. 8 Notices	922-W, 923-W, 900-W
No. 9 Rendering and Payment of Bills	18-W, 19-W, 598-W, 787-W
No. 10 Disputed Bills	924-W, 902-W
No. 11 Discontinuance and Restoration of Service	903-W – 904-W, 925-W- 927-W, 910-W, 911-W 928-W
No. 12 Information Available to Public	25-W, 26-W
No. 13 Temporary Service	27-W, 28-W
No. 14 Continuity of Service	29-W
No. 14.1 Water Conservation and Rationing Plan	540-543-W
No. 15 Main Extensions	232-234-W, 349-W, 236-245-W, 852-W
No. 16 Service Connections, Meters and Customers’ Facilities	324-W, 350-W, 351-W, 327-330-W
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, 854-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. 289-W

**Timothy S. Guster**

Date Filed

Decision No. Res. W-4843

**VP & General Counsel**

Effective

Resolution No.

NAME

TITLE