



GREAT OAKS WATER COMPANY

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June 22, 2020

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

**Advice Letter 290-W
Great Oaks Water Company (U-162-W)
To the California Public Utilities Commission**

Great Oaks Water Company (Great Oaks) submits this Tier 1 advice letter filing requesting the implementation of a surcharge to amortize the balance in Great Oaks' Monterey-Style Water Revenue Adjustment Mechanism Account (WRAM Account). The following tariff sheets implementing this surcharge are attached to this advice letter:

CPUC Sheet Number	Title	Canceling
938-W	Schedule No. 1 GENERAL METERED SERVICE SPECIAL CONDITIONS	933-W
939-W	TABLE OF CONTENTS	936-W

Summary and Request for Authorization to Impose Surcharge

This advice letter seeks authorization for a surcharge to amortize the balance in Great Oaks' authorized Monterey-Style WRAM Account. In particular, the balance being amortized covers the period of time from

Decision 10-11-034 authorized Great Oaks to establish a WRAM Account to track the difference between revenue Great Oaks receives for actual metered sales through tiered rates and revenue Great Oaks would have received through the uniform, single-quantity rates if such rates had been in effect.

Pursuant to Ordering Paragraph 9 of Decision 10-11-034, Great Oaks filed Advice Letter 202-W to establish the WRAM Account, and the Commission approved the WRAM Account effective March 8, 2011. Tariff sheets for the WRAM Account were last revised and updated, effective November 20, 2015, pursuant to Great Oaks' Advice Letter 248-W.

On four prior occasions, Great Oaks amortized the balance in this WRAM account. Great Oaks' Advice Letter 223-W was approved by the Commission with an effective date of May 13, 2012. Supplemental Advice Letter 229-W-A was approved by the Commission with an effective date of January 15, 2013. Advice Letter 242-W was approved by the Commission with an effective date of September 2, 2014. And Advice Letter 251-W was approved by the Commission with an effective date of January 19, 2016.

This Advice Letter 290-W is presented using the same format and the same methodology as the four advice letters referenced above.

Between the amortization of the WRAM account through Advice Letter 251-W and this Advice Letter 290-W, the WRAM was amortized through Advice Letter 284-W, an information-only filing authorized by D.19-09-010. The amount amortized through Advice Letter 284-W was \$603,252.49. This reduced the WRAM account balance to zero as of September 25, 2019.

Also of importance is that in D.19-09-010, the Commission adopted the Settlement Agreement between Great Oaks and Cal PA which included a new tiered rate design based primarily upon the rate design proposed by Cal PA. According to Cal PA, this rate design "is revenue neutral, provides incentives for high water users to conserve, and keeps rates low for LICAP customers."¹

The amount to be amortized through this Advice Letter 290-W is \$1,286,102.16, an under-collection over the period from the last WRAM amortization (September 25, 2019) through May 26, 2020. The attached workpapers in Exhibit A show the calculations of the under-collection in the WRAM.

The undercollection balance being amortized - \$1,286,102.16 – represents 6.2% of Great Oaks' authorized gross revenues of \$20,836,321. Water Standard Practice U-27-W provides:

¹ A.1807002: Public Advocates Office Report and Recommendations, p. 47.

Reserve and memo account amortization surcharges shall be spread over one year for undercollections of less than 5% of gross revenues, over two years for undercollections of 5% to 10% of gross revenues and over three years for undercollections over 10% of gross revenues. Recovery shall be tracked in a balancing account.²

Adopted water sales for single-family residential customers for the proposed 24-month period of the amortization are 4,735,704 ccf.³ The surcharge to amortize the combined WRAM balances calculates to \$0.2716 per ccf (\$1,286,102.16/4,735,704).

Great Oaks requests authority to implement this surcharge on all water delivered to single-family residential customers for a 24-month period beginning July 21, 2020.

All Single-Family Residential Customers will be subject to the surcharge for a 24-month period. With the surcharge, the average bi-monthly bill for a Single-Family Residential Customers with a 3/4”x3/4” meter using 10 ccf of water per month will increase by \$5.78 or 6.8% from \$84.93 to \$90.71, as shown below.

Bill Comparison

Current Charges			Post AL 290-W Charges		
Service Charge	2 X \$22.36	\$44.72	Service Charge	2 X 22.36	\$44.72
0 – 6 ccf	6 X \$1.3024	7.81	0 – 6 ccf	6 X \$1.3024	7.81
7 – 20 ccf	14 X \$2.6048	36.47	7 – 20 ccf	14 X \$2.6048	36.47
LICAP Srch	20 X \$0.0734	1.47	LICAP Srch	20 X \$0.0734	1.47
LICAP Srch 2	20 X \$0.0837	1.67	LICAP Srch 2	20 X \$0.0837	1.67
			AL 290-W Srch	20 X \$0.2716	5.43
AL 287-W Credit		-12.23	AL 287-W Credit		-12.23
Sub-Total		\$79.91	Sub-Total		\$85.34
PUCRA Fee	1.23%	0.98	PUCRA Fee	1.23%	1.05
Sub-Total		\$80.89	Sub-Total		\$86.39
San Jose Tax	5.0%	4.04	San Jose Tax	5.0%	4.32
Total		\$84.93	Total		\$90.71

Tier Designation

Pursuant to General Order 96-B and Water Industry Rule 8.5, this is a Tier 1 advice letter seeking the amortization of balancing or balancing-type accounts.

Requested Effective Date

Great Oaks requests that tariff sheets authorized through this Advice Letter 290-W be effective as of July 21, 2020.

² Water Standard Practice U-27-W, Section G, paragraph 56.b., at page 14.

³ D.19-09-010, Comparison Exhibit, p. 7 (adopted quantity for single-family residential customers for the Test Year of 2,367,852 ccf has been multiplied by 2).

Notice

Great Oaks published notice of Advice Letter 290-W in the San Jose Mercury News, a newspaper of local circulation, pursuant to General Order 96-B, Water Industry Rule 3.1. A copy of the published notice will be provided to the Water Division as soon as it is available.

Response or Protest

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 Commission's Division of Water and Audits 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, Division of Water and Audits, 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
Telephone: (408) 227-9540
Facsimile: (408) 227-7126
Email: tguster@greatoakswater.com

Great Oaks Water Company

/s/

Timothy S. Guster
General Counsel
Legal and Regulatory Affairs

cc: Richard Rauschmeier, Cal PA

VERIFICATION

I am an officer of the Great Oaks Water Company and am authorized to make this verification on its behalf. The statements in the foregoing document, Great Oaks Water Co.'s Advice Letter 290-W, are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 22, 2020 at San Jose, California.

/s/
Timothy S. Guster

Certificate of Service

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s Advice Letter 290-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 22, 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
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Clerk, Board of Supervisors
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70 W. Hedding Street
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Department of Water Resources
1416 9th Street, Room 804
Sacramento, CA 95814

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