



GREAT OAKS WATER COMPANY

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May 18, 2021

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

**Advice Letter 300-W
Great Oaks Water Company (U-162-W) to the California Public
Utilities Commission Requesting Pump Tax Offset Surcharge**

Great Oaks Water Company (Great Oaks) transmits this Tier 1 advice letter establishing a surcharge to pass-through additional pump taxes being imposed upon Great Oaks by the Santa Clara Valley Water District effective July 1, 2021. The following changes in tariff schedules applicable to Great Oaks entire service area are proposed:

CPUC Sheet No. ¹	Title of Tariff Sheet	Canceling Sheet No.
957-W	Schedule No. 1 General Metered Service Special Conditions	952-W

¹ Tariff sheet numbers reflect the replacement of the tariff sheets included with Advice Letter 299-W, also filed May 14, 2021.

958-W	Schedule No. 3M Irrigation Service Special Conditions	954-W
959-W	Schedule No. 6 Contract Resale Service Special Conditions	934-W
960-W	Table of Contents	957-W

Summary of Advice Letter 300-W

This Tier 1 advice letter establishes a surcharge to address higher groundwater production charges (pump taxes) levied by the Santa Clara Valley Water District (Valley Water), effective July 1, 2021. On May 11, 2021, the Valley Water Board of Directors passed a Resolution adopting pump taxes for the period of time from July 1, 2021 to June 30, 2022. A copy of the Valley Water Resolution² is attached hereto as Exhibit A.

When the Commission issued its Decision (D.) approving the settlement in Great Oaks’ last general rate case (D.19-09-010), the pump tax amounts shown in the table below were approved and incorporated into rates.³ Due to the pandemic emergency, Valley Water did not change pump tax rates for the 2020/2021 rate year. The table also shows the new pump taxes that will be in effect on July 1, 2021 for Great Oaks’ 2021/2022 rate year.

Groundwater Charges (Pump Taxes) for Ratesetting

Pump Tax Zone	2019/2020	2020/2021	2021/2022
W-2 (North) M&I and Industrial	\$1,347/AF ⁴	\$1,347/AF	\$1,499/AF
W-5 (South) M&I and Industrial	\$481/AF	\$481/AF	\$528.50/AF
W-2 (North) Agricultural	\$29.10/AF	\$29.10/AF	\$34.15/AF
W-5 (South) Agricultural	\$29.10/AF	\$29.10/AF	\$34.15/AF

Now that Valley Water has adopted a higher pump tax, and it is time to establish an offset surcharge to collect revenues sufficient to pay the higher pump taxes. This Advice Letter 300-W is for that purpose.

² An endorsed copy of the Resolution is not available as of the time of the filing of this Advice Letter. When it becomes available, the Water District will post the Resolution on its website.

³ See D.19-09-010, Attachment 1 Settlement Agreement, Exhibit A Settlement Workpapers, WP-14 Pump Tax Expense.

⁴ AF = Acre Foot.

Other Pending Advice Letter

On May 14, 2021, Great Oaks filed and served Advice Letter 299-W requesting authorization to establish and implement an escalation/attrition year rate change for the 2021/2022 rate year. Tariff sheets accompanying this Advice Letter 300-W are based upon the Advice Letter 299-W escalation/attrition year rate change and associated tariff sheets.

Effect of Pending Advice Letter 299-W on this Advice Letter Filing

Because Standard Practice U-34-W required Great Oaks to utilize normalized metered customers and consumption in its escalation filing (Advice Letter 299-W), the number of customers and total water production are slightly different than the adopted customer and water production totals for Test Year 2019/2020 (and rate year 2020/2021). Therefore, the surcharge calculations for this Advice Letter 300-W are based upon the escalation/attrition year customer and water production values from Advice Letter 299-W. Calculations for the new surcharge and Agricultural Quantity Charge Credit are provided in the Exhibit B Workpapers for this advice letter.

The Effects of Higher Pump Taxes on Water Rates

The pump tax is a government-imposed fee on water produced from Great Oaks' wells located on Great Oaks' properties. For ratesetting purposes the Commission treats pump tax as one of the variable operating expenses factored into rates charged for water service. Under the new and higher rates, pump tax expenses for Great Oaks' 2021/2022 escalation year are projected to be \$11,061,002.⁵

A higher pump tax also affects the amount of the franchise taxes imposed by the City of San José and the amount of uncollectible expenses. All other expenses and net operating income values remain the same. Overall differences in City of San José franchise fees (Account 796) and uncollectible expenses (Account 775) are shown in Exhibit B, page WP-1.

The total revenue requirement for this Advice Letter 300-W is \$21,738,457, which is \$1,249,869 (6.1%) higher than the revenue requirement of Advice Letter 299-W. See Exhibit B Workpapers, page WP-1.

⁵ Projected pump tax expenses for escalation year 2021/2022 are calculated based upon values in Great Oaks' Advice Letter 299-W escalation/attrition year filing. See Exhibit B Workpapers, page WP-2.

Surcharge on Quantity Usage

Advice Letter 300-W requests authorization for a surcharge on all water purchased in the amount of \$0.2989 per ccf. The surcharge calculation is shown in Exhibit B, page WP-2. Information about the surcharge is included on the proposed tariff sheets attached to this advice letter.

Effects on Average Customer Bills

The effect of the new and higher pump tax on the bill of an average single-family residential customer with a 3/4" x 3/4" meter using 10 CCF of water per month⁶ is \$6.37 (4.59%) per bimonthly bill,⁷ as shown in the following table taken from the Exhibit B Workpapers, page WP-3.

Bill Comparison							
Average Single-Family Residential Customer with 3/4" x 3/4" Meter Using 10 ccf per Month							
At AL 299-W Rates				At AL 300-W Rates			
Item	Amount	Units	Total	Item	Amount	Units	Total
Monthly Serv Chrg	\$24.84	2	\$49.68	Monthly Serv Chrg	\$24.84	2	\$49.68
Tier 1	\$2.2915	12	\$27.50	Tier 1	\$2.2915	12	\$27.50
Tier 2	\$3.9546	8	\$31.64	Tier 2	\$3.9546	8	\$31.64
M-WRAM Surch (4)	\$0.9547	20	\$19.09	M-WRAM Surch (4)	\$0.9547	20	\$19.09
				AL 300-W Surch	\$0.2989	20	\$5.98
CAP Surch	\$0.1194	20	\$2.39	CAP Surch	\$0.1194	20	\$2.39
Subtotal			\$130.30	Subtotal			\$136.28
CPUC Fee	1.43%		\$1.86	CPUC Fee	1.43%		\$1.95
Subtotal			\$132.16	Subtotal			\$138.22
SJ Utility Tax	5%		\$6.61	SJ Utility Tax	5%		\$6.91
Total			\$138.77	Total			\$145.14

No Effect on Water Service

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

Effective Date – July 1, 2021

The surcharge established through this Advice Letter becomes effective July 1, 2021.

Tier Designation

⁶ Per D.16-05-041, average annual consumption by single-family residential customers is 131.80 ccf, or 10.98 ccf per month (rounded to 11 ccf per month for this example).

⁷ The monthly increase calculates to \$2.62 for the average customer.

This is a Tier 1 Advice Letter pursuant to General Order 96-B and Water Industry Rule 7.3.1(7).

Notice and Service

Notice is being provided by publishing a legal notice in the form attached hereto as Exhibit C in the San Jose Mercury News, a newspaper of local circulation, pursuant to General Order 96-B, Water Industry Rule 3.1. Proof of publication will be provided to the Commission when notification has been completed. This Advice Letter is also 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

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 300-W, are true of my own knowledge, except as to matters that 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 May 18, 2021 at San Jose, California.

/s/

Timothy S. Guster

Great Oaks Water Company
Advice Letter 300-W

Proposed Tariff Sheets

Schedule No. 1
GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. To provide ongoing funding for the Utility’s Low-Income Customer Assistance Program (LICAP), as described in Tariff Rule 22, a surcharge of \$0.1194 will be added to the Quantity Charge for all water delivered to non-LICAP participants on and after July 1, 2019.
3. To amortize the balance in the Utility’s Low Income Customer Assistance Program (LICAP) balancing accounts, a surcharge of \$0.0837 will be added to the Quantity Charge for all non-LICAP customers for all water delivered beginning February 18, 2020, for a twelve-month period.
4. To amortize the balance in the Utility’s Monterey-Style WRAM account, a surcharge of \$0.2716 will be added to the Quantity Charge for all single-family residential customers for a period of two years beginning July 21, 2020.
5. To amortize the balance in the Utility’s Monterey-Style WRAM account, a surcharge of \$0.2686 will be added to the Quantity Charge for all single-family residential customers for a period of twelve months beginning November 24, 2020.
6. To amortize the balance in the Utility’s Monterey-Style WRAM account, a surcharge of \$0.1967 will be added to the Quantity Charge for all single-family residential customers for a period of twelve months beginning February 9, 2021.
7. To amortize the balance in the Utility’s Monterey-Style WRAM account, a surcharge of \$0.2178 will be added to the Quantity Charge for all single-family residential customers for a period of twelve months beginning May 10, 2021.
8. To offset a higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2021, a surcharge of \$0.2989 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2021. (N)
|
(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 300-W

Timothy S. Guster
NAME

Date Filed _____

Decision No _____

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 3M
IRRIGATION SERVICE
(Continued)

SPECIAL CONDITIONS

1. The Santa Clara Valley Water District requires the customer to certify the water is used to irrigate commercial agricultural crops for sale to qualify for this rate. It is an express condition of this Irrigation Service that the customer cooperates in making the necessary certification to the Water District.
2. The Santa Clara Valley Water District has surcharges or discounts applicable to water used to irrigate commercial agricultural crops if the customer/farmer participates in the Water District's special programs. These surcharges or discounts are applied per Acre Ft., are granted or imposed by the Water District each month based on the customer/farmer's level of participation, and will be passed through by the Company each month to the customer/farmer.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. To provide funding for the Utility's Customer Assistance Program (formerly LICAP), as described in Tariff Rule 22, a surcharge of \$0.1194 will be added to the Quantity Charge for all water sold to non-LICAP participants on and after July 1, 2021.
5. Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the Utility that such deliveries qualify for the lower pump tax rates levied by the Santa Clara Valley Water District for agricultural water, shall receive a credit of \$2.2789 per 100 cu.ft. used during the period covered by that bill on and after July 1, 2021. (R)
6. To offset a higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2021, a surcharge of \$0.2989 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2021. (N)
(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 300-W

Timothy S. Guster
NAME

Date Filed _____

Decision No. _____

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 6
CONTRACT RESALE SERVICE

CONDITIONS

1. Resale water service is provided under this tariff only if deemed available, in the sole judgment of the Company. The Company may interrupt service from time to time to protect continuous service to its own retail customers.
2. The Company is not providing fire protection supply as it does for its own retail customers.
3. The retailer receiving service under this tariff shall defend and hold the Company harmless from any failure of service or any other claim of damage or injury once the water passes through the Company's meter into the sole possession of the retailer.
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
5. To offset a higher Pump Tax imposed by the Santa Clara Valley Water District, effective July 1, 2021, a surcharge of \$0.2989 per 100 cu.ft. will be added to the Quantity Charge for each customer for all water delivered on and after July 1, 2021. (N)
|
(N)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 300-W

Timothy S. Guster

Date Filed _____

Decision No. _____

General Counsel

Effective _____

Resolution No. _____

NAME

TITLE

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.

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(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 300-W

Timothy S. Guster

Date Filed _____

Decision No. _____

VP & General Counsel

Effective _____

TITLE

Great Oaks Water Company

Advice Letter 300-W

Exhibit A

Santa Clara Valley Water District

Groundwater Charge Resolution

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 21-

**DETERMINING GROUNDWATER PRODUCTION
CHARGES FOR FISCAL YEAR 2021–2022**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act (“District Act”), a written report detailing Valley Water’s activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water’s water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements; a method of financing such requirements; a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year; and a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W-2, W-5, W-7, and W-8;
2. That on the 26th day of February 2021, said report was duly delivered to the Clerk of the Valley Water Board;
3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 13th day of April 2021, by teleconference, videoconference, or both and at the time stated;
4. That on February 26, 2021, written notice was mailed to all owners and operators of water-producing facilities within Valley Water’s boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;
5. That the Governor’s Emergency Declaration related to COVID-19, and the Governor’s Executive Order N-29-20 issued on March 17, 2020, allows attendance by members of the Board of Directors, Valley Water staff, and the public to participate and conduct public meetings and hearings by teleconference, videoconference, or both;
6. That pursuant to Section 26.6 of the District Act and consistent with the Governor’s Executive Order N-29-20, on the 13th day of April 2020, at 6 p.m. via a virtual public hearing held by teleconference and videoconference, an opportunity was given to the public to comment on said report to Board members located at the Valley Water Boardroom and on video conference, was continued for further hearing to the evening of April 15, 2021 (teleconference and videoconference) and again to the evening of April 27, 2021 (teleconference and videoconference), and said public hearing was duly commenced and concluded, more than 45 days after notice of the hearing was given;
7. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges,

and the public and all persons subject to groundwater production charges were invited to speak or present written comments at the public hearing;

8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining, and operating facilities to import water into Valley Water; paying the cost of purchasing imported water; paying the cost of constructing, maintaining, and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water; and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;
9. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;
10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
11. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:
 - a. Meeting operating expenses, including employee wage rates and fringe benefits;
 - b. Purchasing or leasing supplies, equipment, or materials;
 - c. Meeting financial reserve needs; and
 - d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that

fiscal year 2021–2022 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended but not increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2021–2022 (July 1, 2021–June 30, 2022) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$1,499.00	\$34.15

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2021–2022 groundwater production charges per acre-foot for agricultural water should be extended but not increased and that water other than agricultural water should be extended and decreased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2021–2022 (July 1, 2021–June 30, 2022) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$488.00	\$34.15

FOURTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2021–2022 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended but not increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2021–2022 (July 1, 2021–June 30, 2022) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$528.50	\$34.15

FIFTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2021–2022 groundwater production charges per acre-foot for agricultural water should be extended but not increased and that water other than agricultural water should be extended and decreased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-8 of Valley Water for fiscal year 2021–2022 (July 1, 2021–June 30, 2022) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
\$341.50	\$34.15

SIXTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

SEVENTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 11, 2021:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

Great Oaks Water Company

Advice Letter 300-W

Exhibit B - Workpapers

Great Oaks Water Company
Advice Letter 300-W

	AL 299-W	AL 300-W	Difference
Operating Revenues			
Metered Water Service Revenues	\$20,395,392	\$21,564,869	\$1,169,477
Fire Protection Revenues	\$173,588	\$173,588	\$0
Other Water Revenues	-\$80,392	\$0	\$80,392
Net Balancing Account Adjustment	\$0	\$0	\$0
Total Operating Revenues (excluding CPUC fees)	<u>\$20,488,588</u>	<u>\$21,738,457</u>	\$1,249,869
Operating Expenses			
Net Payroll Expense	\$2,657,841	\$2,657,841	\$0
Groundwater Charges, Acct. 700	\$9,967,082	\$11,061,002	\$1,093,920
Op. Labor & Expense (Excluding Labor), Acct. 702	\$19,081	\$19,081	\$0
Misc. Pump Exp., Acct. 725	\$9,541	\$9,541	\$0
Purchased Power, Acct. 726	\$841,594	\$841,594	\$0
Maintenance Of Pumping Equipment, Accts. 711, 732	\$35,240	\$35,240	\$0
Chemicals & Filtering, Acct. 744	\$103,663	\$103,663	\$0
Meter Expense, Acct. 754	\$0	\$0	\$0
T&D Misc Expense, Acct. 756	\$9,541	\$9,541	\$0
T&D Maint & Supv., Accts 753, 758	\$0	\$0	\$0
Maintenance of Reservoirs & Tanks, Acct. 760	\$0	\$0	\$0
Maintenance of T&D Mains, Acct. 761	\$148,684	\$148,684	\$0
Maintenance of Services, Acct 763	\$30,300	\$30,300	\$0
Maintenance of Meters, Acct 764	\$503	\$503	\$0
Maintenance of Hydrants, Acct 765	\$10,237	\$10,237	\$0
Maintenance of General Plant, Acct 805	\$76,762	\$76,762	\$0
Meter Reading Expense, Acct 772	\$19,081	\$19,081	\$0
Customer Records & Collection, Acct 773	\$151,410	\$151,410	\$0
Uncollectible Accounts, Acct 775	\$35,289	\$41,303	\$6,014
Office Supplies & Other Expense, Acct 792	\$50,048	\$50,048	\$0
Property Insurance, Acct. 793	\$88,328	\$88,328	\$0
Injuries & Damages, Acct 794	\$44,001	\$44,001	\$0
Employee Pensions & Benefits, Acct 795	\$930,963	\$930,963	\$0
Franchise Requirements, Acct 796	\$365,225	\$434,769	\$69,544
Regulatory Commission Expenses, Acct 797	\$18,504	\$18,504	\$0
Outside Services, Including GRC Expense, Acct 798, 800	\$770,370	\$770,370	\$0
Miscellaneous General Expense Including CWA Dues, Acct 799	\$168,188	\$168,188	\$0
Rents, Acct 811	\$235,408	\$235,408	\$0
Transportation Expense, Acct 903	\$0	\$0	\$0
Passive Income 30% Ratepayer Credit	-\$67,952	-\$67,952	\$0
Total O&M and A&G Expenses	<u>\$16,718,933</u>	<u>\$17,888,410</u>	\$1,169,477
Depreciation Expense	\$1,454,123	\$1,454,123	\$0
Taxes Other than Income	\$468,610	\$468,610	\$0
Current State Income Tax	\$118,234	\$118,234	\$0
Current Federal Income Tax (Including DPAD)	\$256,043	\$256,043	\$0
Deferred Tax Expense	\$181,207	\$181,207	\$0
Total Depreciation and Taxes	<u>\$2,478,217</u>	<u>\$2,478,217</u>	\$0
Total Operating Expenses	\$19,197,149	\$20,366,627	\$1,169,478
Net Operating Revenue	\$1,371,830	\$1,371,830	\$0
Rate Base	\$16,832,272	\$16,832,272	\$0
Rate of Return, Percent	8.15%	8.15%	0
Adopted Rate of Return, Percent	8.15%	8.15%	0

Summary of Revenues and Expenses

AL 299-W Pump Tax Expenses				
AL 299-W Water Sales, ccf			4,181,067.5	
AL 299-W Unaccounted for water, ccf			313,580.1	
AL 299-W Water Production, ccf			4,494,647.6	
AL 299-W Water Production, AF			10,318.3	
Current Groundwater Charges for 2020/2021				
Zone W-2	56%	5,778.2	\$1,347	\$7,783,293
Zone W-5	44%	4,540.0	\$481	\$2,183,763
Total				\$9,967,056

AL 300-W Pump Tax Expenses				
AL 299-W Water Production, ccf			4,494,647.6	
AL 299-W Water Production, AF			10,318.3	
Water District Groundwater Charges for 2021/2022				
Zone W-2	56%	5,778.2	\$1,499.00	\$8,661,586
Zone W-5	44%	4,540.0	\$528.50	\$2,399,415
				<u>\$11,061,002</u>

Calculation of AL 300-W Surcharge	
Total Difference in Revenue Requirement	\$1,249,869
AL 299-W Water Sales, ccf	4,181,067.5
AL 300-W Surcharge, ccf	\$0.2989

Calculation of Increase in Revenue Requirement	
AL 300-W Revenue Requirement	21,738,457
AL 299-W Revenue Requirement	20,488,588
Increase in Revenue Requirement	1,249,869
Percentage Increase in Revenue Requirement	6.10%

Calculation of Agriculture Quantity Charge Credit	
25% Fixed Costs AL 299-W-A	\$2,337,684.33
Variable Costs Excluding Groundwater Charge	\$1,257,174.07
Groundwater Charge at \$34.15/AF	\$352,369.64
Total Variable Costs for Agriculture Water	<u>\$1,609,543.71</u>
Total	<u>\$3,947,228.04</u>
Sales in CCFs, not including Agriculture Water	4,181,067.5
Quantity Charge per CCF	\$0.94
Agriculture Quantity Charge Credit per CCF	\$2.2789

Great Oaks Water Company
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Bill Comparison							
Average Single Family Residential Customer with 3/4" x 3/4" Meter Using 10 ccf per Month							
At AL 299-W Rates				At AL 300-W Rates			
<u>Item</u>	<u>Amount</u>	<u>Units</u>	<u>Total</u>	<u>Item</u>	<u>Amount</u>	<u>Units</u>	<u>Total</u>
Monthly Service Charge	\$24.84	2	\$49.68	Monthly Service Charge	\$24.84	2	\$49.68
Tier 1	\$2.2915	12	\$27.50	Tier 1	\$2.2915	12	\$27.50
Tier 2	\$3.9546	8	\$31.64	Tier 2	\$3.9546	8	\$31.64
M-WRAM Surcharges (4)	\$0.9547	20	\$19.09	M-WRAM Surcharges (4)	\$0.2989	20	\$19.09
CAP Surcharge	\$0.1194	20	\$2.39	AL 300-W Surcharge	\$0.2989	20	\$5.98
Subtotal			\$130.30	CAP Surcharge	\$0.1194	20	\$2.39
CPUC Fee	1.43%		\$1.86	Subtotal			\$136.28
Subtotal			\$132.16	CPUC Fee	1.43%		\$1.95
SJ Utility Tax	5.00%		\$6.61	Subtotal			\$138.22
Total			\$138.77	SJ Utility Tax	5.00%		\$6.91
				Total			\$145.14

Increase	\$6.37
Percentage	4.59%