



GREAT OAKS WATER COMPANY

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December 7, 2022

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

Advice Letter 311-W
Great Oaks Water Company (U-162-W) to the California Public
Utilities
Updating Schedule No. UF in Compliance with Resolution M-4839

Great Oaks Water Company (Great Oaks) transmits this Tier 1 advice letter filing to update tariff Schedule No. UF in compliance with California Public Utilities Commission (Commission) proposed Resolution M-4866. The following changes in tariff schedules applicable to Great Oaks entire service area are proposed:

CPUC Sheet No.	Title of Tariff Sheet	Canceling Sheet No.
1000-W	Schedule No. UF (Continued)	940-W
1001-W	Table of Contents	999-W

Summary of Advice Letter 311-W

On December 15, 2022, the Commission is expected to vote to confirm and issue Resolution M-4866 to revise the Public Utilities Commission Utilities Reimbursement Account User Fees (PUCURA Fees) from 1.43% down to 0.8%, effective January 1, 2023. Because of this late action by the Commission on the PUCURA Fees, Great Oaks is filing this Advice Letter 311-W now so that Great Oaks will be able to have the new and lower PUCURA Fees applied to all billings beginning on the proposed January 1, 2023 effective date.

This Tier 1 advice letter filing is to update tariff Schedule No. UF in compliance with proposed Commission Resolution M-4866. Attached to this advice letter are the following: (1) proposed Resolution M-4866; and (2) proposed tariff sheets to update both Schedule No. UF and the Table of Contents.

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 – January 1, 2023

Great Oaks requests that the Tariff Sheets presented with this Advice Letter have an effective date of January 1, 2023.

Tier Designation

This is a Tier 1 Advice Letter pursuant to General Order 96-B and Water Industry Rule 7.3.1(3).

Notice and Service

As this Advice Letter is for compliance with proposed Commission Resolution M-4866, no additional notice to customers is required. 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



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 311-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 December 7, 2022 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 311-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid.

Executed on December 7, 2022 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
70 W. Hedding Street
San Jose, CA 95110

State Water Resources Control Board
Division of Drinking Water
850 Marina Bay Parkway
Building P, 2nd Floor
Richmond, CA 94804

Office of Regulatory Affairs*
California Water Service Company
1720 North First Street
San Jose, CA 95112
Sacramento, CA 95814
(via email: rateshelp@calwater.com)

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Water Division*
California Public Utilities
Commission
505 Van Ness Avenue
San Francisco, CA 94102

Richard Rauschmeier*
Cal Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Syreeta Gibbs*
Cal Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3214

Regulatory Affairs*
San Jose Water Company
110 West Taylor Street
San Jose, CA 95115

Proposed Resolution M-4866

Note: Proposed Resolution M-4866 is on the Agenda for the Commission's December 15, 2022 Voting Meeting.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ADMINISTRATIVE SERVICES DIVISION

RESOLUTION M-4866

December 15, 2022

R E S O L U T I O N**Resolution M-4866. Adopts Public Utilities Commission Utilities Reimbursement Account User Fees, effective January 1, 2023.**

SUMMARY

This Resolution adopts Public Utilities Commission Utilities Reimbursement Account (PUCURA), Fund 0462, user fees as follows:

Electric Corporations	0.0013	\$/kwh
Gas Corporations	0.003	\$/therm
Heat Corporations	0.005	\$/thousands lbs. steam
Water System Corporations	0.008 (0.8 percent)	x Revenue
Sewer System Corporations	0.05 (5 percent)	x Revenue
Telecommunication Corporations	0.0075 (0.75 percent)	x Revenue

BACKGROUND

The California Public Utilities Commission (CPUC or Commission) uses Public Utilities Code as the basis for its methodology to annually assess user fees for energy, water, sewer, and telecommunication utilities.

Public Utilities Code Section 431:

- (a) The commission shall annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the commission other than a railroad, except as otherwise provided in Article 2 (commencing with Section 421)
- (b) The annual fee shall be established to produce a total amount equal to that amount established in the authorized commission budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts or funds pursuant to

Section 402, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.

(c) This article shall not apply to any electrical cooperative as defined in Chapter 5 (commencing with Section 2776) of Part 2.

(d) On and after January 1, 1985, this article shall apply to radiotelephone utilities as defined in Section 4902 as those provisions read on December 31, 1984.

(e) This section shall become operative on January 1, 2020.

Public Utilities Code Section 432:

The commission shall establish the fee pursuant to Section 431 with the approval of the Department of Finance and in accordance with all of the following:

(a) In its annual budget request, the commission shall specify both of the following:

(1) The amount of its budget to be financed by the fee.

(2) The dollar allocation of the amount of its budget shall be financed by the fee by each class of public utility subject to the fee. The fee allocation among classes of public utilities shall reflect expenditures by the commission on regulatory and other authorized activities affecting each respective class, and shall bear the same ratio that the commission's workload for each class of public utility subject to the fee bears to the commission's total workload for all public utilities subject to the fee.

(b) The commission may establish different and distinct methods of assessing fees for each class of public utility, if the revenues collected are consistent with paragraph (2) of subdivision (a), except that the commission shall establish a uniform charge per kilowatt hour for sales in kilowatt hours for the class of electrical corporations and a uniform charge per therm for sales in therms for the class of gas corporations.

(c) Within each class of public utility subject to the fee, the commission shall allocate among the members of the class the amount of its budget to be financed by the fee using the following methods:

(1) For electrical corporations, the ratio that each corporation's sales in kilowatt hours bears to the total sales in kilowatt hours for the class.

(2) For gas corporations, the ratio that each corporation's sales in therms bears to the total sales in therms for the class.

(3) For telephone and telegraph corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class. If the commission determines that there is a need for consultants or advisory services to assist in determining the reasonableness of capital expenditures for a telephone corporation, the commission may adjust the fees within the class so that the expenses for the consultants and advisory services are fully allocated to that telephone corporation.

- (4) For water and sewer system corporations, the ratio that each corporation's gross intrastate revenues bears to the total gross intrastate revenues for the class.
- (5) For all other public utilities, an appropriate measurement methodology determined by the commission.
- (d) Every public utility belonging to more than one class shall be subject to the fee for each class of which it is a member.
- (e) For every public utility with annual gross intrastate revenues of seven hundred fifty thousand dollars (\$750,000) or less, the commission shall annually establish uniform fees to be paid by each such public utility, if the revenues collected thereby are consistent with paragraph (2) of subdivision (a) and subdivision (c).

DISCUSSION

Revenue and Expenditure Analysis

The Governor's Budget structures PUCURA's authorized expenditures by Program and Subprogram, as shown below in Table 1. Subtasks, the most granular level of detail by utility class (electricity, gas, sewer, steam), are not displayed in the Governor's Budget but tracked internally by the CPUC.

Table 1: Governor's budget structure, PUCURA

Program	Subprogram	Subtask (Utility Class)
Regulation of Utilities (6680)	Energy (6680055)	Electric Corporations Gas Corporations Steam Corporations
	Water (6680064)	Water Corporations Sewer Corporations
	Communications (6680073)	Telephone and Telegraph Corporations Video Franchise

In addition to the CPUC's budgeted expenditures from PUCURA, the fund supports expenditures of the Public Advocate's Office (PUBADV) within the CPUC, the Office of Energy Infrastructure Safety (Org 3355), the Energy Resources Conservation and Development Commission (Org 3360), the Air Resources Board (Org 3900), the Office of Environmental Health and Hazard Assessment (Org 3980), and statewide fund assessments.

Table 2 shows PUCURA's 2022-23 current level expenditures and 2022-23 Fund Assessments, distributed by Utility Class per Table 1.

Table 2. PUCURA Expenditures

Utility Class	CPUC Estimated Expenditures ¹	PUBADV Estimated Expenditures ²	Other Departments Estimated Expenditures ³	Total Estimated Expenditures 2022-23
Electric	\$126,925,000	\$33,205,000	\$31,607,000	\$191,737,000
Gas	28,360,000	7,419,000	6,834,000	42,613,000
Steam	3,000	1,000	1,000	5,000
Water	17,154,000	3,593,000	-	20,747,000
Sewer	261,000	55,000	-	316,000
Telco.	41,220,000	9,136,000	-	50,356,000
Total	\$213,923,000	\$53,409,000	\$38,442,000	\$305,774,000

Table 3 shows comparison between 2022-23 estimated user fee revenue at current rates and 2022-23 total estimated expenditures, distributed by Utility Class per Table 1.

Assuming no changes are made, the estimated user fee revenue at current rates are not aligned to match the estimated level of expenditures by utility class and maintain the necessary minimum fund reserve balance.

¹ From the 2022-23 Enacted Governor's Budget; estimated expenditures include fund assessments allocated by utility class.

² From the 2022-23 Enacted Governor's Budget; PUBADV (Fund 3089) estimated expenditures includes fund assessments allocated by utility class.

³ From the 2022-23 Enacted Governor's Budget; estimated expenditures for other departments.

Table 3. PUCURA User Fees and Expenditures Projected for 2022-23 (No Fee Change)

Utility Class	Estimated User Fee Revenue 2022-23 (a) ⁴	Total Estimated Expenditures 2022-23 (b)	Estimated Revenues Less Estimated Expenditures (a-b)
Electric	\$206,172,000	\$191,737,000	\$14,435,000
Gas	44,787,000	42,613,000	2,174,000
Heat (Steam)	15,000	5,000	10,000
Water	22,366,000	20,747,000	1,619,000
Sewer	86,000	316,000	(230,000)
Telephone	35,103,000	50,356,000	(15,253,000)
Total	\$ 308,529,000	\$305,774,000	\$2,755,000

Fund Reserve Analysis

The CPUC's fund reserve policy for PUCURA requires a fund reserve of 25 percent of expenditures. At the expected level of expenditures and projected revenues, FY 2022-23 overall estimated fund reserve is sufficient to meet the minimum requirement. However, when distributed by utility class, a couple utilities classes do not meet the 25 percent fund reserve requirement.

Fee Change Analysis

Based on the analysis the CPUC has completed on revenues to expenditures and fund reserve requirements by utility class, the CPUC proposes the below necessary rate adjustments.

⁴ Amounts in Column (a) represent the estimated user fee revenues using user fee rates from the PUCURA Resolution M-4841.

Table 4. User Fee Rates Comparison, Current vs Proposed

Utility Class	Current User Fee Rates	Proposed User Fee Rates	Base	Difference	percent Change
Electric	0.00130	0.0013	\$/ kwh	0	0 percent
Gas	0.00577	0.003	\$/therm	-0.00277	-48.01 percent
Steam	0.05535	0.005	\$/thousands lbs. steam	-0.05035	-90.97 percent
Water	0.01430	0.008		-0.0063	-44.06 percent
Sewer	0.01430	0.05	x Revenue	0.0357	249.65 percent
Telco	0.00519	0.0075	x Revenue	0.00231	44.51 percent

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

THEREFORE IT IS ORDERED THAT:

1. Effective January 1, 2023, the current PUCURA user fees shall be revised as follows:

Electric Corporations	0.0013	\$/kwh
Gas Corporations	0.003	\$/therm
Heat Corporations	0.005	\$/thousands lbs. steam
Water System Corporations	0.008 (0.8 percent)	x Revenue
Sewer System Corporations	0.05 (5 percent)	x Revenue
Telephone and Telegraph Corporations	0.0075 (0.75 percent)	x Revenue

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on December 15, 2022; the following Commissioners voting favorably thereon:

RACHEL PETERSON
Executive Director

APPENDIX A
0462 Public Utilities Commission Utilities Reimbursement Account
Fund Condition Statement with current rates

	FY 2021-22	FY 2022-23
BEGINNING BALANCE	\$113,336,000	\$202,276,000
Prior Year Adjustments	13,676,000	-
Adjusted Beginning Balance	127,012,000	202,276,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS		
Revenues:		
Quarterly Public Utilities Commission Fees	363,423,000	308,529,000
Other Regulatory Fees	3,558,000	1,500,000
Other Regulatory Licenses and Permits	2,000	-
Document Sales	59,000	-
Misc. Services to the Public	-	-
Escheat of Unclaimed Checks, Warrants, Bonds and Coupons	520,000	350,000
Income from Surplus Money Investments	8,000	5,000
Miscellaneous Revenue	10,000	5,000
Transfers:	-	-
Revenue Transfer to Ratepayer Advocate Account (3089) per Item 8660-011-0462, Various Budget Acts	(48,028,000)	(53,409,000)
Operating Transfers from Coronavirus Relief Fund 8505 per EO E20/21-250 CS 11.90	2,351,000	
Transfer to General Fund per EO E 21/22-276, Sec. 20825.1	(5,394,000)	
Revenue Transfer from Propane Safety Inspection and Enforcement Program Trust Fund (0051) to Public Utilities Commission Utilities Reimbursement Account (0462) per Public Utilities code Section 4458	100,000	
Total Revenues, Transfers, and Other Adjustments	316,609,000	256,980,000
Total Resources	443,621,000	449,247,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS		
Expenditures:		
Public Utilities Commission State Operations	175,462,000	201,268,000
Office of Energy Infrastructure Safety (State Ops)	48,661,000	37,006,000
3360 Energy Resources Conservation and Development Commission (State Operations)	3,069,000	1,020,000
3900 Air Resources Board	118,000	203,000
3980 Office of Environmental Health & Hazard Assessment	198,000	213,000
Supplemental Pension Payments	3,314,000	3,314,000
Statewide General Admin Expense (Pro Rata)	10,532,000	9,341,000
Total Expenditures and Expenditure Adjustments	241,354,000	252,365,000
FUND BALANCE	\$202,267,000	\$206,882,000

The projected Fund Condition Statement is based on estimated used fees revenue based on the rates proposed in this Resolution.

The projected Fund Condition Statement will not match to the 2023-24 Governor's Budget as the updated revenue projections are not reflected in the 2023-24 Governor's Budget.

**Proposed Tariff Sheets
Advice Letter 311-W**

Schedule No. UF

SURCHARGE TO FUND
PUBLIC UTILITIES COMMISSION
UTILITIES REIMBURSEMENT ACCOUNT USER FEES*

APPLICABILITY

This surcharge applies to all water and sewer bills rendered under all tariff rate schedules authorized by the Commission, with the exception of resale rate schedules where the customer is a public utility.

TERRITORY

This Schedule is applicable within the entire service territory served by the utility.

RATES

A 0.80% surcharge shall be added to all customer bills.

(R)

*In 1982, the Legislature established a Public Utilities Commission Reimbursement Fee to be paid by utilities to fund their regulation by the Commission (Public Utilities (PU) Code Sections 401-443). The surcharge to recover the cost of that fee is ordered by the Commission under authority granted by PU Code Section 433.

(To be inserted by utility)

Advice Letter No. 311-W

Issued by

Timothy S. Guster

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

Date Filed _____

NAME

Decision No. Res. M-4866

Vice President and General Counsel

Effective _____

TITLE

Decision/Resolution No. _____

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. 311-W

Timothy S. Guster

Date Filed _____

Decision No. Res. M-4866

VP & General Counsel

Effective _____

NAME

TITLE