



GREAT OAKS WATER COMPANY

P. O. BOX 23490
SAN JOSE, CA 95153
(408) 227-9540

June 12, 2023

Sent via email to water.division@cpuc.ca.gov

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

**Great Oaks Water Company (U-162-W) Advice Letter 315-W-A
Request to Establish and Implement Escalation Year Rate Change**

Dear Sir or Madam:

Great Oaks Water Company (Great Oaks) hereby transmits this Tier 1 Advice Letter requesting authorization to establish and implement an escalation year rate change for its entire service area, as authorized by California Public Utilities Commission (Commission) Decisions (D.) 04-06-018 and D.07-05-062, as well as Commission General Order 96-B. This advice letter is consistent with the Decision in Great Oaks' 2021 General Rate Case Application 21-07-001 and D.23-04-004, the Commission's Decision on that Application.

The following tariff sheets are submitted for approval.

Sheet Number(s)	Title of Tariff Sheet	Canceling Sheet No(s).
1035-W	Schedule No. 1 General Metered Service	1013-W
1036-W	Schedule No. 1 General Metered Service Tiered Rates	1014-W

1037-W	Schedule No. 1 General Metered Service Special Conditions	1015-W
1038-W	Schedule No. 3M Irrigation Service	1016-W
1039-W	Schedule No. 3M Irrigation Service Special Conditions	1017-W
1040-W	Schedule No. 6 Contract Resale Service	1018-W
1041-W	Table of Contents	1020-W

Summary of Advice Letter 315-W-A

Great Oaks filed Advice Letter 315-W on May 9, 2023. There were no protests to Advice Letter 315-W. On June 8, 2023, the Water Division advised Great Oaks that certain revisions were required for Advice Letter 315-W and that Great Oaks should file a supplemental Advice Letter 315-W-A to include those revisions. The Water Division also suspended Advice Letter 315-W, pending submission of the requested supplemental Advice Letter.

On June 8, 2023, Great Oaks provided the Water Division with a draft of the revisions requested for Advice Letter 315-W. On June 9, 2023, the Water Division advised Great Oaks that the revisions were acceptable and that Great Oaks should include those revisions in supplemental Advice Letter 315-W-A.

This supplemental Advice Letter 315-W-A includes the revisions required by the Water Division for approval of the Advice Letter. Great Oaks requests that the Water Division remove the suspension on the Advice Letter and approve this supplemental Advice Letter 315-W-A in a timely manner so that rates may be effective on July 1, 2023.

This Tier 1 advice letter requests the establishment and implementation of a 2023/2024 escalation year rate change for Great Oaks' entire service area, as authorized by and in compliance with the Decisions referenced above. Escalation year filings are governed by the Commission's General Rate Case Plan for Class A Water Utilities, including D.04-06-018.¹

¹ See, D.07-05-062, Attachment A, pp. A-18 – A-20.
Great Oaks Water Company
Advice Letter 315-W-A

This filing is pursuant to General Order 96-B, Water Industry Rules 7.3.1(3)² and 7.3.1(6)³, and has no effect upon water service being provided by Great Oaks to its customers.

Request

Great Oaks requests an increase in its revenue requirement of \$850,134 (3.8%) from the adopted revenue of \$22,255,961⁴ to \$23,106,095⁵ in escalation year 2023/2024. Also included in this request is an adjustment to the authorized CAP Surcharge, based upon the methodology approved by the Commission in D.23-04-004.⁶

All calculations for this escalation year filing are provided in the Exhibit A Advice Letter 315-W-A Workpapers (Ex. A AL 315-W-A), attached hereto. The proposed tariff sheets to this advice letter are based upon the calculations in the Ex. A AL 315-W-A.

Rates of Return

The following summary shows the authorized, recorded (CY2022), pro forma, and escalation year rates of return for Great Oaks.

D.23-04-004 Authorized Rate of Return for Test Year 2022/2023:	8.15%
Calendar Year 2022 Recorded Rate of Return	5.33%
Pro Forma 2022/2023 Rate of Return	5.68%
Escalation Year 2023//2024 Rate of Return	8.15%

The rates of return are calculated using the summary of earnings methodology used by the Commission when setting rates for Great Oaks, which is consistent with the requirements of D.04-06-018 and D.07-05-062. The amounts shown on Ex. A AL 315-W-A, WP-1, in the column for Adopted TY 2022/2023 are taken directly from D.23-04-004, Attachment A, Adopted Summary of Earnings. The amounts shown on WP-1 in the column for RECORDED 2022 Annual Report are taken directly from the Great Oaks 2022 Annual Report filed with the Commission. The methodology used by Great Oaks is the same as was used by Great Oaks in previous escalation/attrition year filings (Advice Letters 240-W, 260-W, 270-W, and 299-W), all of which were approved by the Commission.

² Compliance with mandatory statute, decision, or resolution.

³ Escalation filing.

⁴ D.23-04-004.

⁵ See, Ex. A AL 315-W-A, WP-1, line 10.

⁶ See, D.23-04-004, Attachment B, Table 4.

Based upon this analysis, Great Oaks' recorded rate of return for Calendar Year 2022 of 5.33% is less than the 8.15% authorized rate of return and the pro forma 2022/2023 rate of return is 5.68%.⁷ As a result, no decrease is required for the escalation year.⁸

Escalation Factors

Great Oaks has employed the most recent escalation factors from the Escalation Memos published by the California Public Advocates Office on April 28, 2023. For the CPI-U factor, Great Oaks has utilized the Bureau of Labor Statistics CPU-U for the 12-month period ending in March 2023, which is the most recent CPI-U available at the time of filing.⁹ Escalation factors are shown on Exhibit A Advice Letter 315-W-A Workpapers, WP-1, line 61.

Rate and Bill Impact/Affordability Metrics

Increases resulting from this escalation filing are shown on the tables below.

Monthly Meter Charges

Meter Size	Current Charges ¹⁰	AL 315-W Charges ¹¹
5/8" x 3/4"	\$14.85	\$15.75
3/4" x 3/4"	\$22.27	\$23.61
1-inch	\$37.12	\$39.35
1.5-inch	\$74.23	\$78.71
2-inch	\$118.77	\$125.93
3-inch	\$222.70	\$236.13
4-inch	\$371.17	\$393.54
6-inch	\$742.33	\$787.09
8-inch	\$1,187.73	\$1,259.34
10-inch	\$1,707.36	\$1,810.30
12-inch	\$2,449.69	\$2,597.38

Quantity Charges (per ccf)

Charge	Current Charge	AL 315-W Charge
Uniform Qty. Charge	\$3.8867	\$3.9753
Tier 1 (0-12 ccf bimonthly)	\$2.7635	\$2.8265
Tier 2 (12-20 ccf bimonthly)	\$4.7690	\$4.8777
Tier 3 (>20 ccf bimonthly)	\$5.6629	\$5.7921

⁷ See, Exhibit A AL 315-W-A, at p. WP-1.

⁸ D.04-06-018, at p. 14; see also, D.07-05-062, Appendix A, at p. A-19.

⁹ D.07-05-062, Appendix A, at p. A-19.

¹⁰ Current Charges are based upon D.23-04-004.

¹¹ See, Exhibit A, WP-6.

As shown on page W-8 of Ex. A AL 315-W-A, the increase to an average single-family residential bi-monthly bill is \$10.12, or 8.09%, from \$125.06 to \$135.18.

As the requested increase is greater than one percent (1%) of currently approved revenues, in compliance with D.22-08-023¹², in the table below, Great Oaks provides the Affordability Metrics for the requested increase.¹³ With the requested increase, Great Oaks' rates remain among the most affordable as compared to water rates charged across the State of California.¹⁴

Affordability Metrics – D.22-08-023

Hours at Minimum Wage (San Jose \$15)	HM ₁₅	2.92
Affordability Ratio (at essential usage levels)		
Great Oaks Water Monthly Bill	\$43.75	
AT&T Communications	\$81.26	
PG&E Electric	\$94.65	
PG&E Gas	\$74.92	
Total	\$294.58	
AR ₂₀		0.0044
AR ₅₀		0.0019

Effective Date

The effective date for the tariffs proposed and requested in this supplemental advice letter is July 1, 2023, the first day of Great Oaks' escalation year.

Tier Designation

Escalation year requests are Tier 1 advice letters under General Order 96-B, Water Industry Rule 7.3.1(6). Because the request in this advice letter is in compliance with D.23-04-004, this is also considered a compliance filing under General Order 96-B, Water Industry Rule 7.3.1(3).

Notice and Service

Notice has been provided by publishing a legal notice in a newspaper of local circulation (San Jose Mercury News), and by providing a link to this advice letter

¹² D.22-08-023, Ordering Paragraph

¹³ See, Exhibit A, WP-7.

¹⁴ See, e.g., <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability/2020-annual-affordability-report>.

filing on Great Oaks' website (www.greatoakswater.com). The published notice is attached as Exhibit B hereto. The customer bill increase in this supplemental Advice Letter is less than the customer bill increase requested in Advice Letter 315-W, so no additional notice is being provided. This supplemental 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 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:

Great Oaks Water Company
Advice Letter 315-W-A

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, Public Advocates Office
Syreeta Gibbs, Public Advocates Office

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 315-W-A, 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 June 12, 2023 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 315-W-A 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, when indicated with *). Any person on the Distribution List not receiving exhibits may request copies by contacting the undersigned directly.

Executed on June 12, 2023 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 9515

Schedule No. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area is Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

Quantity Rates:	Per Meter Per Month	
For all water delivered, per 100 Cu. Ft.	\$ 3.9753	(I)
Service Charge:		
For 5/8x3/4-inch meter	\$ 15.74	(I)
For 3/4-inch meter	23.61	(I)
For 1-inch meter	39.35	(I)
For 1 1/2-inch meter	78.71	(I)
For 2-inch meter	125.93	(I)
For 3-inch meter	236.13	(I)
For 4-inch meter	393.54	(I)
For 6-inch meter	787.09	(I)
For 8-inch meter	1,259.34	(I)
For 10-inch meter	1,810.30	(I)
For 12-inch meter	2,597.38	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster

Date Filed _____

Decision No. D.23-04-004; D.07-05-062

General Counsel
NAME
TITLE

Effective Date: _____

Resolution No. _____

Schedule No. 1
GENERAL METERED SERVICE

Tiered Rates

Designed and Ordered by the California Public Utilities Commission

APPLICABILITY

Applicable to all single-family residential services only.

TERRITORY

The area is Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

Quantity Rates (Tiered Rates):

Per Meter/Per Month

For all water delivered, per 100 Cu. Ft.

For total bi-monthly usage from 0 to 12 Ccf.	\$ 2.8265	(I)
For total bi-monthly usage above 12 to 20 Ccf.	4.8777	(I)
For total bi-monthly usage over 20 Ccf.	5.7921	(I)

Service Charge (Conservation Rates):

For 5/8x3/4-inch meter	\$ 15.74	(I)
For 3/4x3/4-inch meter	23.61	(I)
For 1-inch meter	39.35	(I)
For 1 1/2-inch meter	78.71	(I)
For 2-inch meter	125.93	(I)
For 3-inch meter	236.13	(I)
For 4-inch meter	393.54	(I)
For 6-inch meter	787.09	(I)
For 8-inch meter	1,259.34	(I)
For 10-inch meter	1,810.30	(I)
For 12-inch meter	2,597.38	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster

Date Filed _____

Decision Nos. D.23-04-004; D.07-05-062

General Counsel

Effective Date: _____

Resolution No. _____

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 Customer Assistance Program (CAP) as described in Tariff Rule 22, a surcharge of \$0.1216 will be added to the Quantity Charge for all water delivered to non-CAP participants on and after July 1, 2023. (I)
(C)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster

Date Filed _____

Decision No D.23-04-004; D.07-05-062

General Counsel

Effective _____

TITLE

Resolution No. _____

Schedule No. 3M
IRRIGATION SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area in Southeast San Jose, East of Snell Road and South of Hellyer Park.

RATES

Quantity Rates:	Per Meter Per Month	
For all water delivered, per 100 Cu. Ft.	\$ 3.9753	(I)
Service Charge:		
For 2-inch meter	\$ 125.93	(I)
For 3-inch meter	236.13	(I)
For 4-inch meter	393.54	(I)
For 6-inch meter	787.09	(I)
For 8-inch meter	1,259.34	(I)
For 10-inch meter	1,810.30	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added to the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.23-04-004; D.07-05-062

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 (CAP), as described in Tariff Rule 22, a surcharge of \$0.1216 will be added to the Quantity Charge for all water sold to non-CAP participants on and after July 1, 2023. (I)
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 \$2.8852 per 100 cu.ft. used during the period covered by that bill on and after July 1, 2023. (R)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.23-04-004; D.07-05-062

General Counsel
TITLE

Effective _____

Resolution No. _____

Schedule No. 6
CONTRACT RESALE SERVICE

APPLICABILITY

Potable water metered service delivered to a water retailer by contract at location outside the Company's certified service territory.

TERRITORY

Wholesale water service may be obtained for use outside the Company's certified service territory.

RATES

Quantity Rates:

For all water delivered, per 100 Cu. Ft.	\$ 3.9753	(I)
--	-----------	-----

Service Charge:

Per Meter
Per Month

For 2-inch meter	\$ 125.93	(I)
For 3-inch meter	236.13	(I)
For 4-inch meter	393.54	(I)
For 6-inch meter	787.09	(I)
For 8-inch meter	1,259.34	(I)
For 10-inch meter	1,810.30	(I)
For 12-inch meter	2,597.38	(I)

The Meter Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster
NAME

Date Filed _____

Decision No. D.23-04-004; D.07-05-062

General Counsel
TITLE

Effective _____

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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Schedule No. 3M, Irrigation Service	1038-W, 1039-W (C)
Schedule No. 4, Private Fire Protection Service	1019-W
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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
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No. 20 Water Conservation	538-W
No. 21 Fire Protection	537-W
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(To be inserted by utility)

Issued by

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

Advice Letter No. 315-W-A

Timothy S. Guster

Date Filed _____

Decision No. D.23-04-004; D.07-05-062

VP & General Counsel

Effective _____

NAME

TITLE

**GREAT OAKS WATER COMPANY NOTICE OF ESCALATION YEAR
RATE CHANGES AUTHORIZED BY CALIFORNIA PUBLIC UTILITIES COMMISSION**

Great Oaks Water Company (Great Oaks) has filed Advice Letter 315-W (AL 315-W) with the California Public Utilities Commission (Commission) requesting authorization to establish and implement escalation year rate changes consistent with Commission authority. Under Great Oaks' request, its total revenue requirement will be increased by \$748,222 (3.36%), from \$22,256,961 to \$23,004,183. As shown in the table below, the average single-family residential customer bill will increase by \$16.51 (13.2%).

Bill Comparison

Average Non-CAP Single Family Residential Customer with 3/4" Meter Using 10cct per Month*

At Current Rates				At Escalation Rates			
Item	Amount	Units	Total	Item	Amount	Units	Total
Monthly Serv Chrg	\$22.37	2	\$44.74	Monthly Serv Chrg	\$26.40	2	\$52.79
Tier 1	\$2.7635	12	\$33.16	Tier 1	\$2.8311	12	\$33.97
Tier 2	\$4.7690	8	\$38.15	Tier 2	\$4.8858	8	\$39.09
CAP Surcharge	\$0.1152	20	\$2.30	ICAP Surcharge	\$0.1372	20	\$2.74
Subtotal			\$118.35	Subtotal			\$133.76
CPUC Fee	0.80%		\$ 0.95	CPUC Fee	0.80%		\$1.07
Subtotal			\$119.30	Subtotal			\$134.83
Sr Utility Tax	5.00%		\$5.96	Sr Utility Tax	5.00%		\$6.74
Total			\$125.26	Total			\$141.57

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 Letters. 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 Letters; or
- (2) The relief requested in the Advice Letters 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 Letters contain material error or omissions; or
- (4) The relief requested in the Advice Letters is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the Advice Letters requires consideration in a formal hearing, or is otherwise inappropriate for the Advice Letter process; or
- (6) The relief requested in the Advice Letters 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).

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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., 20 Great Oaks Blvd, Suite 120, San Jose, CA 95119, 408-227-9540, 408-227-7126 (fax), tguster@greatoakswater.com. **5/11/23 #6751904; May 11, 2023**

**Great Oaks Water Company
Advice Letter 315-W-A**

Exhibit A Workpapers

Great Oaks Water Company

AL 315-W-A

Pro Forma Earnings - Test Year 2022/2023						
Item	ADOPTED TY2022/2023 D.23-04-004	RECORDED 2022 Annual Report	PRO FORMA EARNINGS 2022/2023	SOURCE	Requested Attrition Yr 2023/2024	Esc %
Operating Revenues						
Metered Water Service Revenues	22,061,084	23,146,390	22,312,424	WP-2	22,909,662	
Fire Protection Revenues	194,877	176,651	196,433	WP-2	196,433	
Other Water Revenues	0	13,615	0	WP-2	0	
Net Balancing Account Adjustment	0	0	0	D.23-04-004		
Total Op Revs (excl CPUC fees)	22,255,961	23,336,656	22,508,857	WP-2	23,106,095	
Operating Expenses						
Net Payroll Expense	\$2,581,043	4,180,083	2,787,526	Esc*	2,787,526	8.0%
Groundwater Charges, Acct. 700	\$11,425,036	8,426,893	11,827,977	WP-3	11,827,977	WP-3
Op. Labor & Exp (Excl Labor), Acct. 702	\$15,774	30,648	15,869	Esc	15,869	0.6%
Misc. Pump Exp., Acct. 725	\$7,887	15,324	7,934	Esc	7,934	0.6%
Purchased Power, Acct. 726	\$909,558	1,071,990	910,239	WP-3	910,239	WP-3
Maint Pumping Equip, Accts. 711, 732	\$31,207	217,083	31,394	Esc	31,394	0.6%
Chemicals & Filtering, Acct. 744	\$13,832	38,091	13,915	Esc	13,915	0.6%
Meter Expense, Acct. 754	-\$9,448	394,605	-9,505	Esc	-9,505	0.6%
T&D Misc Expense, Acct. 756	\$7,887	15,324	7,934	Esc	7,934	0.6%
T&D Maint & Supv., Accts 753, 758	\$0	0	0	Esc	0	0.6%
Maint of Reservoirs & Tanks, Acct. 760	\$0	0	0	Esc	0	0.6%
Maint of T&D Mains, Acct. 761	\$151,579	157,412	152,488	Esc	152,488	0.6%
Maint of Services, Acct 763	\$36,613	150,269	36,833	Esc	36,833	0.6%
Maint of Meters, Acct 764	\$0	0	0	Esc	0	0.6%
Maint of Hydrants, Acct 765	\$5,740	26,114	5,774	Esc	5,774	0.6%
Maint of General Plant, Acct 805	\$72,512	112,473	72,947	Esc	72,947	0.6%
Meter Reading Expense, Acct 772	\$17,334	100,112	17,438	Esc	17,438	0.6%
Cust Records & Collection, Acct 773	\$240,628	918,133	242,072	Esc	242,072	0.6%
Uncollectible Accounts, Acct 775	\$42,820	136,722	43,307	WP-2	43,307	WP-2
Office Supplies & Other Exp, Acct 792	\$49,632	61,791	49,930	Esc	49,930	0.6%
Property Insurance, Acct. 793	\$124,651	125,487	130,884	Esc	130,884	5.0%
Injuries & Damages, Acct 794	\$47,049	46,866	47,331	Esc	47,331	0.6%
Employee Pensions & Bene, Acct 795	\$1,316,405	1,131,030	1,421,717	Esc	1,421,717	8.0%
Franchise Requirements, Acct 796	\$251,581	247,898	450,177	Calc. @ 2%	450,177	2.0%
Reg Commission Exp, Acct 797	\$62,311	398,922	64,056	Esc	64,056	2.8%
Outside Serv, Inc GRC Exp, Acct 798, 800	\$384,239	396,341	403,451	Esc	403,451	5.0%
Misc Gen Exp Inc CWA Dues, Acct 799	\$185,253	235,247	186,365	Esc	186,365	0.6%
Rents, Acct 811	\$247,519	218,516	259,895	Esc	259,895	5.0%
Transportation Exp, Acct 903	\$0	0	0	Esc	0	
Passive Inc 50% Ratepayer Credit	-\$113,626	-37,584	-113,626	D.23-04-004	-113,626	
Total O&M and A&G Expenses	\$18,105,016	18,815,790	19,064,323		19,064,323	
Depreciation Expense	\$1,454,265	1,450,867	1,454,265	D.23-04-004	1,454,265	
Taxes Other than Income	\$491,926	427,699	491,926	D.23-04-004	491,926	
Current State Income Tax	\$147,234	484,605	79,696	WP-4	132,492	
Current Fed Income Tax	\$366,113	925,187	172,588	WP-4	286,920	
Deferred Tax Expense	\$257,322	304,952	257,322	D.23-04-004	257,322	
Total Depreciation and Taxes	\$2,716,860	3,593,310	2,455,797	Calculation	2,622,926	
Total Operating Expenses	20,821,876	22,409,100	21,520,120	Calculation	21,687,249	
Net Operating Revenue	1,434,081	927,556	988,737	Calculation	1,418,846	
Rate Base	17,596,083	17,409,153	17,409,153	D.23-04-004	17,409,153	
Rate of Return, Percent	8.15%	5.33%	5.68%		8.15%	
Adopted Rate of Return, Percent	8.15%	8.15%	8.15%		8.15%	
Escalation Rates - 4/2023 CPI-U - 3/2023	Labor 8.0%	Non-Labor -2.0%	Comp Per Hour 4.5%	CPI-U 5.0%		

Great Oaks Water Company

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Calculation of Pro Forma Revenues

General Metered Service		Recorded 12-Month Weighted Average	Present Rates	Pro Forma Revenue
Meter Size	Customers	Service Charge		
5/8 x 3/4	5,635	\$14.85		\$1,004,157
3/4	13,869	\$22.27		\$3,706,218
1	989	\$37.12		\$440,540
1 1/2	362	\$74.23		\$322,010
2	482	\$118.77		\$686,253
3	67	\$222.70		\$177,715
4	49	\$371.17		\$216,021
6	12	\$742.33		\$106,896
8	8	\$1,187.73		\$114,022
10	3	\$1,707.36		\$61,465
12	0	\$2,449.69		\$0
Total	21,474			\$6,835,296

	Adopted Avg. Usage	Weighted Avg. Customers	Proforma Usage CCF	Quantity	
SFR	103.2	20,013	2,064,741	\$3.8867	\$8,025,030
MFR	1,358.2	652	885,559	\$3.8867	\$3,441,904
Business	1,101.2	313	344,134	\$3.8867	\$1,337,547
Total Commercial		20,978	3,294,435		\$12,804,481

	Recorded Sales		Pro Forma Sales		
Industrial	1,647.6	57	93,089	\$3.8867	\$361,809
Pub. Auth.	971.9	147	142,868	\$3.8867	\$555,285
Schools	3,681.1	44	161,970	\$3.8867	\$629,529
Priv. Ldscpe.	1,010.6	239	241,541	\$3.8867	\$938,797
Agriculture	1,144.6	9	9,729	\$1.0427	\$10,144
Total Other		496	639,468		\$2,495,565

* SFR normalized revenue calculated using authorized tiered rates at 20 ccfs per billing period per U-34-W, para. 10.

Total General Metered Service Revenues		\$22,135,341
Plus CPUC Surcharge (pro-rata rate)	0.80%	\$177,082.73
Total General Metered Service Revenues, plus CPUC Surcharge		\$22,312,424

Private Fire Protection Service		Recorded 12-Month Weighted Average	Present Rates	Pro Forma Revenue
Meter Size	Customers	Service Charge		
2	105	\$19.97		\$25,162
4	42	\$33.24		\$16,753
6	98	\$50.57		\$59,470
8	76	\$68.20		\$62,198
10	26	\$87.27		\$27,228
12	3	\$112.82		\$4,062
Total Private Fire Protection Service Revenues	350			\$194,874
Plus CPUC Surcharge		0.80%		\$1,559
Total Private Fire Protection Service Revenues, plus CPUC Surcharge				\$196,433

Total Base Rate Water Service Revenues, excluding CPUC Surcharges		\$22,330,215
Plus CPUC Surcharges		\$178,642
Total Base Rate Water Service Revenues, including CPUC Surcharges		\$22,508,857
Uncollectibles	0.19%	\$43,307

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Groundwater Charges at Current Rates 2022/2023				
Pro Forma Water Sales, ccf				
General Metered Service		3,933,903.0		
Unaccounted For Water	7.2%	<u>283,241.0</u>	D.23-04-004	
Water Production, ccf		4,217,144.0		
Water Production, AF		9,681.3	Adopted	GW Charge
			GW Charge	Expense
Zone W-2, AF	56%	5,421.5	\$1,724.00	\$9,346,671
Zone W-7, AF	44%	<u>4,259.8</u>	\$582.50	<u>\$2,481,306</u>
Totals		9,681.3		\$11,827,977

Purchased Power				
Total Pro Forma Water Production, AF				9,681.3
Adopted Purchased Power Expense		\$909,558	D.23-04-004	
Adopted Total Water Production, ccf		4,213,989	D.23-04-004	
Adopted Total Water Production, AF		9,674	D.23-04-004	
Adopted Purchased Power Expense, AF		\$94.02	D.23-04-004	
Pro Forma Purchased Power Expense				\$910,239

Recorded Metered Sales, CCF CY 2022	
<u>Customer Class</u>	<u>CCF</u>
Single Family Residential	2,007,048.0
Multi Family Residential	866,998.0
Business	344,646.0
Industrial	93,089.0
Public Authorities	142,868.0
Schools	161,970.0
Private Landscapes	241,541.0
Agriculture	<u>9,729.0</u>
	3,867,889.0

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Calculation of Pro Forma Income Taxes				
	Rate	Escalation %	Source	2022/2023 Pro Forma
State Income Taxes				
Water Service Revenues			WP-2	\$22,312,424
Fire Protection Revenues			WP-2	\$196,433
Other Water Revenues			WP-2	\$0
Total Taxable Revenues, State			Calculated	\$22,508,857
Deductions				
Operating Expenses			WP-1	\$19,064,323
Depreciation Expense			WP-1	\$1,454,265
Deferred Income Taxes			WP-1	\$257,322
Taxes Other Than Income			WP-1	\$491,926
Interest Expense			WP-4	\$339,478
Total Deductions			Calculated	\$21,607,315
Taxable Income, CCFT				\$901,542
CCFT Rate	8.84%			
CCFT				\$79,696
Federal Income Taxes				
Water Service Revenues				\$22,312,424
Fire Protection Revenues				\$196,433
Other Water Revenues				\$0
Total Taxable Revenues, Federal				\$22,508,857
Deductions				
Current State Income Taxes			WP-5	\$79,696
Operating Expenses			WP-1	\$19,064,323
Depreciation Expense			WP-1	\$1,454,265
Deferred Income Taxes			WP-1	\$257,322
Taxes Other Than Income			WP-1	\$491,926
Interest Expense			WP-4	\$339,478
Total Deductions, Federal				\$21,687,011
Taxable Income, Federal				\$821,846
FIT Rate	21%			
Federal Income Tax				\$172,587.63

Calculation of Interest Expense				
	Percent of Capital	Interest Rate	Rate Base	Interest Expense
Debt Financing	30.00%	6.50%	\$17,409,153	\$339,478

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Attrition Year 2023/2024 CAP Surcharge Calculation						
					D.23-04-004	
	Meter Size	Monthly Charge	50% Discount	x 12 Months	No. of Participants	Totals
	5/8 inch	\$15.74	\$7.87	\$94.45	1150	\$108,617.83
	3/4 inch	\$23.61	\$11.81	\$141.68	2286	\$323,870.05
	1 inch	\$39.35	\$19.68	\$236.13	6	\$1,416.75
	1.5 inch	\$78.71	\$39.35	\$472.25	3	\$1,416.75
Total CAP Amount					3,445.0	\$435,321.39
					CCF	
CAP Sales					355,420.7	
NON-CAP Sales					3,578,482.4	
Escalation Year CAP Surcharge						\$0.1216

Calculation of AL 315-W-A Agriculture Quantity Charge Credit	
25% Fixed Costs AL 315-W	\$2,476,289.74
Variable Costs Excluding Groundwater Charge	\$1,372,958.67
Groundwater Charge at \$36.85/AF	\$356,754.26
Total Variable Costs for Agriculture Water	\$1,729,712.93
Total	\$4,206,002.67
Sales in CCFs, not including Agricultural Water	3,858,160.0
Quantity Charge per CCF	\$1.0902
Agriculture Quantity Charge Credit per CCF	\$2.8852

Calculation of 5/8-inch Meter Equivalents			
Meter Size	Ratio	Meters	5/8-inch Equivalents
5/8" x 3/4"	1	5,628	5,628
3/4" x 3/4"	1.5	13,907	20,861
1-inch	2.5	988	2,470
1.5-inch	5	362	1,810
2-inch	8	476	3,804
3-inch	15	67	1,005
4-inch	25	47	1,175
6-inch	50	11	550
8-inch	80	8	640
10-inch	115	3	345
Totals		21,496	38,287

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Requested Rates for Escalation Year 2023/2024

WP-6

Customer Class	Weighted Average Customers	Normalized Sales CCF	Monthly Service Charges		
			Meter Size	Ratio	Monthly Serv. Chrg.
Single Family Res.	20,013	2,064,741			
Multi Family Res.	652	885,559			
Business	313	344,134	5/8"	1.0	\$15.74
Industrial	57	93,089	3/4"	1.5	\$23.61
Public Authority	147	142,868	1"	2.5	\$39.35
Schools	44	161,970	1.5"	5.0	\$78.71
Private Landscape	239	241,541	2"	8.0	\$125.93
Agriculture	9	9,729			
Total	21,474	3,943,632	3"	15.0	\$236.13
			4"	25.0	\$393.54
			6"	50.0	\$787.09
			8"	80.0	\$1,259.34
			10"	115.0	\$1,810.30
			12"	165.0	\$2,597.38
			14"	225.0	\$3,541.89

Service Charge Calculation		
Fixed Costs	\$9,905,158.98	
3/4 Fixed Costs	\$7,428,869.23	
Minus Private Fire Protection Revenue	-\$196,432.63	
Total Service Charge Revenue	\$7,232,436.60	
Service Charge Per Year	\$188.90	
Service Charge Per Month	\$15.74	

Uniform Quantity Charge Calculation	
Variable Cost	\$13,200,935.65
1/4 Fixed Cost	\$2,476,289.74
Minus Other Water Revenues	\$0.00
Total Quantity Charges	\$15,677,225.39
Charge per CCF	\$3.9753

Conservation Rates Calculation			
Uniform Quantity Charge			\$3.9753
		D.23-04-004	Tiered
Tier	CCF Range	Factor	Rates
Tier 1	0 - 12	0.7110	\$2.8265
Tier 2	13 - 20	1.2270	\$4.8777
Tier 3	> 20	1.4570	\$5.7921

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Calculation of Escalation Year 2023/2024 Income Taxes					
	Rate	Escalation %	Source	Escalation Year 2023/2024	
State Income Taxes					
Water Service Revenues			WP-1		\$22,909,662
Fire Protection Revenues			WP-1		\$196,433
Other Water Revenues			WP-1		\$0
Total Taxable Revenues, State			Calculated		\$23,106,095
Deductions					
Operating Expenses			WP-1		\$19,064,323
Depreciation Expense			WP-1		\$1,454,265
Deferred Income Taxes			WP-1		\$257,322
Taxes Other Than Income			WP-1		\$491,926
Interest Expense			WP-4		\$339,478
Total Deductions			Calculated		\$21,607,315
Taxable Income, CCFT					\$1,498,780
CCFT Rate	8.84%				
CCFT					\$132,492
Federal Income Taxes					
Water Service Revenues			WP-1		\$22,909,662
Fire Protection Revenues			WP-1		\$196,433
Other Water Revenues			WP-1		\$0
Total Taxable Revenues, Federal			Calculated		\$23,106,095
Deductions					
Current State Income Taxes			WP-7		\$132,492
Operating Expenses			WP-1		\$19,064,323
Depreciation Expense			WP-1		\$1,454,265
Deferred Income Taxes			WP-1		\$257,322
Taxes Other Than Income			WP-1		\$491,926
Intererst Expense			WP-4		\$339,478
Total Deductions, Federal			Calculated		\$21,739,807
Taxable Income, Federal			Calculated		\$1,366,288
FIT Rate	21%				
Federal Income Tax			Calculated		\$286,920
Calculation of Interest Expense					
	Percent of	Interest		Interest	
	Capital	Rate	Rate Base	Expense	
Debt Financing	30.00%	6.50%	\$17,409,153		\$339,478

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Average Non-CAP Single Family Residential Customer with 3/4" Meter Using 10 ccf per Month*									
At Current Rates					At Escalation Rates				
Item	Amount	Units	Total		Item	Amount	Units	Total	
Monthly Service Charge	\$22.27	2	\$44.54		Monthly Service Charge	\$23.61	2	\$47.23	
Tier 1	\$2.7635	12	\$33.16		Tier 1	\$2.8265	12	\$33.92	
Tier 2	\$4.7690	8	\$38.15		Tier 2	\$4.8777	8	\$43.90	
CAP Surcharge	\$0.1152	20	\$2.30		LICAP Surcharge	\$0.1216	20	\$2.68	
Subtotal			\$118.16		Subtotal			\$127.72	
CPUC Fee	0.80%		\$0.95		CPUC Fee	0.80%		\$1.02	
Subtotal			\$119.10		Subtotal			\$128.74	
SJ Utility Tax	5.00%		\$5.96		SJ Utility Tax	5.00%		\$6.44	
Total			\$125.06		Total			\$135.18	
				Increase					\$10.12
				% Increase					8.09%

Bill Comparison Using Uniform Quantity Rate - Customer with 3/4" Meter Using 10 ccf per Month*									
At Current Rates					At Escalation Rates				
Item	Amount	Units	Total		Item	Amount	Units	Total	
Monthly Service Charge	\$22.27	2	\$44.54		Monthly Service Charge	\$23.61	2	\$47.23	
Quantity Charges	\$3.8867	20	\$77.73		Quantity Charges	\$3.9753	20	\$79.51	
LICAP Surcharge	\$0.1152	20	\$2.30		LICAP Surcharge	\$0.1216	20	\$2.68	
Subtotal			\$124.58		Subtotal			\$129.41	
CPUC Fee	0.80%		\$1.00		CPUC Fee	0.80%		\$1.04	
Subtotal			\$125.57		Subtotal			\$130.44	
SJ Utility Tax	5.00%		\$6.28		SJ Utility Tax	5.00%		\$6.52	
Total			\$131.85		Total			\$136.97	
				Increase					\$5.11
				% Increase					3.88%

*Comparisons do not include temporary surcharges