



# GREAT OAKS WATER COMPANY

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

May 9, 2023

*Sent via email to [water.division@cpuc.ca.gov](mailto: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 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).
1021-W	Schedule No. 1 General Metered Service	1013-W
1022-W	Schedule No. 1 General Metered Service Tiered Rates	1014-W

1023-W	Schedule No. 1 General Metered Service Special Conditions	1015-W
1024-W	Schedule No. 3M Irrigation Service	1016-W
1025-W	Schedule No. 3M Irrigation Service Special Conditions	1017-W
1026-W	Schedule No. 6 Contract Resale Service	1018-W
1027-W	Table of Contents	1020-W

**Summary of Advice Letter 315-W**

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.<sup>1</sup>

This filing is pursuant to General Order 96-B, Water Industry Rules 7.3.1(3)<sup>2</sup> and 7.3.1(6)<sup>3</sup>, 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 \$755,532 (3.4%) from the adopted revenue of \$22,255,961<sup>4</sup> to \$23,004,183<sup>5</sup> 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.<sup>6</sup>

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

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<sup>1</sup> See, D.07-05-062, Attachment A, pp. A-18 – A-20.  
<sup>2</sup> Compliance with mandatory statute, decision, or resolution.  
<sup>3</sup> Escalation filing.  
<sup>4</sup> D.23-04-004.  
<sup>5</sup> See, Ex. A AL 315-W, WP-1, line 10.  
<sup>6</sup> See, D.23-04-004, Attachment B, Table 4.

## 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	6.97%
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, 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.

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 5.47%.<sup>7</sup> As a result, no decrease is required for the escalation year.<sup>8</sup>

## 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.<sup>9</sup> Escalation factors are shown on Exhibit A Advice Letter 315-W Workpapers, WP-1, line 61.

## Rate and Bill Impact/Affordability Metrics

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

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<sup>7</sup> See, Exhibit A AL 315-W, at p. WP-1.

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

<sup>9</sup> D.07-05-062, Appendix A, at p. A-19.

### Monthly Meter Charges

Meter Size	Current Charges <sup>10</sup>	AL 315-W Charges <sup>11</sup>
5/8" x 3/4"	\$14.85	\$17.60
3/4" x 3/4"	\$22.27	\$26.40
1-inch	\$37.12	\$43.99
1.5-inch	\$74.23	\$87.99
2-inch	\$118.77	\$140.78
3-inch	\$222.70	\$263.96
4-inch	\$371.17	\$439.93
6-inch	\$742.33	\$879.85
8-inch	\$1,187.73	\$1,407.76
10-inch	\$1,707.36	\$2,023.66
12-inch	\$2,449.69	\$2,903.51

### Quantity Charges (per ccf)

Charge	Current Charge	AL 315-W Charge
Uniform Qty. Charge	\$3.8867	\$3.9819
Tier 1 (0-12 ccf bimonthly)	\$2.7635	\$2.8311
Tier 2 (12-20 ccf bimonthly)	\$4.7690	\$4.8858
Tier 3 (>20 ccf bimonthly)	\$5.6629	\$5.8016

As shown on page W-8 of Ex. A AL 315-W, the increase to an average single-family residential bi-monthly bill is \$16.51, or 13.2%, from \$125.06 to \$141.57

As the requested increase is greater than one percent (1%) of currently approved revenues, in compliance with D.22-08-023<sup>12</sup>, in the table below, Great Oaks provides the Affordability Metrics for the requested increase.<sup>13</sup> With the requested increase, Great Oaks' rates remain among the most affordable as compared to water rates charged across the State of California.<sup>14</sup>

<sup>10</sup> Current Charges are based upon D.23-04-004.

<sup>11</sup> See, Exhibit A, WP-6.

<sup>12</sup> D.22-08-023, Ordering Paragraph

<sup>13</sup> See, Exhibit A, WP-7.

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

Affordability Metrics – D.22-08-023

Hours at Minimum Wage (San Jose \$15)	HM <sub>15</sub>	3.12
Affordability Ratio (at essential usage levels)		
Great Oaks Water Monthly Bill	\$46.79	
AT&T Communications	\$81.26	
PG&E Electric	\$94.65	
PG&E Gas	\$74.92	
Total	\$297.62	
AR <sub>20</sub>		0.0045
AR <sub>50</sub>		0.0019

Effective Date

The effective date for the tariffs proposed and requested in this 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 is being 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 filing on Great Oaks’ website ([www.greatoakswater.com](http://www.greatoakswater.com)). The notice being published is attached as Exhibit B hereto. 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 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, 3<sup>rd</sup> 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, Public Advocates Office  
Syreeta Gibbs, Public Advocates Office





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, 2<sup>nd</sup> 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\*  
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505 Van Ness Avenue  
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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.	\$ 3.9819	(I)
<u>Service Charge:</u>		
For 5/8x3/4-inch meter	\$ 17.60	(I)
For 3/4-inch meter	26.40	(I)
For 1-inch meter	43.99	(I)
For 1 1/2-inch meter	87.99	(I)
For 2-inch meter	140.78	(I)
For 3-inch meter	263.96	(I)
For 4-inch meter	439.93	(I)
For 6-inch meter	879.85	(I)
For 8-inch meter	1,407.76	(I)
For 10-inch meter	2,023.66	(I)
For 12-inch meter	2,903.51	(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

Timothy S. Guster

Date Filed \_\_\_\_\_

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

NAME  
General Counsel  
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.	\$ 2.8311	(I)
For total bi-monthly usage above 12 to 20 Ccf.	4.8858	(I)
For total bi-monthly usage over 20 Ccf.	5.8016	(I)
Service Charge (Conservation Rates):		
For 5/8x3/4-inch meter	\$ 17.60	(I)
For 3/4x3/4-inch meter	26.40	(I)
For 1-inch meter	43.99	(I)
For 1 1/2-inch meter	87.99	(I)
For 2-inch meter	140.78	(I)
For 3-inch meter	263.96	(I)
For 4-inch meter	439.93	(I)
For 6-inch meter	879.85	(I)
For 8-inch meter	1,407.76	(I)
For 10-inch meter	2,023.66	(I)
For 12-inch meter	2,903.51	(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)

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Advice Letter No. 315-W

Timothy S. Guster

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

NAME  
General Counsel  
TITLE

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 \$0.1372 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

Timothy S. Guster

Date Filed \_\_\_\_\_

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

General Counsel  
TITLE

Effective \_\_\_\_\_

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.	\$ 3.9819	(I)
Service Charge:		
For 2-inch meter	\$ 140.78	(I)
For 3-inch meter	263.96	(I)
For 4-inch meter	439.93	(I)
For 6-inch meter	879.85	(I)
For 8-inch meter	1,407.76	(I)
For 10-inch meter	2,023.66	(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

Timothy S. Guster

Date Filed \_\_\_\_\_

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

General Counsel

Effective \_\_\_\_\_

NAME

TITLE

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 \$0.1372 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 \$2.8941 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.)

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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. \$ 3.9819 (I)

Service Charge:

	Per Meter	
	<u>Per Month</u>	
For 2-inch meter	\$ 140.78	(I)
For 3-inch meter	263.96	(I)
For 4-inch meter	439.93	(I)
For 6-inch meter	879.85	(I)
For 8-inch meter	1,407.76	(I)
For 10-inch meter	2,023.66	(I)
For 12-inch meter	2,903.51	(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

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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<b>Rate Schedules:</b>		
Schedule No. 1, General Metered Service	1021-W, 1022-W, 1023-W	(C)
Schedule No. 3M, Irrigation Service	1024-W, 1025-W	(C)
Schedule No. 4, Private Fire Protection Service	1019-W	
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No. 18 Meter Tests and Adjustment of Bills for Meter Error	43-45-W	
No. 19 Service to Separate Premises and Multiple Units, Resale of Water	279-W, 854-W	
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No. 21 Fire Protection	537-W	
No. 22 Low Income Customer Assistance Program	490-W	

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 315-W

Timothy S. Guster

Date Filed \_\_\_\_\_

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

VP & General Counsel

Effective \_\_\_\_\_

TITLE



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

**Exhibit A Workpapers**

Great Oaks Water Company  
AL 315-W

<b>Pro Forma Earnings - Test Year 2022/2023</b>						
Item	<b>ADOPTED</b>	<b>RECORDED</b>	<b>PRO FORMA</b>	SOURCE	<b>Requested</b>	Esc %
	<b>TY2022/2023</b>	<b>2022 Annual</b>	<b>EARNINGS</b>		<b>Attrition Yr</b>	
	<b>D.23-04-004</b>	<b>Report</b>	<b>2022/2023</b>		<b>2023/2024</b>	
<b>Operating Revenues</b>						
Metered Water Service Revenues	22,061,084	23,146,390	22,571,820	WP-2	22,856,634	
Fire Protection Revenues	194,877	176,651	147,549	WP-2	147,549	
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)	<u>22,255,961</u>	<u>23,336,656</u>	<u>22,719,369</u>	WP-2	<u>23,004,183</u>	
<b>Operating Expenses</b>						
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	11,729,062	WP-3	11,729,062	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	902,627	WP-3	902,627	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	43,712	WP-2	43,712	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	454,387	Calc. @ 2%	454,387	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, 801	\$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	
<b>Total O&amp;M and A&amp;G Expenses</b>	<u>\$18,105,016</u>	<u>18,815,790</u>	<u>18,962,411</u>		<u>18,962,411</u>	
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	107,315	WP-4	132,492	
Current Fed Income Tax	\$366,113	925,187	232,397	WP-4	286,920	
Deferred Tax Expense	\$257,322	304,952	257,322	D.23-04-004	257,322	
Total Depreciation and Taxes	<u>\$2,716,860</u>	<u>3,593,310</u>	<u>2,543,225</u>	Calculation	<u>2,622,926</u>	
<b>Total Operating Expenses</b>	<u>20,821,876</u>	<u>22,409,100</u>	<u>21,505,636</u>	Calculation	<u>21,585,337</u>	
Net Operating Revenue	1,434,081	927,556	1,213,733	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%	6.97%		8.15%	
Adopted Rate of Return, Percent	8.15%	8.15%	8.15%		8.15%	
Escalation Rates - 4/2023 CPI-U - 3/2023	Labor	Non-Labor	Comp Per Hour	CPI-U		
	8.0%	-2.0%	4.5%	5.0%		

Great Oaks Water Company  
Advice Letter 315-W

**Calculation of Pro Forma Revenues**

<b>General Metered Service</b>	Recorded 12-Month Weighted Average Customers	Present Rates Service Charge	Pro Forma Revenue
Meter Size			
5/8 x 3/4	5,645	\$14.91	\$1,010,003
3/4	13,815	\$22.36	\$3,706,841
1	987	\$37.26	\$441,307
1 1/2	359	\$74.53	\$321,075
2	482	\$119.25	\$689,742
3	66	\$223.59	\$177,083
4	49	\$372.65	\$219,118
6	12	\$745.29	\$107,322
8	8	\$1,192.47	\$114,477
10	3	\$1,714.17	\$61,710
12	0	\$2,459.46	\$0
<b>Total</b>	<b>21,426</b>		<b>\$6,848,679</b>

  

	Adopted Avg. Usage	Weighted Avg. Customers	Proforma Usage CCF	Quantity	
SFR	103.2	19,993	2,062,678	\$3.9819	\$8,213,380
MFR	1,358.2	637	865,186	\$3.9819	\$3,445,086
Business	1,101.2	303	333,673	\$3.9819	\$1,328,652
<b>Total Commercial</b>		<b>20,933</b>	<b>3,261,537</b>		<b>\$12,987,118</b>

  

	Recorded Sales		Pro Forma Sales		
Industrial	1,662.3	56	93,089	\$3.9819	\$370,671
Pub. Auth.	971.9	147	142,868	\$3.9819	\$568,886
Schools	3,599.3	45	161,970	\$3.9819	\$644,949
Priv. Ldscpe.	1,023.5	236	241,541	\$3.9819	\$961,792
Agriculture	1,081.0	9	9,729	\$1.0878	\$10,583
<b>Total Other</b>		<b>493</b>	<b>639,468</b>		<b>\$2,556,882</b>

\* 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	\$22,392,679
Plus CPUC Surcharge (pro-rata rate)	0.80% \$179,141.43
<b>Total General Metered Service Revenues, plus CPUC Surcharge</b>	<b>\$22,571,820</b>

<b>Private Fire Protection Service</b>	Recorded 12-Month Weighted Average Customers	Service Charge	Pro Forma Revenue
Meter Size			
2	5	\$18.23	\$1,094
4	22	\$29.73	\$7,849
6	101	\$44.73	\$54,213
8	76	\$60.09	\$54,802
10	27	\$76.71	\$24,854
12	3	\$99.08	\$3,567
<b>Total Private Fire Protection Service Revenues</b>	<b>234</b>		<b>\$146,378</b>
Plus CPUC Surcharge		0.80%	\$1,171
<b>Total Private Fire Protection Service Revenues, plus CPUC Surcharge</b>			<b>\$147,549</b>

Total Base Rate Water Service Revenues, excluding CPUC Surcharges	\$22,539,057
Plus CPUC Surcharges	\$180,312
<b>Total Base Rate Water Service Revenues, including CPUC Surcharges</b>	<b>\$22,719,369</b>
Uncollectibles	0.19% \$43,712

Great Oaks Water Company  
Advice Letter 315-W

Groundwater Charges at Current Rates 2022/2023				
Pro Forma Water Sales, ccf				
General Metered Service		3,901,004.6		
Unaccounted For Water	7.2%	280,872.3	D.23-04-004	
Water Production, ccf		4,181,877.0		
Water Production, AF		9,600.3	Adopted	GW Charge
			GW Charge	Expense
Zone W-2, AF	56%	5,376.2	\$1,724.00	\$9,268,507
Zone W-7, AF	44%	4,224.1	\$582.50	\$2,460,555
Totals		9,600.3		\$11,729,062

Purchased Power				
Total Pro Forma Water Production, AF				9,600.3
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				\$902,627

Recorded Metered Sales, CCF CY 2022	
Customer Class	CCE
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	9,729.0
	3,867,889.0

Great Oaks Water Company  
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<b>Calculation of Pro Forma Income Taxes</b>				
	Rate	Escalation %	Source	2022/2023 Pro Forma
<b>State Income Taxes</b>				
Water Service Revenues			WP-2	\$22,571,820
Fire Protection Revenues			WP-2	\$147,549
Other Water Revenues			WP-2	\$0
<b>Total Taxable Revenues, State</b>			Calculated	<b>\$22,719,369</b>
<b>Deductions</b>				
Operating Expenses			WP-1	\$18,962,411
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
<b>Total Deductions</b>			Calculated	<b>\$21,505,403</b>
<b>Taxable Income, CCFT</b>				<b>\$1,213,966</b>
CCFT Rate	8.84%			
<b>CCFT</b>				<b>\$107,315</b>
<b>Federal Income Taxes</b>				
Water Service Revenues				\$22,571,820
Fire Protection Revenues				\$147,549
Other Water Revenues				\$0
<b>Total Taxable Revenues, Federal</b>				<b>\$22,719,369</b>
<b>Deductions</b>				
Current State Income Taxes			WP-5	\$107,315
Operating Expenses			WP-1	\$18,962,411
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
<b>Total Deductions, Federal</b>				<b>\$21,612,717</b>
<b>Taxable Income, Federal</b>				<b>\$1,106,652</b>
FIT Rate	21%			
<b>Federal Income Tax</b>				<b>\$232,396.89</b>

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

Great Oaks Water Company  
Advice Letter 315-W

<b>Attrition Year 2023/2024 CAP Surcharge Calculation</b>						
	Meter Size	Monthly Charge	50% Discount	x 12 Months	D.23-04-004 No. of Participants	Totals
	5/8 inch	\$17.60	\$8.80	\$105.58	1150	\$121,419.40
	3/4 inch	\$26.40	\$13.20	\$158.37	2286	\$362,040.97
	1 inch	\$43.99	\$22.00	\$263.96	6	\$1,583.73
	1.5 inch	\$87.99	\$43.99	\$527.91	3	\$1,583.73
Total CAP Amount					3,445.0	\$486,627.83
					<u>CCF</u>	
CAP Sales					355,420.7	
NON-CAP Sales					3,545,584.0	
<b>Escalation Year CAP Surcharge</b>						<b>\$0.1372</b>

<b>Calculation of AL 315-W Agriculture Quantity Charge Credit</b>	
25% Fixed Costs AL 315-W	\$2,477,342.31
Variable Costs Excluding Groundwater Charge	\$1,365,751.56
Groundwater Charge at \$36.85/AF	\$353,770.80
Total Variable Costs for Agriculture Water	<u>\$1,719,522.36</u>
Total	<u>\$4,196,864.67</u>
Sales in CCFs, not including Agricultural Water	3,858,160.0
Quantity Charge per CCF	\$1.0878
Agriculture Quantity Charge Credit per CCF	\$2.8941

Great Oaks Water Company  
Advice Letter 315-W

**Requested Rates for Escalation Year 2023/2024**

WP-6

Customer Class	5/8" Equivalent	Normalized Sales CCF	Monthly Service Charges		
			Meter Size	Ratio	Monthly Serv. Chrg.
Single Family Res.	26,478	2,062,678			
Multi Family Res.	3,686	865,186			
Business	1,578	333,673	5/8"	1.0	\$17.60
Industrial	461	93,089	3/4"	1.5	\$26.40
Public Authority	1,310	142,868	1"	2.5	\$43.99
Schools	670	161,970	1.5"	5.0	\$87.99
Private Landscape	236	241,541	2"	8.0	\$140.78
Agriculture	79	9,729			
<b>Total</b>	<b>34,497</b>	<b>3,910,734</b>	3"	15.0	\$263.96

Service Charge Calculation			Meter Size	Ratio	Monthly Serv. Chrg.
Fixed Costs		\$9,909,369.23	4"	25.0	\$439.93
3/4 Fixed Costs		\$7,432,026.92	6"	50.0	\$879.85
Minus Private Fire Protection Revenue		-\$147,549.31	8"	80.0	\$1,407.76
<b>Total Service Charge Revenue</b>		<b>\$7,284,477.61</b>	10"	115.0	\$2,023.66
Service Charge Per Year		\$211.16	12"	165.0	\$2,903.51
Service Charge Per Month		\$17.60	14"	225.0	\$3,959.33

Uniform Quantity Charge Calculation	
Variable Cost	\$13,094,813.71
1/4 Fixed Cost	\$2,477,342.31
Minus Other Water Revenues	\$0.00
<b>Total Quantity Charges</b>	<b>\$15,572,156.02</b>
Charge per CCF	\$3.9819

Conservation Rates Calculation			
Uniform Quantity Charge			\$3.9819
Tier	CCF Range	D.23-04-004 Factor	Tiered Rates
Tier 1	0 - 12	0.7110	\$2.8311
Tier 2	13 - 20	1.2270	\$4.8858
Tier 3	> 20	1.4570	\$5.8016

Great Oaks Water Company  
Advice Letter 315-W

<b>Calculation of Escalation Year 2023/2024 Income Taxes</b>				
	Rate	Escalation %	Source	Escalation Year 2023/2024
<b>State Income Taxes</b>				
Water Service Revenues			WP-1	\$22,856,634
Fire Protection Revenues			WP-1	\$147,549
Other Water Revenues			WP-1	\$0
<b>Total Taxable Revenues, State</b>			Calculated	<b>\$23,004,183</b>
<b>Deductions</b>				
Operating Expenses			WP-1	\$18,962,411
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
<b>Total Deductions</b>			Calculated	<b>\$21,505,403</b>
<b>Taxable Income, CCFT</b>				<b>\$1,498,780</b>
CCFT Rate	8.84%			
<b>CCFT</b>				<b>\$132,492</b>
<b>Federal Income Taxes</b>				
Water Service Revenues			WP-1	\$22,856,634
Fire Protection Revenues			WP-1	\$147,549
Other Water Revenues			WP-1	\$0
<b>Total Taxable Revenues, Federal</b>			Calculated	<b>\$23,004,183</b>
<b>Deductions</b>				
Current State Income Taxes			WP-7	\$132,492
Operating Expenses			WP-1	\$18,962,411
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
<b>Total Deductions, Federal</b>			Calculated	<b>\$21,637,895</b>
<b>Taxable Income, Federal</b>			Calculated	<b>\$1,366,288</b>
FIT Rate	21%			
<b>Federal Income Tax</b>			Calculated	<b>\$286,920</b>
<b>Calculation of Interest Expense</b>				
	Percent of	Interest		Interest
	Capital	Rate	Rate Base	Expense
Debt Financing	30.00%	6.50%	\$17,409,153	\$339,478



Great Oaks Water Company  
Advice Letter 315-W

**Bill Comparison**

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	\$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	\$43.97
CAP Surcharge	\$0.1152	20	\$2.30	LICAP Surcharge	\$0.1372	20	\$3.02
Subtotal			\$118.16	Subtotal			\$133.76
CPUC Fee	0.80%		\$0.95	CPUC Fee	0.80%		\$1.07
Subtotal			\$119.10	Subtotal			\$134.83
SJ Utility Tax	5.00%		\$5.96	SJ Utility Tax	5.00%		\$6.74
<b>Total</b>			<b>\$125.06</b>	<b>Total</b>			<b>\$141.57</b>

Increase	\$16.51
% Increase	13.20%

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	\$26.40	2	\$52.79
Quantity Charges	\$3.8867	20	\$77.73	Quantity Charges	\$3.9819	20	\$79.64
LICAP Surcharge	\$0.1152	20	\$2.30	LICAP Surcharge	\$0.1372	20	\$3.02
Subtotal			\$124.58	Subtotal			\$135.45
CPUC Fee	0.80%		\$1.00	CPUC Fee	0.80%		\$1.08
Subtotal			\$125.57	Subtotal			\$136.53
SJ Utility Tax	5.00%		\$6.28	SJ Utility Tax	5.00%		\$6.83
<b>Total</b>			<b>\$131.85</b>	<b>Total</b>			<b>\$143.36</b>

Increase	\$11.51
% Increase	8.73%

\*Comparisons do not include temporary surcharges

**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 \$22,255,961 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**

Bill Comparison							
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	\$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	\$43.97
CAP Surcharge	\$0.1152	20	\$2.30	LICAP Surcharge	\$0.1372	20	\$3.02
Subtotal			\$118.16	Subtotal			\$133.76
CPUC Fee	0.80%		\$0.95	CPUC Fee	0.80%		\$1.07
Subtotal			\$119.10	Subtotal			\$134.83
SJ Utility Tax	5.00%		\$5.96	SJ Utility Tax	5.00%		\$6.74
Total			\$125.06	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).

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 Letters are filed. The Advice Letter process does not provide for any Protests, Responses or other comments, except for a reply by Great Oaks Water Company, after the 20-day comment period expires. The address for mailing or delivering a Protest or Response is:

Tariff Unit, Water Division, 3<sup>rd</sup> 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.