



# GREAT OAKS WATER COMPANY

P.O. Box 23490  
San Jose, CA 95153  
(408) 227-9540  
[jliem@greatoakswater.com](mailto:jliem@greatoakswater.com)

June 5, 2024

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

Re: Advice Letter 326-W - Great Oaks Water Company (U-162-W) Request to Apply Excess Usage Surcharge Balances to the Amortization of Under-Collections in Balancing and Memorandum Accounts

In accordance with Standard Practice U-27-W, Great Oaks Water Company (Great Oaks) submits this Tier 3 advice letter requesting issuance of a Resolution by the California Public Utilities Commission granting authority to implement a surcredit for the remaining balance of Excess Usage Surcharge and Conservation Expense Memorandum Account (EUSCEMA) after amortizing the combined balance of \$2,680,626.18 balancing, \$897,480.57 memorandum, and \$144,013.15 recovery accounts. The surcredit will be funded by EUSCEMA, as authorized by Resolution W-5267, Ordering Paragraph 2. The following tariff sheets implementing this surcredits are attached to this advice letter:

CPUC Sheet Number	Title	Canceling
1074-W	Schedule No. 1 GENERAL METERED SERVICE SPECIAL CONDITIONS	1069-W
1075-W	Schedule No 3M IRRIGATION SERVICE SPECIAL CONDITIONS	1071-W
1076-W	TABLE OF CONTENTS	1073-W

Summary

This is an advice letter to amortize certain balancing, memorandum and recovery accounts using the balance of excess usage surcharges in Great Oaks’ EUSCEMA. The balance of Great Oaks’ EUSCEMA account as of May 31, 2024, is \$7,706,510.40. In January 2024, Great Oaks applied \$209,053 from the EUSCEMA balance account to offset the under collections balance in its Conservation Lost Revenue Memorandum Account (CLRMA) as ordered in ordering paragraph no. 1 in resolution W-5267. The EUSCEMA account continued to accrue interest since Advice Letter 318-W was served, for which the total amount of additional interest is \$444,457.31. The accounts being amortized, and the balance in each account, are shown in the table below. The workpapers attached as Exhibit A<sup>1</sup> include account details.

Account	Commission Authority	Amount (under)/over collection
Purchased Power Balancing Account	Public Utilities Code §792.5	(\$891,512.40)
Groundwater Charges (Pump Tax), Other than Agriculture Balancing Account	Public Util. Code §792.5	(\$247,560.85)
Groundwater Charges (Pump Tax), Agriculture Balancing Account	Public Util. Code §792.5	\$5.10
Pension Expense Balancing Account (PEBA)	D.16-05-041	(\$1,200,457.71)
Customer Assistance Program Surcharge Balancing Account	D.19-09-010; D.23-04-004	(\$290,532.28)
Drinking Water Fees Balancing Account (DWFBA)	Advice Letter 321-W	(\$50,568.04)
<b>BALANCING ACCOUNT</b>	Subtotal	(\$2,680,626.18)
Monterey-Style Water Revenue Adjustment Mechanism (MWRAM)	D.13-05-020;D.13-05-027	(\$1,420,186.77)
Credit Card Pilot Program Memorandum Account	D.19-09-010;D23-04-004	(\$147,212.91)
2021 GRC Interim Rates Memorandum Account	Advice Letter 308-W	\$711,075.36
Supplier Diversity Program Expense Memorandum Account	Advice Letter 259-W	(\$41,156.25)
<b>MEMO ACCOUNT</b>	Subtotal	(\$897,480.57)
Recovery Account AL 281	Advice Letter 281-W	\$26,227.05

<sup>1</sup> Exhibit A is available on request to [jliem@greatoakswater.com](mailto:jliem@greatoakswater.com).

Recovery Account AL 287	Advice Letter 287-W-A	\$51,337.82
Recovery Account AL 290	Advice Letter 290-W	(\$36,585.28)
Recovery Account AL 293	Advice Letter 293-W	(\$10,379.32)
Recovery Account AL 294	Advice Letter 294-W	(\$21,439.34)
Recovery Account AL 298	Advice Letter 298-W	(\$43,154.03)
Recovery Account AL 305	Advice Letter 305-W	(\$110,020.05)
RECOVERY ACCOUNT	Subtotal	(\$144,013.15)
Grand Total		(\$3,722,119.90)

The accounts listed in the table above are described more fully in the following paragraphs.

1. Purchased Power Balancing Account. This account tracks increasing recorded power costs using a calculated composite rate based on four different electric rate schedules with various seasonal, times of day, and surcharge rates, all as authorized under Public Utilities code §792.5. The balance of this account was last recovered through a surcharge in May 2020 through Advice Letter 287-W-A. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. A corrective Action Plan addressing the findings and recommendations was submitted on June 29, 2022. See exhibit A Workpapers, page 1.

2. Groundwater Charges Other Than Agricultural Irrigation Balancing Account. This account tracks costs related to groundwater charges other than agricultural irrigation, as authorized under Public Utilities Code §792.5. The balance of this account was last recovered through a surcharge in May 2020 through Advice Letter 287-W-A. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. A corrective Action Plan addressing the findings and recommendations was submitted on June 29, 2022. See exhibit A Workpapers, page 2.

3. Groundwater Charges, Agricultural Irrigation Balancing Account. This account tracks costs related to agricultural irrigation, as authorized under Public Utilities Code §792.5. The balance of this account was last recovered through a surcharge in May 2020 through Advice Letter 287-W-A. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. A corrective Action Plan addressing the findings and recommendations was submitted on June 29, 2022. See exhibit A Workpapers, page 3.

4. Pension Expense Balancing Account. This account tracks the difference between Authorized Plan Expense and the Net Periodic Benefit Cost pension expenses for the Defined Benefit Plan and Trust. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. A corrective Action Plan addressing the findings and recommendations was submitted on June 29, 2022. See exhibit A Workpapers, page 4.

5. Customer Assistance Program Surcharge Balancing Account. The purpose of the Customer Assistance Program (CAP) Surcharge Balancing Account is to track the differences

between the recorded CAP surcharge revenues received and the utility's recorded CAP costs and expenses. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. See exhibit A Workpapers, page 5.

6. Drinking Water Fees Balancing Account. The purpose of the Drinking Water Fees Balancing Account is to track the difference between all actual drinking water fees charged by the State Water Resources Control Board based upon its revised fee schedule adopted on September 22, 20021 and the drinking water fees authorized in Great Oaks Water utility rates. See exhibit A Workpapers, page 6.

7. Monterey-Style Water Revenue Adjustment Mechanism Account. The purpose of this account is to track quantity rate revenues collected under Schedule No. 1 General Metered Service Tiered Rates against revenue that would have been collected under uniform quantity rates. This balancing account was audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. See exhibit A Workpapers, page 7

8. Credit Card Pilot Program Memorandum Account. The purpose of this account is to track and record for recovery or refund, costs incurred by the Utility to establish, maintain, and operate the Credit Card Pilot Program authorized by the Commission. See exhibit A Workpapers, page 8.

9. 2021 GRC Interim Rates Memorandum Account. This account will track revenue differential between interim rates and final rates, subject to refund, adopted in the Utility's 2021 General Rate Case, Application 21-07-001. The interim rates began on July 1, 2022. See exhibit A Workpapers, page 9.

10. Supplier Diversity Program Expense Memorandum Account. The purpose of the Supplier Diversity Program Expense Memorandum Account is for the utility to track and recover incremental expenses incurred by the Utility to comply with the CPUC Supplier Diversity Program and PUC Section 8283 that are not already reflected in authorized rates. See exhibit A Workpapers, page 10.

11. Various recovery accounts. These accounts track the recovery of under and over collection through surcharges and surcredits from various Advice Letters. The remaining balance that didn't get recovered continues to accrue interest until the end of May 2024. These multiple and various recovery accounts were audited by the Utility Audits Branch (UAB) of the CPUC for the period of January 1, 2020, through December 31, 2020. See exhibit A Workpapers, page 11-17.

Great Oaks has applied the balance of excess usage surcharges to the account balances, as authorized in Resolution W-5267 and D.23-04-004, to reduce the under-collections in those accounts prior to amortization through this advice letter. The total balance as shown in the table above is \$3,722,119.90.

Authority for Requested Surcharge and Surcredit

This advice letter is authorized by Resolution W-5267 and D.23-04-004. Because there is an over-collection balance in the EUSCEMA after it was applied to the above-listed accounts, a surcredit is necessary. Great Oaks is required to submit this advice letter to amortize the balances in the above-listed accounts using the balance of the EUSCEMA before June 30, 2024; this advice letter is therefore timely submitted.

Great Oaks proposes to issue the surcredits over the course of six billing cycles for each customer. This is the same refund methodology approved by the Commission when Great Oaks refunded combined over-collection of balancing and memorandum accounts through Advice Letters 259-W and 287-W-A.

If this advice letter is approved without delay, all customers will receive the full amount of their refunds during a period of time when interest rates and the cost of living are increasing.

Calculation of Requested Surcredits

At the end of calendar year 2023, Great Oaks had a total of 21,418 active customers in all classes. As the over-collection is to be refunded to all customer classes, the following calculations show the total amounts to be refunded to each customer and the amounts to be refunded during each of the six billing cycles:

Total Over-Collection in EUSCEMA as of 05/31/2024	7,706,510.40
Minus: Balancing and Memo Accounts to be amortized	(\$3,722,119.90)
Over-Collection balance to be refunded	3,984,390.50
Total Customers 12/31/2023	21,418
Total Refund Per Customer	\$186.03
Amount of Refund Per Billing Cycle	\$31.00

Request to Refund Over-Collection

This advice letter requests authorization to refund \$3,984,390.50 to Great Oaks' customers by crediting each customer's service charge a total of \$186.03 over six (6) billing cycles, with credits of \$31.00 per billing cycle. Great Oaks will not provide credits to new customers (customers establishing accounts after December 31, 2023), as the balances in the various balancing and memorandum accounts were not collected from such customers.

Bill Impact

The \$3,984,390.50 over-collection balance being amortized represents 17.9% of Great Oaks' authorized test year revenues of \$22,255,961. For the average single-family customer with a 5/8"x3/4" meter using 10 ccf of water per month, the service charge credit requested in this advice letter will reduce the customer's bill by \$32.78 (24.71%) as shown in the table below. All customers added before December 31, 2023 will receive a total service charge credit of \$186.03, with the total credit split over six (6) bills, as discussed above. The bill comparison below includes a credit of \$31.00.

**Bill Comparison Before and After Advice Letter 326-W Credit**

At Current Rates				At AL 325-W Rates Effective July 1, 2024			At AL 326-W Rates		
Item	Amount	Units	Total	Amount	Units	Total	Amount	Units	Total
Service Charge	\$15.82	2	\$31.64	\$15.42	2	\$30.84	\$15.42	2	\$30.84
Tier 1	\$3.1313	12	\$37.58	\$3.5605	12	\$42.73	\$3.5605	12	\$42.73
Tier 2	\$5.4039	8	\$43.23	\$6.1445	8	\$49.16	\$6.1445	8	\$49.16
CAP Surcharge	\$0.1219	20	\$2.44	\$0.1372	20	\$2.74	\$0.1372	20	\$2.74
AL 326-W Credit			\$0.00			\$0.00			-\$31.00
Subtotal			\$114.88			\$125.47			\$94.47
CPUC Fee	0.70%		\$0.80	0.70%		\$0.88	0.70%		\$0.66
Subtotal			\$115.69			\$126.35			\$95.13
SJ Utility Tax	5.00%		\$5.78	5.00%		\$6.32	5.00%		\$4.76
Total			\$121.47			\$132.66			\$99.88
				Increase		\$11.19		Increase	-\$32.78
				Percentage		9.21%		Percentage	-24.71%

Tier Designation

In accordance with Standard Practice U-27-W and General Order 96-B, this is a Tier 3 advice letter seeking the amortization of balancing-type accounts, as well as the amortization of authorized memorandum accounts (memorandum account offset).

Requested Effective Date

Great Oaks requests that the effective date of the tariff sheets be July 1, 2024. This allows both the opportunity for review and gives Great Oaks the time to properly program its computer billing system to accommodate the service charge credits.

Notice

Since Great Oaks will be issuing surcredits and there will be no rate increases, Great Oaks will not publish Public Notice for this advice letter.

Response or Protest

Anyone may respond to or protest this advice letter. A response does not oppose the filing but presents information that may prove 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 the specific grounds on which it is based. These grounds may include the following:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- (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:

Juan Liem  
Great Oaks Water Company  
PO Box 23490  
San Jose, CA, 95153  
408-227-9540  
Email: jliem@greatoakswater.com.

With a copy to:

Megan Somogyi  
Downey Brand LLP  
455 Market Street, Suite 1500  
San Francisco, CA, 94105  
415-848-4800  
Email: msomogyi@downeybrand.com.

Sincerely,

*/s/ Juan Liem*

Juan Liem  
Chief Financial Officer  
Great Oaks Water Company

cc: GO 96-B Service List  
Richard Rauschmeier



**EXHIBIT A**

**Workpapers**

**(available on request)**

## VERIFICATION

I am an officer of Great Oaks Water Company and am authorized to make this verification on its behalf. The statements in the foregoing document, Great Oaks Water Company's Advice Letter 326-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 June 5, 2024, at Dallas, Texas.

/s/ Juan Liem  
Chief Financial Officer

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of Great Oaks Water Company's Advice Letter 326-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid or by email to those marked with an (e).

Executed on June 5, 2024, at San Francisco, California.

/s/ Wendy Cordero

### 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

Safe Drinking Water Office  
Department of Water Resources  
1416 9<sup>th</sup> Street, Room 804  
Sacramento, CA 95814

Office of Regulatory Affairs (e)  
California Water Service Company  
1720 North First Street  
San Jose, CA 95112

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

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

Richard Rauschmeier (e)  
Public Advocates Office  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Syreeta Gibbs (e)  
Public Advocates Office  
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

Regulatory Affairs (e)  
San Jose Water Company  
110 West Taylor Street  
San Jose, CA 95156

Exhibits are available upon request to [jliem@greatoakswater.com](mailto:jliem@greatoakswater.com)  
(e) Sent via email

Great Oaks Water Company  
Advice Letter 326-W

Proposed Tariff Sheets

Schedule No. 1  
GENERAL METERED SERVICE  
(Continued)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. To provide ongoing funding for the Utility's 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, 2024.
3. To refund a net over-collection in authorized balancing and memorandum accounts, a credit in the total amount of \$186.03 will be applied to the service charge portion of each customer's bill over a period of six billing cycles. The amount of the credit per billing cycle will be \$31.00. Only customers with accounts established by December 31, 2023 will receive the credit against the service charge.

(N)  
|  
(N)

(To be inserted by utility)

Issued by

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

Advice Letter No. 326-W

Juan Liem

Date Filed 06/05/2024

Decision No. \_\_\_\_\_

Treasurer and Secretary

Effective 07/01/2024

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, 2024.
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 \$3.7652 per 100 cu.ft. used during the period covered by that bill on and after July 1, 2024.
6. To refund a net over-collection in authorized balancing and memorandum accounts, a credit in the total amount of \$186.03 will be applied to the service charge portion of each customer's bill over a period of six billing cycles. The amount of the credit per billing cycle will be \$31.00. Only customers with accounts established by December 31, 2023 will receive the credit against the service charge.

(N)  
|  
(N)

(To be inserted by utility)

*Issued by*

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

Advice Letter No. 325-W

Juan Liem  
NAME

Date Filed 06/05/2024

Decision No. \_\_\_\_\_

Treasurer and Secretary  
TITLE

Effective 07/01/2024

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. 326-W

Juan Liem

Date Filed 6/05/2024

Decision No. \_\_\_\_\_

Treasurer and Secretary

Effective 07/01/2024

NAME  
 TITLE