



GREAT OAKS WATER COMPANY

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January 7, 2025

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

**Advice Letter 328-W
Great Oaks Water Company (U-162-W)
To the California Public Utilities Commission**

Great Oaks Water Company (Great Oaks) submits this Tier 1 advice letter filing implementing the new cost of capital and new rates as authorized by California Public Utilities Commission (Commission) Decision (D.) 24-12-007, effective on the date of the filing of this Advice Letter, January 7, 2025. Tariff sheets reflecting the changes in rates and cost of capital transmitted with this Advice Letter will be applicable throughout Great Oaks' entire service area and are listed in the following table.

Sheet Number	Title of Tariff Sheet	Canceling Sheet No.
1079-W	Preliminary Statement	876-W
1080-W	Schedule No. 1 General Metered Service	1067-W
1081-W	Schedule No. 1 General Metered Service Tiered Rates	1068-W

1082-W	Schedule No. 1 General Metered Service Special Conditions	1074-W
1083-W	Schedule No. 3M Irrigation Service	1070-W
1084-W	Schedule No. 3M Irrigation Service Special Conditions	1075-W
1085-W	Schedule No. 6 Contract Resale	1072-W
1086-W	Table of Contents	1078-W

Summary of Advice Letter 328-W

Commission Authorization for Advice Letter 328-W

On December 12, 2024, the Commission issued D.24-12-007 adopting base year 2024 cost of capital, ratemaking capital structures, returns on equity, costs of long-term debt and overall rates of return of the three-year period commencing in 2024 for Great Oaks Water Company. D.24-12-007 established the authorized overall rate of return on rate base for calendar years 2024, 2025, and 2026 for Great Oaks at 8.10%. In addition, D.24-12-007 authorized:

- Return on Equity: 8.78%;
- Capital Structure: Imputed 30% debt, 70% equity;
- Cost of Imputed Debt: 6.50%;
- Continuation of Water Cost of Capital Mechanism (WCCM), but with a 100-basis point upward and downward deadband and a new benchmark period of May 1, 2023, to April 30, 2024, with Effective Date, if WCCM triggers on July 1, 2025.

This Advice Letter 328-W seeks authorization to implement tariffs in accordance with D.24-12-007, effective the date of the filing, which is January 7, 2025. This Tier 1 advice letter filing is in compliance with D.24-12-007 and General Order 96-B.

Proposed Tariffs

Proposed Tariff Sheet 1079-W (replacing existing Tariff Sheet 876-W) includes the new terms and conditions of the Water Cost of Capital Mechanism authorized by D.24-12-007.

Proposed Tariff Sheets 1080-W, 1081-W, 1083-W, and 1085-W provide the new rates for the Uniformed Quantity Standard Rates of \$5.0054, a reduction of \$0.0007, or 0.01% and General Metered Service for 5/8x3/4-inch meter of \$15.40, a reduction of \$0.02, or 0.1% as authorized by D.24-12-007.

Proposed Tariff Sheets 1082-W and 1084-W provide a new Customer Assistance Program surcharge of \$0.1370, a reduction of \$0.0002, or 0.1%. Proposed Tariff Sheet 1086-W provides an updated Table of Contents.

Advice Letter 328-W workpapers showing the calculations supporting the reduction in revenue requirements and in rates and the new rates table have been provided to the Water Division with the submission of this Advice Letter today.

Effects on Average Customer Bills

The effect of the revised cost of capital on the bill of an average single family residential customer with a 3/4" x 3/4" meter using 10 CCF of water per month is a reduction of \$.07 or -0.05% from \$133.85 to \$133.78 per bimonthly bill.

Additional Information

No Effect on Water Service

This filing has no effect on water service being provided to ratepayers.

Tier Designation

Pursuant to D.24-12-007, General Order 96-B, and Water Industry Rule 7.3.1, this is a Tier 1 advice letter implementing rate changes to reflect the change in the cost of capital adopted in D.24-12-007.

Requested Effective Date

Pursuant to D.24-12-007, the rates and return on rate base shall be effective on the date of the filing, which is January 7, 2025.

Notice

No additional notice is required for this compliance filing pursuant to General Order 96-B, Water Industry Rule 3.2. This Advice Letter is being served upon the Distribution List provided below and being posted on Great Oaks' website, www.greatoakswater.com.

Response or Protest

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:

Juan Liem
Great Oaks Water Co.
PO Box 23490
San Jose, CA 95153
Telephone: (408) 227-9540
Facsimile: (408) 227-7126
Email: jliem@greatoakswater.com

Great Oaks Water Company

/s/
Juan Liem
Chief Financial Officer

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 328-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 January 7, 2025 at Dallas, Texas.

/s/
Juan Liem

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of Great Oaks Water Co.'s Advice Letter 328-W on the parties listed on the following Distribution List by mailing a properly addressed copy by first class mail with postage prepaid and via e-mail. Any person on the Distribution List not receiving exhibits may request copies by contacting the undersigned directly.

Executed on January 7, 2025 at Dallas, Texas.

/s/
Juan Liem

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 9th Street, Room 804
Sacramento, CA 95814

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

Santa Clara Valley Water District (e)
5750 Almaden Expressway
San Jose, CA 95118
(via email: cnarayanan@valleywater.org
and dtaylor@valleywater.org)

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

Richard Rauschmeier (e)
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
(via email:
Richard.rauschmeier@cpuc.ca.gov)

Syreeta Gibbs (e)
Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
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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
(via email:
regulatoryaffaris@sjwater.com)

(e) Sent via email

PRELIMINARY STATEMENT
(Continued)

K. Water Cost of Capital Adjustment Mechanism (WCCAM)

1. Purpose: The purpose of the Water Cost of Capital Adjustment Mechanism is to provide an automatic adjustment, up or down, to the utility's adopted return on equity (and therefore its overall rate of return on rate base) for the years 2025-2026 and 2026-2027 only if there is a difference of more than 100 basis points above or 100 basis points below the average of the Moody's Baa bond rating from the Benchmark Period from May 1, 2023 to April 30, 2024. The initial Measurement Period is May 1, 2024 To April 30, 2025. (C)

2. Applicability: The Water Cost of Capital Adjustment Mechanism does not have a rate component and is applicable to all customers.

3. The utility shall maintain the Water Cost of Capital Adjustment Mechanism as follows:

a. The utility's initial benchmark is equal to the average of Moody's Baa bonds for the period from May 1, 2023 to April 30, 2024. (C)

b. If Moody's Baa bond rating for the initial measurement period from May 1, 2024 to April 30, 2025 is either 100 basis points above or 100 basis points below the initial benchmark, then the utility's return on equity for the year of July 1, 2025 to June 30, 2026 shall be adjusted by one-half the difference between the rates in initial benchmark and the May 1, 2024 to April 30, 2025 period.

c. If the utility's return on equity is adjusted based upon subsection b., above, then the average of Moody's Baa bond rates for the period from May 1, 2024 to April 30, 2025 shall become the new benchmark for this Water Cost of Capital Adjustment Mechanism.

d. If the Moody's Baa rating for the period from May 1, 2025 to April 30, 2026 is either 100 basis points above or 100 basis points below the applicable benchmark, then the utility's return on equity for the year of July 1, 2026 to June 30, 2027 shall be adjusted by one-half the difference in rates between the applicable Benchmark and the May 1, 2025 to April 30, 2026 period.

e. If an adjustment is required based upon the terms of this Water Cost of Capital Adjustment Mechanism, the utility shall file by May 15th of the applicable year a Tier 2 advice letter with supporting Workpapers to make such adjustment, with the adjustment to be effective by July 1st of the applicable year. (C)

(To be inserted by utility)
Advice Letter No. 328-W

Issued by
Juan Liem
NAME
Treasurer and Secretary
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed 01/07/2025

Decision No. D.24-12-007

Effective 01/07/2025

Resolution No. _____

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.	\$ 5.0054	(R)
<u>Service Charge:</u>		
For 5/8x3/4-inch meter	\$ 15.40	(R)
For 3/4-inch meter	23.10	(R)
For 1-inch meter	38.50	(R)
For 1 1/2-inch meter	77.00	(R)
For 2-inch meter	123.19	(R)
For 3-inch meter	230.99	(R)
For 4-inch meter	384.98	(R)
For 6-inch meter	769.97	(R)
For 8-inch meter	1,231.95	(R)
For 10-inch meter	1,770.92	(R)
For 12-inch meter	2,540.89	(R)

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. 328-W

Juan Liem
NAME

Date Filed: 01/07/2024

Decision No. D.24-12-007

Treasurer & Secretary
TITLE

Effective Date: 01/07/2024

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.	\$ 3.5588	(R)
For total bi-monthly usage above 12 to 20 Ccf.	6.1416	(R)
For total bi-monthly usage over 20 Ccf.	7.2929	(R)
 Service Charge (Conservation Rates):		
For 5/8x3/4-inch meter	\$ 15.40	(R)
For 3/4x3/4-inch meter	23.10	(R)
For 1-inch meter	38.50	(R)
For 1 1/2-inch meter	77.00	(R)
For 2-inch meter	123.19	(R)
For 3-inch meter	230.99	(R)
For 4-inch meter	384.98	(R)
For 6-inch meter	769.97	(R)
For 8-inch meter	1,231.95	(R)
For 10-inch meter	1,770.92	(R)
For 12-inch meter	2,540.89	(R)

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. 328-W

Juan Liem

Date Filed: 01/07/2024

Decision Nos. D.24-12-007

Treasurer and Secretary

Effective Date: 01/07/2024

TITLE

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 \$0.1370 will be added to the Quantity Charge for all water delivered to non-CAP participants on and after July 1, 2024. (R)
3. To refund a net over-collection in authorized balancing and memorandum accounts, a credit in the total amount of \$156.56 will be applied to the service charge portion of each customer's bill over a period of twenty-two months after the effective date of Advice Letter 326-W-A, January 1, 2025. The amount of the credit per two-months billing cycle will be \$14.23 over eleven billing cycles. The amount of the credit per one-month billing cycle will be \$7.12 over twenty-two billing cycles. Only customers with accounts established by December 31, 2023, will receive the credit against the service charge.

(To be inserted by utility)

Issued by

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

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TITLE

Effective 01/07/2025

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.	\$ 5.0054	(R)
Service Charge:		
For 2-inch meter	\$ 123.19	(R)
For 3-inch meter	230.99	(R)
For 4-inch meter	384.98	(R)
For 6-inch meter	769.97	(R)
For 8-inch meter	1,231.95	(R)
For 10-inch meter	1,770.92	(R)

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.)

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Decision No. D.24-12-007

Treasurer and Secretary

Effective 01/07/2024

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 \$0.1370 will be added to the Quantity Charge for all (R) 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 \$3.7498 per 100 (I) 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 \$156.56 will be applied to the service charge portion of each customer's bill over a period of twenty-two months after the effective date of Advice Letter 326-W-A, January 1, 2025. The amount of the credit per two-months billing cycle will be \$14.23 over eleven billing cycles. The amount of the credit per one-month billing cycle will be \$7.12 over twenty-two billing cycles. Only customers with accounts established by December 31, 2023, will receive the credit against the service charge.

(To be inserted by utility)

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Effective 01/07/2025

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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. \$ 5.0054 (R)

Service Charge:

Per Meter
Per Month

For 2-inch meter	\$ 123.19	(R)
For 3-inch meter	230.99	(R)
For 4-inch meter	384.98	(R)
For 6-inch meter	769.97	(R)
For 8-inch meter	1,231.95	(R)
For 10-inch meter	1,770.92	(R)
For 12-inch meter	2,540.89	(R)

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)

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TITLE

Effective 01/07/2025

Resolution No. _____

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(To be inserted by utility)

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