

PRELIMINARY STATEMENT

A. Territory Served by the Utility

The area in which service is or will be furnished by this utility under its main extension rule is described below and is delineated on the service area map(s) shown on or attached to the tariff sheet(s) following:

The northern boundary of the system is a major rock outcropping. The eastern boundary runs from this outcropping to an area known as the Coyote Narrows, and the southern boundary runs from these narrows along the Santa Teresa foothills to Snell Road, which is the western boundary. (T)

B. Types and Classes of Service

The types and classes of service furnished are set forth in each rate schedule under the designation "Applicability".

C. Description of Service

The characteristics of the service furnished are indicated in Rule No. 2, Description of Service.

D. Procedure to Obtain Service

Service as described herein will be furnished to any person or corporation whose premises are within the utility's service area, provided application is made in accordance with Rule No. 3, Application for Service; credit is established as required in Rule No. 6, Establishment and Re-establishment of Credit; customer's piping and valves are installed as required in Rule No. 16, Service Connections, Meters, and Customer's Facilities, under "Customer's Responsibility"; and a contract is signed in those certain circumstances specified in Rule No. 4, Contracts.

Where an extension of the utility's mains is necessary Rule No. 15, Main Extensions, applies, and if the project is of a temporary or speculative nature, Rule No. 13, Temporary Service, is applicable.

Applicants for service and customers must also conform to and comply with the other established rules as provided herein.

(To be inserted by utility)

Issued by

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

Advice Letter No. 132

Betty B. Roader

Date Filed DEC 2 1991

Decision No.

President

Effective JAN 11 1992

Resolution No.

PRELIMINARY STATEMENT
(Continued)

E. Symbols.

Whenever tariff sheets are refiled, changes will be identified by the following symbols:

- (C) To signify changed listing, rule or condition which may affect rates or charges.
- (D) To signify discontinued materials, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to other part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new materials including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule, or condition.

(To be inserted by utility)

Issued by

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

Advice Letter No. 132

Betty B. Roeder

Date Filed DEC 2 1991

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President

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Resolution No.

PRELIMINARY STATEMENT
(Continued)

F. Santa Clara Valley Water District Litigation Memorandum Account.

1. **Purpose.** Great Oaks Water Company (Utility) has an authorized memorandum account to track outside legal expenses and litigation costs related to litigation against the Santa Clara Valley Water District (District) challenging the annual levies of groundwater charges (pump taxes) upon the water produced by the Utility. The Santa Clara Valley Water District Memorandum Account was established in 2005. There are now lawsuits pending for each year through 2019/2020.

- a. The purpose of the litigation is to end the District's practice of charging the Utility disproportionately for the benefits the Utility receives from the District's actions in the protection and augmentation of the water supplies under its jurisdiction. The results of the District's challenged practices is higher costs paid by the Utility and higher rates paid by the Utility's customers.
 - b. The groundwater charge expenses are pass-throughs to the Utility's customers through rates authorized by the California Public Utilities Commission (CPUC).
 - c. If the litigation is successful and the Company recovers from the District any amount of money, the Commission practice is to permit the Utility to recover the outside costs of litigation (attorney fees and costs), with the net proceeds going 100% to customers. Because the litigation has taken so long, significant outside costs of litigation have been incurred by the Utility and under the terms of the Memorandum Account, the Company is entitled to recover such costs first, before the net proceeds are distributed to customers, subject to a reasonableness review that would determine if the outside costs were reasonably incurred by the Utility. The amortization of the net proceeds may be combined with a request to amortize the balance of one or more other authorized memorandum or balancing accounts.
 - d. If the litigation is not successful, then the Utility may request recovery of up to \$100,000 in outside costs from customers through a surcharge. This recovery may be combined with a request to amortize the balance of one or more other authorized memorandum or balancing accounts.
2. The Utility is authorized to seek recovery of the costs in the Memorandum Account in its next General Rate Case or through a Tier 3 advice letter filing.
3. The Utility shall not include internal costs or expenses in the Memorandum Account.

(To be inserted by utility)
Advice Letter No. 313-W

Decision No. D.23-04-004

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed 04/11/2023

Effective 07/01/2022

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

I. City of San Jose Litigation Memorandum Account

1. The Company shall establish a Memorandum Account for outside legal expenses related to litigation with the City of San Jose over its service territory.
2. The Company shall record such outside legal expenses on a monthly basis.
3. The Memorandum Account shall have a cap of \$225,000 and require ratemaking review when the Company seeks recovery.
4. When the Company requests recovery of the outside legal expenses recorded in the Memorandum Account, the Company shall bear the burden to show that a separate recovery of the types of costs recorded in the account is appropriate, that it acted prudently when it incurred these costs and that the level of costs is reasonable.
5. The Company is authorized to seek recovery of the costs in the Memorandum Account in its next General Rate Case or through a Tier 3 advice letter filing.
6. The Company shall not include internal costs or expenses or recoveries related to litigation with the City of San Jose over service territory disputes in the Memorandum Account.

J. Monterey-Style Water Revenue Adjustment Mechanism Account

1. Purpose: The purpose of this memorandum account is to track quantity rate revenues collected under Schedule No. 1 General Metered Service Tiered Rates against revenues that would have been collected under uniform quantity rates. Revenues recovered through service charges shall not be tracked or recovered through this memorandum account
2. The Company shall provide an annual report showing the revenue over- or under-collection for the prior calendar year.
3. If the over- or under-collection exceeds 2% of the Company's total authorized revenue requirement, the Company will file an advice letter within 30 days that amortizes the balance in the account. If the cumulative 2% threshold is not met, the balance in the account will be amortized in the Company's next general rate case.
4. From and after July 1, 2013, the uniform, single quantity rates that will serve as a baseline for this memorandum account are quantity rates for all water delivered under Schedule No. 1 - General Metered Service at the time the water service is provided. (C)

(To be inserted by utility)
Advice Letter No. 248-W

Issued by
Timothy S. Guster

(To be inserted by Cal. P.U.C.)
Date Filed NOV 20 2013

Decision No. D.13-05-020; D.13-05-027

NAME
General Counsel
TITLE

Effective NOV 20 2013

Resolution No. _____

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

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

Decision No. D.24-12-007

Treasurer and Secretary
TITLE

Effective 01/07/2025

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

R. Catastrophic Event Memorandum Account.

1. Purpose. The purpose of the Catastrophic Event Memorandum Account (CEMA) is to record and recover the costs associated with the restoration of service and utility facilities affected by a catastrophic event declared to be a disaster or state of emergency by competent federal or state authorities. The authority to establish this memorandum account is provided in Ordering Paragraph 1 of CPUC Resolution E-3238, dated July 24, 1991.

Should a qualifying disaster or state of emergency occur, the utility will inform, if possible, the Executive Director of the CPUC by letter within 30 days after the catastrophic event that the utility has started recording costs in the CEMA.

The letter shall specify the declared disaster or state of emergency, the date, time, location, service area affected, impact on the utility's facilities, and an estimate of the extraordinary costs expected to be incurred, with costs due to expenses and capital items shown separately.

The utility shall track costs associated with implementing and providing emergency customer protections for all disasters in which the Governor of California or President of the United States has declared a state of emergency. Any such entries in the account shall be segregated by qualifying event, and any costs for emergency customer protections shall be recovered across the utility's entire customer base in accord with General Order 96-B.

The utility shall not record any capital costs or expenses incurred prior to the start of the declared disaster or state of emergency, as identified by the appropriate authorities.

2. Applicability. The CEMA balance will be recovered from all customer classes, except those specifically excluded by the CPUC.
3. CEMA Rates. The CEMA does not currently have a rate component.
4. Accounting Procedure. Upon declaration of a disaster or state of emergency, the utility shall maintain the CEMA from the date of the event causing the disaster or state of emergency by making entries to the account at the end of each month as follows:
 - a. A debit entry equal to the amounts recorded in the utility's Operations and Maintenance (O&M) and Administrative and General (A&G) Expense Accounts that were incurred as a result of the disaster or state of emergency.
 - b. A debit entry equal to:
 - (1) depreciation expense on the average of the beginning and the end-of-month balance of plant installed to restore service to customers, or to replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters or states or emergency, at one-twelfth the annual depreciation rates approved by the CPUC for these plant accounts; plus

(N)
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(N)

(To be inserted by utility)

Advice Letter No. 276-W-B

Issued by

Timothy S. Guster

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

Date Filed 10/03/2019

NAME

Decision No. Res. E-3238; D.19-07-015

General Counsel

TITLE

Effective 09/09/2019

Decision/Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

- (2) the return on investment on the average of the beginning and the end-of-month balance of plant installed to restore service to customers or replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters or states of emergency, at one-twelfth of the annual rate of return on investment last adopted for the utility by the CPUC; plus
- (3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for the utility, and the return in 4.b.(2), above; plus
- (4) the return on the net cost of removal of facilities required as a result of the disaster or state of emergency and related events, using the return in 4.b.(2) above; less
- (5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in 4.b.(2) above.
- c. A debit entry equal to federal and state taxes based on income associated with item 4.b.(2) above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments. For federal and state taxes, this will conform to normalization requirements, as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to the utility.
- d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.
- e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from 4.a. through 4.c. above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release G.13, or its successor. Entries in items 4.a and 4.b. above shall be made net of the appropriate insurance proceeds. Items 4.a. and 4.b. and the appropriate determinants of item 4.c. above, in any month, shall be prorated to reflect the latest jurisdictional allocation factors.
5. Financial Reporting. The utility may, at its discretion, record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary.

(N)

(N)

7(To be inserted by utility)

Advice Letter No. 237-W

Issued by

Timothy S. Guster

NAME

General Counsel

TITLE

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

Date Filed FEB - 6 2014

Effective FEB 27 2014

Decision No. Res. E-3238

Decision/Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

T. Credit/Debit Card Costs and Savings Memorandum Account.

1. **Purpose.** The purpose of this memorandum account is to record all current and future costs included in base rates associated with the automated internet/web Interactive Voice Response system or assistance from a utility customer service representative and savings arising from the reduced number of shutoffs associated with timely payment of bills using credit card/debit card/ACH payment options.
2. **Applicability.** The Memorandum Account balance will be recovered from all customer classes, except those specifically excluded by the CPUC.
3. **Accounting Procedure.** To the extent that costs associated with automated internet/web Interactive Voice Response system or assistance from a utility customer service representative are included in base rates, the utility shall record those costs in this memorandum account. Savings realized by the utility from a reduced number of shutoffs associated with the timely payment of bills using credit card/debit card/ACH payment options shall also be recorded in this memorandum account. Only costs directly associated with automated internet/web Interactive Voice Response system or assistance from a utility customer service representative that are actually included in base rates may be recorded in this memorandum account. Only savings actually realized by the utility from the non-occurrence of a shutoff directly due to the timely payment of bills using credit card/debit card/ACH payment options may be recorded in this memorandum account.
4. **Recovery of Memorandum Account Balance.** Any net balance in this memorandum account shall be refunded to customers in the utility's next general rate case.

(N)

(N)

(To be inserted by utility)
Advice Letter No. 247-W

Decision No. Res. W-4979

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed SEP 30 2015
Effective OCT - 1 2015

Decision/Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

U. Customer Assistance Program Surcharge Balancing Account.

1. Purpose. The purpose of the Customer Assistance Program (CAP) Surcharge Balancing Account (Account) is to track the differences between the recorded CAP surcharge revenues received and the utility's recorded CAP costs and expenses.

2. Applicability. The Account is applicable to all areas served. CAP customers are exempt from Account recoveries.

3. Accounting Procedures.

a. The following entries shall be recorded monthly in the Account:

1. Recorded CAP surcharge revenues.
2. Recorded CAP discounts.
3. Recorded CAP administrative costs and expenses.
4. Total Net Account Balance = (1) minus ((2) + (3)).
5. A positive Account balance represents a utility over-collection to be refunded, while a negative Account balance represents a utility under-collection to be recovered in rates.

b. The utility will record the accumulated Account balance by adding its entry in subsection a.4., above, to the prior accumulated monthly Account balance.

c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 90 Day Non-Financial Commercial Paper Interest Rate as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. Disposition. If the accumulated balance in the Account exceeds two percent (2%) of the total authorized revenue requirement for the prior year, the utility will file an advice letter to amortize the Account balance. If the cumulative 2% threshold is not met, the Account balance will be amortized in the utility's next General Rate Case. The recovery of under-collections or refund of over-collections will be passed on to non-CAP customers through volumetric surcharges or surcredits.

(T)

(T)

(To be inserted by utility)
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Issued by
Timothy S. Guster
NAME
General Counsel
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(To be inserted by Cal. P.U.C.)
Date Filed 04/11/2023

Decision No. D.23-04-004

Effective 07/01/2022

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

V. Pension Expense Balancing Account.

1. **Purpose.** The purpose of the Pension Expense Balancing Account (PEBA) is to track the differences between Authorized Plan Expenses and ASC 715/SFAS 87 pension expenses for the Great Oaks Water Company Defined Benefit Plan and Trust (Plan) for Great Oaks Water Company's (Utility) eventual recovery (or ratepayer reimbursement) of this expense for ratemaking purposes.

2. **Applicability.** The PEBA is applicable to Plan Pension Expense.

3. **Definitions.**

a. **Authorized Plan Expenses** are the Commission-authorized pension expenses adopted for ratemaking purposes.

b. **SFAS 87 Expenses** are the accounting expense amount determined by guidance from the Financial Accounting Standards Board (FASB) and are also known as the "Net Periodic Benefit Cost."

4. **Accounting Procedure.** The following entries shall be recorded monthly in the PEBA:

a. ASC 715/SFAS 87 Expense amount.

b. Authorized Plan Expenses for ratemaking purposes for the same calendar year time period corresponding to the ASC 715/SFAS 87 Expense amount. Because the Utility's rate year is from July 1 to June 30, the Authorized Plan Expenses for the corresponding ASC 715/SFAS 87 calendar year will include 50% of the Commission-authorized pension expenses adopted for the two rate years included in the ASC 715/SFAS 87 calendar year (e.g., Authorized Plan Expenses for calendar year 2022 equals 50% of Commission-authorized pension expenses for rate year 2021/2022 and 50% of Commission-authorized pension expenses for rate year 2022/2023).

c. Total Net PEBA = (2) minus (1).

d. A positive balance represents a Utility over-collection, while a negative balance represents a utility under-collection.

e. The Utility will record entries for Authorized Plan Expenses and for ASC 715/SFAS 87 Expense when the Utility is informed of the ASC 715/SFAS 87 pension expense amount and the Authorized Plan Expenses for the corresponding annual time periods. When there is a balance in the PEBA, entries will be made on a monthly basis for recording interest accruals.

f. Interest will accrue monthly on the balance in the PEBA by applying a rate equal to one-twelfth of the 90 Day Non-Financial Commercial Paper Interest Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

5. **Ratemaking Procedure.** The PEBA is recoverable in a Tier 2 advice letter filing if the accumulated balance exceeds two percent (2%) of gross adopted revenues for the Utility in accordance with General Order 96-B and standard practices or be requested in the next general rate case. In any filing, the Utility shall demonstrate compliance with ASC 715/SFAS 87 and demonstrate that any changes to its expenses were reasonable and prudently incurred.

(To be inserted by utility)

Advice Letter No. 313-W

Issued by

Timothy S. Guster

NAME

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

Date Filed 04/11/2023

Decision No. D.23-04-004

General Counsel

TITLE

Effective 07/01/2022

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

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W. School Lead Testing Memorandum Account.

1. Purpose. This School Lead Testing Memorandum Account (SLTMA) is being established pursuant to an Amendment to the Domestic Water Supply permit issued to Great Oaks Water Company (Utility) by the State Water Resources Control Board on January 17, 2017 that establishes the School Lead Testing Program. The purpose of the SLTMA is to track the incremental expenses incurred by Utility that are unforeseen, unexpected, and directly associated with complying with and implementing the School Lead Testing Program.

2. Applicability. The SLTMA does not have a rate component. The SLTMA shall include, but will not be limited to:

a. Incremental labor costs associated with planning and coordination with schools to develop individual sampling plans, collecting and submitting samples to laboratories, administering program requirements, and contracted labor; and

b. Laboratory fees for all lead samples and reporting of results to the Division of Drinking Water and the schools, and all laboratory coordination and instruction.

3. Accounting Procedure. Utility shall maintain the SLTMA by making entries at the end of each month in which applicable expenses are incurred as follows:

a. A debit entry shall be made to the SLMTA to record applicable expenses.

b. Interest shall accrue to the SLMTA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. Effective Date. The SLMTA shall be effective January 17, 2017.

5. Disposition. Disposition of amounts recorded in the SLMTA shall be determined in a subsequent filing, as authorized by the Commission.

(To be inserted by utility)
Advice Letter No. 313-W

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
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Effective 07/01/2022

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

Y. “Tax Cuts and Jobs Act” Memorandum Account.

(N)

1. Purpose: The purpose of the “Tax Cuts and Jobs Act” (TCJA) Memorandum Account (Memo Account) is to track on a CPUC-jurisdictional revenue requirement basis the impacts of the TCJA not otherwise reflected in rates from January 1, 2018 until the effective date of the revenue requirement changes in the Utility’s next General Rate Case (Memo Account Period).
2. General Information. The Utility shall record in this Memo Account realized increases or decreases in its CPUC-jurisdictional revenue requirement resulting from the TCJA. The Memo Account shall be used in determining whether any rate adjustment is necessary to reflect impacts of the TCJA during the Memo Account Period.
3. Memo Account Entries. The entries in the Memo Account may include the following:
 - a. Realized decreases in revenue requirement resulting from the TCJA during the Memo Account Period.
 - b. Realized increases in revenue requirement resulting from the TCJA during the Memo Account Period.
 - c. Balances in the Memo Account will accrue interest at the 90-day commercial paper rate.
4. Disposition of Memo Account Balance. In the Utility’s next General Rate Case, or at such other time as ordered by the CPUC, the balance in the Memo Account shall be addressed and rates shall be adjusted accordingly, as appropriate.

(N)

(To be inserted by utility)
Advice Letter No. 267-W

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed 12-28-2017

Decision No. NA

Effective 1-1-2018

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

Z. 2018 GRC Interim Rates Memorandum Account.

(N)

1. Purpose. The 2018 GRC Interim Rates Memorandum Account (IRMA) will track the revenue differential between interim rates and the final rates, subject to refund, adopted in the Utility's 2018 General Rate Case (GRC), Application 18-07-002. The IRMA is established pursuant to Administrative Law Judge Charles Ferguson's June 24, 2019 Ruling addressing the Utility's Motion for Authority to Implement Interim Rates by Tier 1 Advice Letter.

On July 1, 2019, the first day of the test year of the 2018 GRC, this tariff shall activate interim rates through the Utility's service area. The interim rates shall be the current rates in effect on June 30, 2019.

2. Applicability. The IRMA does not have a rate component. The IRMA shall include:

The monthly revenue differential between interim rates and final rates adopted in A.18-07-002, beginning July 1, 2019 throughout the Utility's service area.

The Utility shall maintain the IRMA by making entries at the end of each month as follows:

- a. A debit/credit entry shall be made to the IRMA at the end of each month to Record the revenue differential discussed above.
- b. Interest shall accrue to the IRMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
3. Effective Date. The IRMA shall become effective on July 1, 2019.
4. Disposition. Dispositions of amounts recorded in the IRMA shall be determined through a subsequent Tier 2 advice letter filing by the Utility.

(N)

(To be inserted by utility)
Advice Letter No. 275-W

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Timothy S. Guster

(To be inserted by Cal. P.U.C.)
Date Filed 06/28/2019

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NAME
General Counsel
TITLE

Effective 07/01/2019

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

AA. Credit Card Pilot Program Memorandum Account.

1. Purpose. The Credit Card Pilot Program Memorandum Account shall track and record, for recovery or refund, costs incurred by the Utility to establish, maintain, and operate the Credit Card Pilot Program (CCPP) authorized in by the California Public Utilities Commission (Commission). (T)
(T)
2. Applicability. The CCPP does not have a rate component. The CCPP shall include:
 - (a) The actual costs incurred by the Utility to establish, maintain, and operate the CCPP during the period of time it is authorized by the Commission. (T)
 - (b) Those actual costs shall be compared to the costs for the CCPP authorized by the Commission for each rate year the CCPP is in effect. (T)
(T)
 - (c) The difference between the actual incurred costs and the costs included in rates for each year shall be recorded in the memorandum account as soon as practicable after the close of each rate year. Interest shall accrue to the balance in the memorandum account on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
3. Effective Date. This memorandum account shall become effective on July 1, 2019.
4. Disposition. Dispositions of amounts recorded in the memorandum account shall be determined through a subsequent Tier 2 advice letter filing by the Utility.

(To be inserted by utility)
Advice Letter No. 313-W

Decision No. D.23-04-004

Issued by
Timothy S. Guster
NAME
General Counsel
TITLE

(To be inserted by Cal. P.U.C.)
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Resolution No.

PRELIMINARY STATEMENT
(Continued)

BB. Certified Public Accountant Audit Cost Memorandum Account.

1. Purpose: The purpose of the Certified Public Accountant Audit Cost Memorandum Account is to record and track expenses incurred by the utility in complying with instructions from the Water Division of the California Public Utilities Commission to have the utility's annual financial statements audited by an independent certified public accountant. The costs recorded in the Certified Public Accountant Audit Cost Memorandum Account shall accrue interest using 1/12 of the most recent month's (relative to the time of filing an advice letter requesting amortization of the recorded costs) interest rate on Commercial Paper (prime, three months), published in the Federal Reserve Statistical Release, G.13.
2. The utility is authorized to file a Tier 3 advice letter to amortize reasonable costs recorded in the Certified Public Accountant Audit Cost Memorandum Account in a separate annual filing or in a filing that combines the balance in the Certified Public Accountant Audit Cost Memorandum Account with balances of other balancing accounts or memorandum accounts for amortization.

(N)

(N)

(To be inserted by utility)
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Issued by
Timothy S. Guster
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TITLE

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Resolution No.

PRELIMINARY STATEMENT
(Continued)

CC. Paycheck Protection Program Loan Memorandum Account.

1. ☐ **Purpose:** The purpose of the Paycheck Protection Program Loan Memorandum Account is to track the receipt of loan funds, operating and maintenance expense, and disbursements.
2. ☐ The Paycheck Protection Program Loan Memorandum Account will be reviewed and audited before any credit or debit entries can be transferred to a balancing account for future rate adjustment and may be approved in an advice letter or in an application, as appropriate.
3. ☐ Expenses associated with the Paycheck Protection Program Loan shall be reviewed in the utility's next General Rate Case.

(N)

(N)

(To be inserted by utility)
Advice Letter No. AL 289-W

Decision No. _____

Issued by
Timothy S. Guster
NAME
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TITLE

(To be inserted by Cal. P.U.C.)
Date Filed 06/17/2020

Effective 06/17/2020

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

DD. Conservation Lost Revenue Memorandum Account.

1. Purpose. The purpose of the Conservation Lost Revenue Memorandum Account (Memorandum Account) is to remove the financial disincentive to conserve under the policy of the California Public Utilities Commission (CPUC), and promote conservation consistent with the Water Shortage Emergency condition declared by the Santa Clara Valley Water District on June 9, 2021.

The utility shall activate either voluntary conservation measures pursuant to Rule 14.1 or mandatory rationing pursuant to Schedule 14.1 before booking revenue shortfalls to the Memorandum Account. Lost revenues associated with reduced sales as a result of activation of either Tariff Rule 14.1 or Schedule 14.1 will be tracked in this Memorandum Account.

2. Applicability. The Memorandum Account balance will be recovered from all customer classes, except those specifically excluded by the CPUC.
3. Definitions.
 - a. Non-Memorandum Account Revenue is all revenue excluded from the Memorandum Account, such as metered service charges and public and private fire protection service revenues. In addition, surcharges and surcredits, unless specifically adopted in the CPUC-adopted revenue requirement for the utility, will be excluded from Memorandum Account tracking.
 - b. Memorandum Account Revenue is all revenue not excluded in 3.a., above.
 - c. Recorded Memorandum Account Revenue is the amount of quantity rate revenue collected from customers in any particular period.
 - d. Adopted Revenue is the amount of quantity rate revenue necessary in conjunction with CPUC-adopted Non-Memorandum Account Revenue to generate the utility's CPUC-adopted revenue requirement.
4. Accounting Procedure.
 - a. The following entries shall be recorded monthly in the Memorandum Account:
 1. The most recent Adopted Revenue adjusted for all relevant rate increases.
 2. Recorded Memorandum Account Revenue for the same time period.
 3. Most recently CPUC-adopted variable expenses for pump tax and power.

(To be inserted by utility)

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(N)

PRELIMINARY STATEMENT
(Continued)

4. Recorded sales quantity in acre feet, multiplied by CPUC-adopted unit variable expense per acre foot of water sold.
 5. Total net Memorandum Balance = (1 minus 2) minus (3 minus 4).
 7. A negative balance in the Memorandum Account reflects a utility over-collection to be refunded, while a positive balance in the Memorandum Account reflects a utility under-collection to be recovered in rates.
 - b. The utility will record the accumulated Memorandum Account balance monthly by adding its entry in Section 4.a., above, to the prior accumulated balance.
 - c. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3-month non-financial Commercial Paper rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
 - d. Before seeking recovery of the Memorandum Account balance, if any, the balance shall be reduced by an amount equal to a 20-basis point reduction in the most recently adopted return on equity for the utility. Then, if necessary, the utility shall further reduce the balance in the Memorandum Account to a level sufficient to ensure that such recovery does not cause the utility to exceed its authorized rate of return for the period covered by the Memorandum Account.
5. Disposition. If the accumulated balance in the Memorandum Account exceeds two percent (2%) of the utility's total revenue requirement for the prior rate year, either alone or in combination with balances in other authorized memorandum accounts, the utility shall file an advice letter to amortize the balance. Prior to recovery, amounts recorded the Memorandum Account are subject to a reasonableness review. The recovery of under-collections or refunds of over-collections will be passed on to customers through volumetric surcharges or surcredits.
6. Effective Dates. June 9, 2021 until conservation measures are no longer in effect.

(N)

(N)

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EE. Excess Usage Surcharge and Conservation Expense Memorandum Account

(N)

1. Purpose. The purpose of the Excess Usage Surcharge and Conservation Expense Memorandum Account (Memorandum Account) is to record and track all Excess Usage Surcharge revenues collected under its Schedule No. 14.1 and conservation expenses incurred under its Schedule No. 14.1 conservation measures, all while Schedule No. 14.1 remains activated in response to the Water Shortage Emergency condition declared by the Santa Clara Valley Water District on June 9, 2021.

The conservation expenses recorded and tracked in this Memorandum Account shall be conservation-related expenses not otherwise accounted for in rates including, but not limited to costs of communications with customers and others pertaining to Schedule No. 14.1 conservation measures, costs of increased actions and administration of the WaterSmart program, and costs of operations directly associated with conservation activities.

2. Applicability. The Memorandum Account balance will be amortized across all customer classes, except those specifically excluded by the CPUC.

3. Accounting Procedure. The utility shall maintain the Memorandum Account by making entries monthly of the following:

- a. Excess Usage Surcharge revenues collected from customers;
- b. Conservation expenses incurred; and
- c. Interest expense which shall accrue to the balance in the Memorandum Account by applying a rate equal to one-twelfth of the 3-month non-Financial Commercial Paper rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. Disposition. Disposition of amounts in the Memorandum Account will be determined in a regulatory proceeding, as authorized by the CPUC.

(N)

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PRELIMINARY STATEMENT
(Continued)

FF. 2021 GRC Interim Rates Memorandum Account.

(N)

1. ☐ Purpose. The 2021 GRC Interim Rates Memorandum Account (IRMA) will track the revenue differential between interim rates and the final rates, subject to refund, adopted in the Utility's 2021 General Rate Case (GRC), Application 21-07-001. The IRMA is established pursuant to Administrative Law Judge Gerald F. Kelly's April 26, 2022 E-Mail Ruling addressing the Utility's Motion for Authority to Implement Interim Rates by Tier 1 Advice Letter.

On July 1, 2022, the first day of the test year of the 2021 GRC, this tariff shall activate interim rates through the Utility's service area. The interim rates shall be the rates in effect on July 1, 2022.

2. ☐ Applicability. The IRMA does not have a rate component. The IRMA shall include:

The monthly revenue differential between interim rates and final rates adopted in A.21-07-001, beginning July 1, 2022 throughout the Utility's service area.

The Utility shall maintain the IRMA by making entries for each month during which interim rates are effective as follows:

- a. ☐ A debit/credit entry shall be made to the IRMA at the end of each month to Record the revenue differential discussed above.
- b. ☐ Interest shall accrue to the IRMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
3. ☐ Effective Date. The IRMA shall become effective on July 1, 2022.
4. ☐ Disposition. Dispositions of amounts recorded in the IRMA shall be determined through a subsequent Tier 2 advice letter filing by the Utility.

(N)

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PRELIMINARY STATEMENT
(Continued)

GG. Agricultural Groundwater Charges Balancing Account.

(N)

1. ☐ **Purpose:** The purpose of the Agricultural Groundwater Charges Balancing Account is to record and track the differences, if any, between the rates for Agricultural Groundwater Charges levied by the Santa Clara Valley Water District (District) in its groundwater charges Zones and the rates for Agricultural Groundwater Charges in each Zone that have been utilized when setting the Utility's rates. This balancing account is authorized under Public Utilities Code Section 792.5.
2. ☐ **Applicability:** This balancing account is applicable throughout the Utility's authorized service area.
3. ☐ **Accounting Procedure:** Agricultural Groundwater Charges are levied upon the Utility's monthly groundwater production. Groundwater charges incurred in one month are payable on or before the 25th of the following month. Groundwater charges paid are recorded in the month in which the charges are incurred. The entries are as follows:
 - a. ☐ Monthly recorded water production in acre-feet (AF);
 - b. ☐ The District's Agricultural Groundwater Charge rate in AF utilized when setting the Utility's rates either through General Rate Case proceedings or Advice Letter filings;
 - c. ☐ The District's Agricultural Groundwater Charge effective for monthly recorded water sales in AF in (a), above;
 - d. ☐ Calculate increment (b) minus (c);
 - e. ☐ Multiply (a) by (d);
 - f. ☐ If (e) is a negative number, the result is an under-collection; if (e) is a positive number, the result is an over-collection.
 - g. ☐ Interest (on over-collection or under-collection) shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.
4. ☐ Over-collections and under-collections in this account may be amortized by the Utility through Advice Letter filings or through General Rate Case proceedings, at the discretion of the Utility, consistent with Commission practice and procedure. The Utility may combine the balance in this account with balances in other balancing and/or memorandum accounts for purposes of amortization.

(N)

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PRELIMINARY STATEMENT
(Continued)

HH. Non-Agricultural Groundwater Charges Balancing Account.

(N)

1. ☐ **Purpose:** The purpose of the Non-Agricultural Groundwater Charges Balancing Account is to record and track the differences, if any, between the rates for Non-Agricultural Groundwater Charges levied by the Santa Clara Valley Water District (District) in its groundwater charges Zones and the rates for Non-Agricultural Groundwater Charges in each Zone that have been utilized when setting the Utility's rates. This balancing account is authorized under Public Utilities Code Section 792.5.
2. ☐ **Applicability:** This balancing account is applicable throughout the Utility's authorized service area.
3. ☐ **Accounting Procedure:** Non-Agricultural Groundwater Charges are levied upon the Utility's monthly groundwater production. Groundwater charges incurred in one month are payable on or before the 25th of the following month. Groundwater charges paid are recorded in the month in which the charges are incurred. The entries are as follows:
 - a. ☐ Monthly recorded water production in acre-feet (AF);
 - b. ☐ The District's Non-Agricultural Groundwater Charge rate in AF utilized when setting the Utility's rates either through General Rate Case proceedings or Advice Letter filings;
 - c. ☐ The District's Non-Agricultural Groundwater Charge effective for monthly recorded water production in AF in (a), above;
 - d. ☐ Calculate increment (b) minus (c);
 - e. ☐ Multiply (a) by (d);
 - f. ☐ If (e) is a negative number, the result is an under-collection; if (e) is a positive number, the result is an over-collection.
 - g. ☐ Interest (on over-collection or under-collection) shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.
4. ☐ Over-collections and under-collections in this account may be amortized by the Utility through Advice Letter filings or through General Rate Case proceedings, at the discretion of the Utility, consistent with Commission practice and procedure. The Utility may combine the balance in this account with balances in other balancing and/or memorandum accounts for purposes of amortization.

(N)

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PRELIMINARY STATEMENT
(Continued)

II. Purchased Power Balancing Account.

(N)

1. ☐ **Purpose:** The purpose of the Purchased Power Balancing Account is to record and track the differences, if any, between the cost of purchased power (Account 726) and the adopted cost of purchased power incorporated into rates through a Commission ratesetting proceeding (General Rate Case or Advice Letter). This balancing account is authorized under Public Utilities Code Section 792.5.
2. ☐ **Applicability:** This balancing account is applicable throughout the Utility's authorized service area.
3. ☐ **Accounting Procedure:** The following entries will be made on a monthly basis:
 - a. ☐ Adopted purchased power cost per KWH;
 - b. ☐ Recorded purchased power cost per KWH;
 - c. ☐ Calculate (a) minus (b);
 - d. ☐ Multiply (c) by recorded KWHs;
 - e. ☐ If (d) is a negative number, the result is an under-collection; if (d) is a positive number, the result is an over-collection.
 - f. ☐ Interest (on over-collection or under-collection) shall accrue monthly by applying one-twelfth of the Federal Reserve 3-month Commercial Paper Rate – Non-Financial, from Federal Reserve Statistical Release H.15 (expressed as an annual rate) to the average monthly balance.
4. ☐ Over-collections and under-collections in this account may be amortized by the Utility through Advice Letter filings or through General Rate Case proceedings, at the discretion of the Utility, consistent with Commission practice and procedure. The Utility may combine the balance in this account with balances in other balancing and/or memorandum accounts for purposes of amortization.

(N)

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PRELIMINARY STATEMENT
(Continued)

JJ. Supplier Diversity Program Expense Memorandum Account.

1. Purpose. The purpose of the Supplier Diversity Program Expense Memorandum Account (SDP EMA) is for the Utility to track and recover incremental expenses incurred by the Utility to comply with the California Public Utilities Commission (CPUC) Supplier Diversity Program (SDP) and Public Utilities Code § 8283 that are not already reflected in authorized rates.

2. Applicability. The balance in the SDP EMA will be recovered from all customer classes, except those specifically excluded by the CPUC.

3. SDP EMA Rates. The SDP EMA does not, itself, have a rate component, but may result in a change in rates or a surcharge when amortized.

4. Accounting Procedure. The Utility shall maintain the SDP EMA by making entries at the end of each month in which applicable expenses are incurred as follows:

- a. A debit entry shall be made to the SDP EMA to record applicable expenses incurred by the Utility to comply with the CPUC SDP and Public Utilities Code § 8283.
- b. A credit entry to transfer all or a portion of the balance in this SDP EMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.
- c. An entry equal to interest on the average balance in the LCRR EMA at the beginning of the month and the balance after the entries from 4.a., above, at a rate equal to one-twelfth the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release G.13, or its successor.

5. Recovery of SDP EMA Balance. Any net balance in this memorandum account shall be amortized in the Utility's next general rate case.

(N)

(N)

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PRELIMINARY STATEMENT
(Continued)

KK. Lead and Copper Rule Revisions Memorandum Account.

1. Purpose. The purpose of the Lead and Copper Rule Revisions Memorandum Account (LCRRMA) is to record any incremental expenses and carrying costs on capital investments that are required to comply with the Lead and Copper Rule Revisions (LCRR) of the United States Environmental Protection Agency that are not otherwise covered in Great Oaks Water Company's (Utility) revenue requirement.

2. Applicability. The LCRRMA is applicable to all incremental expenses, including operations and maintenance (O&M) costs, and carrying costs on any capital investments that may be required, including but not limited to the following:

- Development of service line material inventories for the Utility's water system;
- Preparation of lead service line replacement plans for the water system;
- Replacement of service lines (if necessary);
- Preparation of Standard Operating Procedure (SOP) for the development and ongoing maintenance of the customer service line inventories;
- Development of sampling plans for lead and copper compliance monitoring at the taps of customers, child care locations, and schools for the water system;
- Development of school and child care facility inventories for the water system, and preparation for and the cost of sampling in those facilities; and
- Preparation of messaging for public education and customer notifications.

3. Accounting Procedure. The LCRRMA does not have a rate component. The Utility shall maintain the LCRR EMA by making entries at the end of each month in which applicable expenses are incurred as follows:

- a. A debit entry shall be made to the LCRRMA to record the costs described in Section 2 Applicability, above.
- b. Interest shall accrue to the LCRRMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and end-of-month balances.
- c. Amounts equal to the revenue of each capital expenditure at the Utility's authorized rate of return and related expenses (including return, income taxes, ad valorem tax, depreciation, and other taxes and fees).

(N)

(N)

(To be inserted by utility)
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PRELIMINARY STATEMENT
(Continued)

4. Effective Date: The LCRRMA shall be effective as of July 1, 2022, per Commission Decision 23-04-004.

5. Disposition: Amounts recorded in the LCRRMA are subject to a reasonableness review in the Utility's General Rate Case or in an appropriate advice letter filing consistent with General Order 96-B.

(N)
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(N)

(N)

(To be inserted by utility)
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PRELIMINARY STATEMENT

LL. Water Infrastructure Act Memorandum Account.

(N)

1. In compliance with Commission Decision No. (D.) 06-05-041 the Utility has established a Water Infrastructure Act Memorandum Account (WIAMA) in order to track the net proceeds from sales of real property that was at any time, but is no longer, necessary and useful in the performance of the Utility's duties as a public utility (Infrastructure Act Property). These WIAMA funds shall be used as a primary source of capital for investment in utility infrastructure
2. The net proceeds from sales of Infrastructure Act Property shall be credited to the WIAMA. In accordance with Standard Practice U-27-W, the WIAMA accrues interest on the average account balance at the 90-day Non-financial Commercial Paper Interest Rate and such accrued interest shall be credited to the WIAMA on a monthly basis. In compliance with D.06-05-041 and Public Utilities Code Section 790, the Utility's investments in water system infrastructure shall be charged to the WIAMA on a yearly basis to the full extent that any balance in the WIAMA on the date such charge is recorded.
3. The Utility shall provide cumulative balances of and details of all activity in the WIAMA (with supporting documentation) to Commission staff for their review in each General Rate Case (GRC), or at other times upon request
4. Pursuant to D.06-05-041, Ordering Paragraph 19, the Company will provide the Director of the Water Division of the Public Advocates Office 30 days' advance written notice whenever the Utility plans to sell land, buildings, water rights, or all or part of the water system. This notice requirement applies to water company assets the company believes are no longer used and useful. This notice will not preclude later review of such sales in a water company's GRC or a later proceeding. The notice shall include the following heading in at least 16 point bold type: "Notice under Rulemaking 04-09-003. Commission staff must respond within 30 days." The notice also shall include the name, address, phone, and email address of the potential purchaser(s). If the Commission staff objects to the proposed sale, it may send an objection in any form to the Utility and to proposed purchaser(s). Mailing of such an objection shall prevent the proposed purchaser from claiming it is a bona fide purchaser of the property at issue until the issues raised in the objections are resolved.

(To be inserted by utility)

Advice Letter No. 320-W

Issued by

Juan Liem

NAME

Chief Financial Officer

TITLE

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

Date Filed: 10/20/2023

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Decision No. D.06-05-041

PRELIMINARY STATEMENT
(Continued)

MM. Drinking Water Fees Balancing Account.

(N)

1. Purpose. The purpose of the Drinking Water Fees Balancing Account (DWFBA) is to track the difference between all actual drinking water fees charged by the State Water Resources Control Board (State Board) (based upon its revised fee schedule adopted on September 22, 2021 and subsequent revision) and the drinking water fees authorized in Great Oaks Water Company's (Utility) rates.
2. Applicability. The DWFBA will track the difference between the annual drinking water fees charged by the State Board and the drinking water fees authorized in rates. Interest shall accrue on a monthly basis by applying a rate equal to one-twelfth of the 3- month non-financial Commercial Paper rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.
3. Disposition. Class A water utilities shall report on the status of their balancing accounts in their general rate cases and shall propose adjustment to their rates in that context to amortize under- or over-collections in those accounts subject to reasonableness review. They may also propose such rate adjustments by advice letter at any time that the under- or over-collection in any such account exceeds two percent (2%) of annual revenues for the utility or a ratemaking district of the utility.
4. Effective Date. The DWFBA shall go into effect on the effective date of Advice Letter 306-W, which is November 29, 2021.

(N)

(To be inserted by utility)
Advice Letter No. 321-W

Issued by
Juan Liem
NAME
Chief Financial Officer
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