



PUBLIC PARTICIPATION HEARING

Great Oaks Water Company

Water Cost of Capital Application (A.23-05-002)

November 9, 2023



What Is This Application About?

Every three years, the California Public Utilities Commission (CPUC) requires Great Oaks Water Company (Great Oaks) to file a Cost of Capital (CoC) application. Pursuant to this requirement, on May 1, 2023 Great Oaks filed Application (A.) 23-05-002 requesting an increase in revenues for the period from July 1, 2024 through June 30, 2027.

This CoC application allows the CPUC to take a broad, in-depth look at a utility’s proposed financing capital structure and authorize a reasonable Rate of Return (ROR) to enable the utility to attract investors for infrastructure improvements. The ROR consist of the weighted average cost of debt and equity a utility has issued to finance its capital investments.

What Is Great Oaks’ Proposed Capital Structure?

Great Oaks Capital Structure	Current Adopted – D.18-12-002			Proposed – A.23-05-002		
	Capital Ratio	Cost	Weighted Cost	Capital Ratio	Cost	Weighted Cost
Actual Debt	30%	6.50%	1.95%	12.7%	6.50%	0.8255%
Imputed Debt				17.3%		
Equity	70%	8.85%	6.20%	70%	9.70%	6.7900%
Rate of Return	8.15%			8.913%		

How Much Will Great Oaks’ Revenue Increase?

The total increase in Great Oaks’ request is \$673,619 or 2.7% beginning July 1, 2024.





How Much Will The Water Bills Increase For Customers?

Residential Rate Impacts from CoC Request

(Not including CPUC fee, surcharges, refunds, or taxes)

Service Charge (Meter Size)	Current	Proposed
5/8"	\$15.73	\$15.83
3/4"	\$23.59	\$23.74
1-inch	\$39.31	\$39.57
Usage Charge (per CCF)	Current	Proposed
Tier 1 (0-12 CCF)	\$3.2708	\$3.2794
Tier 2 (12-20 CCF)	\$5.6446	\$5.6596
Tier 3 (Over 20 CCF)	\$6.7027	\$6.7203

Under Great Oaks’ request, an average residential customer with a 3/4-inch meter using 20 CCF (1 CCF = 748 gallons) over 2 months would see a bi-monthly bill increase from \$131.58 currently to \$132.11. That is an increase of \$0.53 or 0.4%.

What Other Rate Requests Are Pending?

Great Oaks has no other pending applications before the CPUC.

How Can I Have My Voice Heard And Find Out More?

The CPUC will hold 2 Public Participation Hearings for customers to have their voices heard. The assigned Administrative Law Judge will preside at these hearings and a court reporter will transcribe the hearings. For further information on these hearings, please visit <https://www.CPUC.ca.gov/PPH/>.

Customers can also submit electronic comments specific to this proceeding and review all other public comments submitted by using the “Add Public Comment“ tab of the docket card at <https://apps.cpuc.ca.gov/c/A2305002>.

To view all formal filings in this proceeding, go to <https://apps.cpuc.ca.gov/p/A2305002>.

The Public Advocates Office is an independent consumer advocate within the CPUC who will review, audit, and submit formal testimony to this proceeding. Its website is: <https://www.publicadvocates.cpuc.ca.gov>.



CALIFORNIA PUBLIC UTILITIES COMMISSION
INFORMATION SHEET

The CPUC's Public Advisor can be contacted by email at public.advisor@cpuc.ca.gov or by phone at 866-849-8390.

The CPUC's Water Division provides information on the regulatory process for water utilities at: <https://www.cpuc.ca.gov/about-cpuc/divisions/water-division/>.