



Great Oaks Water Company (GOWC) General Rate Case – D.19-09-010

What is included in Decision 19-09-010?

Increases in Revenue Requirement to be Recovered in Rates:

- 2019-2020: \$1.69 million (8.81%) above authorized 2018/19 revenues
- 2020-2021: \$1.14 million (5.47%) above proposed 2019/20 revenues
- 2021-2022: \$1.21 million (5.53%) above proposed 2020/21 revenues

Rate Design Changes:

- **Current Rate Design** – 50% of fixed costs (those costs that do not vary with usage: rent, maintenance, salaries) recovered in monthly service charge; 50% of fixed costs and 100% of variable costs (those costs that vary with usage: ground water charges, energy, chemicals) recovered in quantity rates through a three-tiered structure.
- **Decision Rate Design** – 75% of fixed costs recovered in monthly service charge; 100% of variable costs and 25% of fixed costs recovered in quantity rates through a three-tiered structure resulting in higher monthly service charge and lower quantity rates at Tiers 1 and 2 for the first 24 ccf of usage and a higher quantity rate for Tier 3 usage, as shown on the next page.

What are the largest expenses being recovered in rates?

- **Ground Water Charges** (Santa Clara Valley Water District pump taxes) - \$10,284,777 (49.36% of revenue requirement)
- **Salaries and Benefits** - \$3,504,692 (16.82% of revenue requirement)
- **Depreciation Expense** - \$1,454,123 (6.98% of revenue requirement)
- **Return on Capital Investments** - \$1,311,597
- **Purchased Power** - \$868,873 (4.17% of revenue requirement for 2019/20)
- **Outside Services** (implementation of WaterSmart program, credit card program, and water quality testing) - \$739,319 (3.55% of revenue requirement)





What Are the Bi-Monthly Residential Bill Impacts Based on Decision 19=09-010 Revenue Increases?

Monthly Service Charge by Meter Size	Present Rates	2019 (% change)	2020 (% change)	2021 (% change)
3/4 -inch	\$12.77	\$22.36 (75%)	\$23.15 (3.5%)	\$23.85 (3%)
1-inch	\$21.28	\$37.26 (75%)	\$38.59 (3.6%)	\$39.75 (3%)
1 1/2-inch	\$42.56	\$74.53 (75%)	\$77.18 (3.6%)	\$79.49 (3%)
Water Usage Quantity Rate	Present Rates	2019 (% change)	2020 (% change)	2021 (% change)
Tier 1	\$3.3543 0 – 13 ccf	\$1.3758 (-59%) 0 – 6 ccf	\$1.4517 (5.5%)	\$1.5280 (5.3%)
Tier 2	\$3.6119 14 – 32 ccf	\$2.6782 (-26%) 7 – 24 ccf	\$2.8274 (5.6%)	\$2.9778 (5.3%)
Tier 3	\$4.1258 Over 32 ccf	\$4.0457 (-1.9%) Over 24 ccf	\$4.2719 (5.6%)	\$4.5000 (5.3%)

Excluding CPUC fee, City Tax, surcharges and refunds, an average residential customer with a 3/4-inch meter using 20 ccf (1 ccf = 748 gallons) every 2 months will see a **decrease** in their bi-monthly bill from \$97.45 to \$90.47 after July 1, 2019. The same bill is estimated to be \$94.59 after July 1, 2020 and \$98.56 after July 1, 2021 resulting in an overall 1.1% rate increase over the 3-year period.

