

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

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**A2605001**

Application of Great Oaks Water Company (U-162-W) for an Order establishing its authorized cost of capital for the period from July 1, 2027 through June 30, 2030.

A.26-05-\_\_\_\_  
(Filed May 1, 2026)

**COST OF CAPITAL APPLICATION OF GREAT OAKS WATER COMPANY (U  
162 W) FROM JULY 1, 2027 TO JUNE 30, 2030**

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Company

May 1, 2026

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**COST OF CAPITAL APPLICATION OF GREAT OAKS WATER COMPANY (U  
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**I. INTRODUCTION.**

Great Oaks Water Company (“Great Oaks”) submits this Application for authority to establish its authorized cost of capital for the period from July 1, 2027 through June 30, 2030 pursuant to Rules 1.1, 3.1, and 3.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California Public Utilities Code §§454, et seq., and relevant Commission decisions and policies governing cost of capital proceedings.

Great Oaks is authorized and required to file a cost of capital application on a triennial basis starting in 2008, pursuant to Decision D.07-05-062, which adopted the Commission’s Rate Case Plan for Class A water utilities. Great Oaks received a Commission decision, Decision D.24-12-007, on its most recent cost of capital application, Application A.23-05-001, filed in 2023. The decision authorized an 8.78 percent return on equity and a 6.5 percent cost of long-term debt with a capital structure of 12.70 percent actual long-term debt, 17.30 percent imputed long-term debt, and 70.00 percent common equity, resulting in an 8.10 percent return on rate base for the calendar years 2024, 2025, and 2026.

Pursuant to Rule 2.1(c), Great Oaks proposes that this proceeding be categorized as a rate-setting proceeding and requests that it be processed within fourteen (14) months, such that the authorized cost of capital adopted in this proceeding becomes effective no later than July 1, 2027.

This Application includes proposed schedules, exhibits, supporting testimony, and information responsive to the Minimum Data Requirements specified in Decision D.07-05-062, all of which are being served on the California Public Advocates Office concurrently with the filing of this Application.

## **II. The Applicant and Background Information for this Application**

### **A. Great Oaks Water Company**

In accord with Rule 2.1(a), the applicant states that its exact legal name is Great Oaks Water Co. Its principal place of business is located at 20 Great Oaks Boulevard, Suite 120, San Jose, California 95119. Great Oaks was incorporated in California in 1959. Great Oaks' Articles of Incorporation have been filed with the Commission for numerous proceedings, are incorporated by reference herein, and are available upon request. Great Oaks is owned by John Roeder, either directly or through the John W.S. Roeder Continuing Trust.<sup>1</sup> John Roeder, Great Oaks' Chief Executive Officer and sole shareholder, has been involved with the Company for his entire life and makes all investment decisions for the Company.<sup>2</sup>

Great Oaks is engaged in the business of supplying and distributing potable water for domestic, commercial, industrial, municipal, irrigation, and agricultural purposes in portions of the City of San Jose and in contiguous territory in Santa Clara County, California. Great Oaks' service area is depicted on service area maps in Great Oaks' authorized tariffs.<sup>3</sup> At the end of calendar year 2025, Great Oaks had 21,435 active service connections.<sup>4</sup>

### **B. Background Information**

#### **1. Current Cost of Capital**

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<sup>1</sup> See, D.21-01-008.

<sup>2</sup> See, **Exhibit D**, Testimony of John Roeder.

<sup>3</sup> See, Tariff Sheet Nos. 644-W through 670-W.

<sup>4</sup> See, 2025 Annual Report of Great Oaks Water Company, Schedule D-4.

In D.24-12-007,<sup>5</sup> the Commission authorized Great Oaks' cost of capital, as shown in the table below.

**Table 1. Current Adopted Cost of Capital for Great Oaks**

	Overall Percentage	Rate	Weighted Rate
Debt	30%	6.50%	1.95%
Equity	70%	8.78%	6.15%
Rate of Return	100%		8.10%

The current capital structure for cost of capital purposes was designed by adding imputed debt of 17.30 percent, to produce a 70 percent equity / 30 percent debt capital structure.<sup>6</sup>

The current authorized cost of debt is 6.5 percent, which continues to accurately reflect the actual cost of debt incurred by Great Oaks under its existing financing arrangement since 2014. Great Oaks notes that its existing long-term debt will mature in 2028. Great Oaks intends to request Commission approval to refinance its long-term debt.

The current authorized return on equity is 8.78 percent, which was adopted by the Commission in Decision D.24-12-007. Great Oaks observes that its authorized return on equity falls at the lower end of the range considered fair and reasonable when compared to other Class A water utilities.

### **III. Great Oaks' Requests in this Proceeding**

#### **A. Great Oaks requests a new capital structure.**

Great Oaks proposes that the capital structure for the period covered by this Application be as set forth in the table below. Great Oaks requests that the capital structure adopted in this proceeding more closely reflect its actual and projected capital structure for the period July 2027 through June 2030, and that this proposed capital structure be used in determining Great Oaks' cost of capital.

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<sup>5</sup> See, D.24-12-007, p. 3.

<sup>6</sup> See, D.10-12-057; D.13-05-027; D.18-12-002.

Great Oaks has maintained \$4,000,000 in long-term debt in the form of a promissory note since October 2014 and expects to refinance this note at maturity in 2028 with a similar level of debt.

**Projected Capital Structure of Great Oaks**

	<b>Actual 2025</b>	<b>Projected Capital Structure</b>
Long-Term Debt	25.43%	<b>25.00%</b>
Equity	74.57%	<b>75.00%</b>
Total	100.00%	<b>100.00%</b>

**B. Great Oaks requests 10.30% Return on Equity**

Great Oaks requests authorization of a 10.30 percent return on equity based on the need to ensure adequate capital attraction and financial integrity, consistent with established regulatory standards. The requested return is necessary to support continued access to equity capital from its shareholder to finance the ongoing investment required to maintain, replace, and upgrade Great Oaks’ long-lived water infrastructure.

**C. Great Oaks requests 9.35% Cost of Capital**

Great Oaks requests authorization of a 9.35 percent return on rate base for the period from July 1, 2027, through June 30, 2030. The table below presents the calculation of the requested return on rate base, based on a capital structure of 25 percent debt and 75 percent equity, a 6.50 percent cost of debt, and a 10.30 percent cost of equity.

**Requested Return on Rate Base**

	<b>Capital Structure</b>	<b>Cost</b>	<b>Weighted Cost of Capital</b>
Debt	25.00%	6.50%	1.625%
Equity	75.00%	10.30%	7.725%
Total	100.00%		9.350%

Great Oaks requests that, in establishing its cost of capital, the Commission consider not only the general factors applicable to regulated utilities, but also the specific circumstances of Great Oaks that result in a distinct financial risk profile compared to other Class A water utilities.

**D. Great Oaks requests a corresponding increase to its revenue requirement**

Great Oaks' currently adopted revenue requirement is \$26,010,102, as authorized by the Commission in Advice Letter 332-W. Based on the requested cost of capital of 9.35 percent, Great Oaks requests an increase of \$325,060, or 1.25 percent, resulting in a revised revenue requirement of \$26,335,162.

Exhibit B, Exhibit D, and Exhibit E show the resulting bill comparison, proposed customer notice, and tariff sheets associated with this requested increase.

**E. Water Cost of Capital Adjustment Mechanism.**

In Decision D.24-12-007, the Commission authorized the continued maintenance of the Water Cost of Capital Adjustment Mechanism ("WCCM"). Great Oaks has fully complied with this directive. The WCCM was updated through Advice Letter 328-W, approved on January 15, 2025, under the authority of Decision D.24-12-007, with an effective date of July 1, 2025. The initial benchmark for the updated WCCM was based on the average of Moody's Baa bond yields for the period of May 1, 2023, to April 30, 2024.<sup>7</sup>

Pursuant to the terms of the WCCM and consistent with prior Commission authorization, no adjustment to Great Oaks' return on equity has been made or has been required since Great Oaks' cost of capital was last established through D.24-12-007.

In this proceeding, Great Oaks does not request continuation of the WCCM for the period July 1, 2027, through June 30, 2030. Decision D.07-05-062 does not mandate the use of such a mechanism but rather contemplates adjustment mechanisms at the Commission's discretion.

As discussed above, Great Oaks maintains a stable capital structure and proposes a return on equity that is sufficient to fairly compensate its shareholder for

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<sup>7</sup> See, Great Oaks Water Company, Tariff Preliminary Statement, Section K.1.

bearing the risk of under-earning if interest costs increase between cost of capital proceedings.

The following table summarizes the current yields on Baa rated long-term corporate bonds used in the Benchmark Period and the two subsequent years:

	<b>Benchmark Period May 1, 2023, to April 30, 2024</b>	<b>Measurement Period May 1, 2024, to April 30, 2025</b>	<b>Next 11-month Period May 1, 2025 to March 31, 2026</b>
<b>Baa Corporate Bond Index Yield<sup>8</sup></b>	5.93%	5.83%	5.96%

#### **IV. Additional Information**

##### **A. Legal Authority**

Great Oaks' Application is submitted pursuant to Decision D.07-05-062 and California Public Utilities Code §454.

##### **B. Correspondence and Communication**

Great Oaks requests, pursuant to Rule 2.1(b), that all correspondence and communications regarding or relating to this proceeding, as well as all notices, orders, and other papers be addressed to and served upon:

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##### **C. Proposed Categorization, Request for Hearing, and Statement of Issues**

1. Proposed Categorization. Great Oaks proposes that this be categorized as a rate-setting proceeding.

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<sup>8</sup> Federal Reserve Bank of St. Louis, *Moody's Seasoned Baa Corporate Bond Yield*, <https://fred.stlouisfed.org/series/BAA>.

2. Request for Hearing. Great Oaks requests that evidentiary hearings be held in this proceeding.
3. Statement of Issues.
  - i. Whether Great Oaks’ requested cost of capital for the years 2027/2028, 2028/2029, and 2029/2030, including its capital structure, cost of equity, cost of debt, and its requested return on rate base are reasonable.
  - ii. Whether discontinuance of the Water Cost of Capital Adjustment Mechanism for the period July 1, 2027 through June 30, 2030 is reasonable.

**D. Proposed Schedule for this Proceeding**

Great Oaks proposes the following schedule for this proceeding to allow for timely Commission review and implementation of updated rates effective on July 1, 2027:

**Proposed Schedule<sup>9</sup>**

May 1, 2026	Cost of Capital Application Filed and Served
June 5, 2026	Protests Filed
June 15, 2026	Prehearing Conference
July 13, 2026	Cal Advocates and Intervenors Serve Testimony
August 14, 2026	Applicant Serves Rebuttal Testimony
August 24, 2026	Formal Settlement Discussions Begin
September 7, 2026	Evidentiary Hearings Begin
October 16, 2026	Concurrent Opening Briefs to be Filed and Served
November 2, 2026	Concurrent Reply Briefs to be Filed and Served
January 18, 2027	Proposed Decision to be Issued
February 5, 2027	Comments on Proposed Decision
February 12, 2027	Reply Comments on Proposed Decision
March 22, 2027	Final Decision Issued and/or Adopted
July 1, 2027	Decision Implemented and Rates Adjusted Accordingly

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<sup>9</sup> This proposed schedule closely matches the schedule in previous cost of capital proceedings for Great Oaks.

### **E. Compliance with Rule 3.2**

In compliance with Rule 3.2, Great Oaks includes and/or serves the following materials:

1. Exhibit A: Great Oaks' most recent balance sheets and income statement, for the year ending December 31, 2025.
2. Exhibit B: Bill comparison using present and proposed rates.
3. Exhibit C: Return on rate base for the calendar years 2021 through 2025, included as part of the Minimum Data Requirements.
4. Exhibit D: Proposed customer notice.
5. Exhibit E: Proposed tariff sheets.
6. Exhibit F: Direct testimony of John Roeder.

Great Oaks states that no director, nominee to be director, or officer of Great Oaks, and no other person or legal entity being the owner of record or known by Great Oaks to be the beneficial owner of securities having ten percent or more of the voting power of the corporation has any material financial interest in any transaction involving the purchase of materials and equipment or contracting, arranging or paying for construction, maintenance work or service of any kind to which Great Oaks has been a party during 2025 (or any prior or subsequent period of time).<sup>10</sup>

### **V. Requests for Relief**

Based upon this Application, the evidence presented, and applicable Commission and legal precedent, Great Oaks requests that the Commission:

- A. Establish a cost of capital for Great Oaks of 9.35 percent for the period from July 1, 2027 through June 30, 2030, consistent with 10.30 percent return on equity, a 6.50 percent cost of long-term debt, and a proposed capital structure of 25 percent long-term debt and 75 percent equity.

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<sup>10</sup> Rule 3.2(a)(8); General Order 104-A, Section 2.

- B. Authorize the discontinuance of the Water Cost of Capital Adjustment Mechanism for the requested period from July 1, 2027, through June 30, 2030.
- C. Authorize Great Oaks to adjust its rates to reflect the adopted cost of capital in this proceeding, effective July 1, 2027.
- D. Grant such further and additional relief as supported by applicable law and evidence.

Executed on this 1st day of May 2026.

By: \_\_\_\_\_ /S/  
Juan Liem

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**SCHEDULE A  
COMPARATIVE BALANCE SHEETS  
Assets and Other Debits**

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)	
1		<b>I. UTILITY PLANT</b>				
2	100	Utility Plant	A-1, A-1a	59,210,364	57,593,065	
3	101	Recycled Water Utility Plant	A-1b	-	-	
4	107	Utility Plant Adjustments	A-2	-	-	
5		Total Utility Plant		\$ 59,210,364	\$ 57,593,065	
6	250	Reserve for depreciation of utility plant	A-5	(34,446,077)	(33,132,675)	
7	251	Reserve for amortization of limited term utility investments	A-5	-	-	
8	252	Reserve for amortization of utility plant acquisition adjustments	A-5	-	-	
9	259	Reserve for depreciation and amortization of recycled water utility plant	A-5	-	-	
10		Total utility plant reserves		\$ (34,446,077)	\$ (33,132,675)	
11		Total utility plant less reserves		\$ 24,764,287	\$ 24,460,390	
12						
13		<b>II. INVESTMENT AND FUND ACCOUNTS</b>				
14	110	Other Physical Property	A-3	-	-	
15	253	Reserve for depreciation and amortization of other property	A-5	-	-	
16		Other physical property less reserve		\$ -	\$ -	
17	111	Investments in Affiliated Companies	A-6	-	-	
18	112	Other Investments	A-7	11,935	11,935	
19	113	Sinking Funds	A-8	-	-	
20	114	Miscellaneous Special Funds	A-9	-	-	
21		Total investments and fund accounts		\$ 11,935	\$ 11,935	
22						
23		<b>III. CURRENT AND ACCRUED ASSETS</b>				
24	120	Cash	A-10	1,657,000	417,164	
25	121	Special Deposits	A-11	-	-	
26	122	Working Funds	A-12	-	-	
27	123	Temporary Cash Investments	A-13	-	8,537,638	
28	124	Notes Receivable	A-14	-	-	
29	125	Accounts Receivable	A-15	2,722,971	2,673,179	
30	126	Receivables from Affiliated Companies	A-16	-	-	
31	131	Materials and Supplies	A-17	-	-	
32	132	Prepayments	A-18	311,747	448,938	
33	133	Other Current and Accrued Assets	A-19	1,689,872	1,159,102	
34		Total Current and Accrued Assets		\$ 6,381,590	\$ 13,236,021	
35						
36		<b>IV. DEFERRED DEBITS</b>				
37	140	Unamortized Debt Discount and Expense	A-20	-	-	
38	141	Extraordinary Property Losses	A-22	-	-	
39	142	Preliminary Survey and Investigation Charges	A-23	-	-	
40	143	Clearing Accounts	A-24	-	-	
41	145	Other Work in Progress	A-25	-	-	
42	146	Other Deferred Debits	A-26	901,201	801,264	
43	147	Accumulated Deferred Income Tax Assets	A-27	-	-	
44		Total Deferred Debits		\$ 901,201	\$ 801,264	
45		Total Assets and Other Debits		\$ 32,059,012	\$ 38,509,610	

**SCHEDULE A**  
**COMPARATIVE BALANCE SHEETS**  
**Liabilities and Other Credits**

Line No.	Acct.	Title of Account (a)	Schedule No. (b)	Balance End of Year (c)	Balance Beginning of Year (d)	
46		<b>I. CORPORATE CAPITAL AND SURPLUS</b>				
47	200	Common Capital Stock	A-30	360,110	360,110	
48	201	Preferred Capital Stock	A-30a	-	-	
49	202	Stock Liability for Conversion	A-31	-	-	
50	203	Premiums and Assessments on Capital Stock	A-32	349,539	349,539	
51	206	Subchapter S Corporation Accumulated Adjustments Account	A-33	-	-	
52	150	Discount on Capital Stock	A-28	-	-	
53	151	Capital Stock Expense	A-29	(2,236)	(2,236)	
54	270	Capital Surplus	A-34	21	21	
55	271	Earned Surplus	A-35	11,018,740	12,076,997	
56		Total Capital Stock		\$ 11,726,174	\$ 12,784,431	
57						
58		<b>II. PROPRIETARY CAPITAL</b>				
59	204	Proprietary Capital	A-36	-	-	
60	205	Undistributed Profits of Proprietorship or Partnership	A-37	-	-	
61		Total Proprietary Capital		\$ -	\$ -	
62						
63		<b>III. LONG-TERM DEBT</b>				
64	210	Bonds	A-38	-	-	
65	211	Receivers' Certificates	A-39	-	-	
66	212	Advances from Affiliated Companies	A-40	-	-	
67	213	Miscellaneous Long-Term Debt	A-41	4,000,000	4,000,000	
68		Total Long-Term Debt		\$ 4,000,000	\$ 4,000,000	
69						
70		<b>IV. CURRENT AND ACCRUED LIABILITIES</b>				
71	220	Notes Payable	A-43	-	-	
72	221	Notes Receivable Discounted	A-44	-	-	
73	222	Accounts Payable	A-45	323,018	142,263	
74	223	Payables to Affiliated Companies	A-46	-	-	
75	224	Dividends Declared	A-47	-	-	
76	225	Matured Long-Term Debt	A-48	-	-	
77	226	Matured Interest	A-49	-	-	
78	227	Customers' Deposits	A-50	67,653	72,908	
79	228	Taxes Accrued	A-53	-	-	
80	229	Interest Accrued	A-51	14,959	14,959	
81	230	Other Current and Accrued Liabilities	A-52	-	10,810,672	
82		Total Current and Accrued Liabilities		\$ 405,630	\$ 11,040,802	
83						
84		<b>V. DEFERRED CREDITS</b>				
85	240	Unamortized Premium on Debt	A-21	-	-	
86	241	Advances for Construction	A-54	3,518,258	3,777,953	
87	242	Other Deferred Credits	A-55	1,899,451	1,483,265	
88		Total Deferred Credits		\$ 5,417,709	\$ 5,261,218	
		<b>VI. ACCUMULATED DEFERRED TAXES</b>				
	267	Accumulated Deferred Income Taxes Liabilities	A-59	2,561,544	2,504,143	
	268	Accumulated Deferred Investment Tax Credits	A-60	-	-	
		Total Accumulated Deferred Taxes		\$ 2,561,544	\$ 2,504,143	
89						
90		<b>VII. RESERVES</b>				
91	254	Reserve for Uncollectible Accounts	A-56	13,589	8,639	
92	255	Insurance Reserve	A-56	-	-	
93	256	Injuries and Damages Reserve	A-56	-	-	
94	257	Employees' Provident Reserve	A-56	-	-	
95	258	Other Reserves	A-56	-	-	
96		Total Reserves		\$ 13,589	\$ 8,639	
97						
98		<b>VIII. CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
99	265	Contributions in Aid of Construction	A-57	3,066,923	2,910,377	
100		Total Liabilities and Other Credits		\$ 27,191,568	\$ 38,509,610	

**SCHEDULE B**  
**Income Statement for the Year**

Line No.	Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		<b>I. UTILITY OPERATING INCOME</b>		
2	501	Operating Revenues	B-1	30,810,493
3				
4		Operating Revenue Deductions:		
5	502	Operating Expenses	B-2	19,905,079
6	503	Depreciation	A-5	1,253,969
7	504	Amortization of Limited-term Utility Investments	A-5	-
8	505	Amortization of Utility Plant Acquisition Adjustments	A-5	-
9	506	Property Losses Chargeable to Operations	B-3	-
10	507	Taxes	B-4	3,618,795
11		<b>Total Operating Revenue Deductions</b>		\$ 24,777,843
12		<b>Net Operating Revenues</b>		\$ 6,032,650
13	508	Income from Utility Plant Leased to Others	B-6	-
14	510	Rent for Lease of Utility Plant	B-7	-
15		<b>Total Utility Operating Income</b>		\$ 6,032,650
16				
17		<b>II. OTHER INCOME</b>		
18	521	Income from Nonutility Operations (Net)	B-8	70,381
19	522	Revenue from Lease of Other Physical Property	B-9	-
20	523	Dividend Revenues	B-10	416
21	524	Interest Revenues	B-11	100,051
22	525	Revenues from Sinking and Other Funds	B-12	-
23	526	Miscellaneous Nonoperating Revenues	B-13	1,082,200
24	527	Nonoperating Revenue Deductions	B-14	-
25		<b>Total Other Income</b>		\$ 1,253,048
26		<b>Net Income before Income Deductions</b>		\$ 7,285,698
27				
28		<b>III. INCOME DEDUCTIONS</b>		
29	530	Interest on Long-term Debt	B-15	260,000
30	531	Amortization of Debt Discount and Expense	B-16	-
31	532	Amortization of Premium on Debt - Cr.	B-17	-
32	533	Taxes Assumed on Interest	B-18	-
33	534	Interest on Debt to Affiliated Companies	B-19	-
34	535	Other Interest Charges	B-20	-
35	536	Interest Charged to Construction - Cr.	B-21	-
36	537	Miscellaneous Amortization	B-22	-
37	538	Miscellaneous Income Deductions	B-23	17,491
38		<b>Total Income Deductions</b>		\$ 277,491
39		<b>Net Income / &lt;Loss&gt;</b>		\$ 7,008,207
40				
41		<b>IV. DISPOSITION OF NET INCOME</b>		
42	540	Miscellaneous Reservations of Net Income	B-24	-
43				
44		<b>Balance transferred to Earned Surplus or</b>		\$ 7,008,207
45		Proprietary Accounts scheduled on pages 32-33		



**Great Oaks Water Company**  
**Present to Proposed Rates Comparison**

<u>Rates</u>	<u>Current</u>	<u>Proposed</u>
<b>Quantity Rates</b>		
Uniform Rate (per ccf)	\$ 3.8238	\$ 3.8454
Tiered Rates (per ccf)		
Tier 1 (0 - 12 ccf)	\$ 2.7187	\$ 2.7341
Tier 1 (13 - 20 ccf)	\$ 4.6918	\$ 4.7183
Tier 3 (over 20 ccf)	\$ 6.4775	\$ 6.5141
<b>Service Charges by Meter Size</b>		
5/8" x 3/4"	\$ 20.68	\$ 21.19
3/4" x 3/4"	\$ 31.01	\$ 31.78
1"	\$ 51.69	\$ 52.97
1 1/2"	\$ 103.38	\$ 105.95
2"	\$ 165.41	\$ 169.51
3"	\$ 310.14	\$ 317.84
4"	\$ 516.89	\$ 529.73
6"	\$ 1,033.78	\$ 1,059.46
8"	\$ 1,654.05	\$ 1,695.14
10"	\$ 2,377.70	\$ 2,436.76
12"	\$ 3,411.49	\$ 3,496.22

**Bill Comparison**  
**Average Single Family Residential Customer with 3/4" x 3/4" Meter Using 10 ccf per Month**

<b>Current</b>				<b>Post Cost of Capital approval</b>			
<u>Item</u>	<u>Amount</u>	<u>Units</u>	<u>Total</u>	<u>Item</u>	<u>Amount</u>	<u>Units</u>	<u>Total</u>
Monthly Service Charge	\$31.01	2	\$62.02	Monthly Service Charge	\$31.78	2	\$63.56
Tier 1	\$2.7187	12	\$32.62	Tier 1	\$2.7341	12	\$32.81
Tier 2	\$4.6918	8	\$37.53	Tier 2	\$4.7183	8	\$37.75
CAP Surcharge	\$0.1511	20	\$3.02	CAP Surcharge	\$0.1511	20	\$3.02
AL 331-W Surcredit			<u>-\$18.98</u>	AL 331-W Surcredit			<u>-\$18.98</u>
Subtotal			\$116.22	Subtotal			\$118.16
CPUC Fee	0.70%		<u>\$0.81</u>	CPUC Fee	0.70%		<u>\$0.83</u>
Subtotal			\$117.03	Subtotal			\$118.98
SJ Utility Tax	5.00%		<u>\$5.85</u>	SJ Utility Tax	5.00%		<u>\$5.95</u>
Total			\$122.89	Total			\$124.93

Increase	\$2.05
Percentage	1.67%



**Exhibit C**

Rate of Return Summary - Great Oaks Water Company  
CY2021 through CY2025

CY	Net Income	Average CY Rate Base	Rate of Return	Authorized Rate of Return	CY Revenue from Memo/ Bal Acct Amortizations*	Adjusted Net Income	Adjusted Rate of Return
2021	\$3,330,393	\$16,815,393	19.81%	8.15%	\$1,883,417	\$1,446,976	8.61%
2022	\$3,824,595	\$17,409,153	21.97%	8.15%	\$1,647,486	\$2,177,109	12.51%
2023	\$4,180,227	\$17,962,750	23.27%	8.15%	\$0	\$4,180,227	23.27%
2024	\$5,057,060	\$18,115,891	27.92%	8.15%	\$0	\$5,057,060	27.92%
2025	\$7,008,207	\$18,637,510	37.60%	8.10%	\$4,961,523	\$2,046,684	10.98%
Average Rate of Return CY2021 - CY2025			26.11%				
Average Adjusted Rate of Return CY2021 - CY2025							16.66%
* 2022 Adjustment includes forgiveness of COVID-19 PPP loan							
* 2025 Adjustments include one time gain on sale of a land							



# PUBLIC NOTICE

*Para más información en cómo este cambio impactará su factura, llame al 1-408-227-9540.*

## NOTICE OF APPLICATION Great Oaks Water Company's Request to Increase Cost of Capital APPLICATION 26-05-XXX

### Why am I receiving this notice?

On May 1, 2026, Great Oaks Water Company ("Great Oaks") filed its cost of capital application, A.26-05-XXX, with the California Public Utilities Commission ("CPUC") proposing to increase Great Oaks' cost of capital beginning with the 2027/2028 rate year. If the CPUC approved the application, Great Oaks' total revenue requirement will increase by \$325,060 (1.25%), beginning July 1, 2027. This will increase your bill.

### Why is Great Oaks requesting this increase?

Cost of capital provides the equity owner of the utility with an opportunity to earn a return on invested capital in an amount commensurate with investment return in other businesses with similar risk factors. The opportunity to earn this rate of return is legally required for utilities regulated by the CPUC.

### How could this affect my water bill?

If Great Oaks' cost of capital request is approved by the CPUC, beginning July 1, 2027, the average residential bi-monthly bill (2 months of water service) with a 3/4" meter using 10 CCF (1 CCF = 748 gallons) per month would increase by approximately \$2.05 or 1.67%, from \$122.89 to \$124.93, compared to present rates.

### How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt Great Oaks' application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding will review Great Oaks' application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information regarding the Public Advocates Office, please call 1-415-703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit [PublicAdvocates.cpuc.ca.gov](http://PublicAdvocates.cpuc.ca.gov).

### Where can I get more information?

#### Contact Great Oaks

Phone: 1-408-227-9540

Email: [customerservice@greatoakswater.com](mailto:customerservice@greatoakswater.com)

Mail: Great Oaks Water Co., Attn. Cost of Capital, PO Box 23490, San Jose, CA 95153

A copy of the Application and any related documents may also be reviewed at

[www.greatoakswater.com](http://www.greatoakswater.com).

#### Contact CPUC

Your participation by providing your thoughts on Great Oak's request can help the CPUC make an informed decision. Please visit [apps.cpuc.ca.gov/c/A26-05-XXX](https://apps.cpuc.ca.gov/c/A26-05-XXX) to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Email: [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)

Mail: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102

Please reference **Application A.26-05-XXX** in any communications you have with the CPUC regarding this matter.



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.	\$ 3.8454	(I)
<b>Service Charge:</b>		
For 5/8x3/4-inch meter	\$ 21.19	(I)
For 3/4-inch meter	31.78	(I)
For 1-inch meter	52.97	(I)
For 1 1/2-inch meter	105.95	(I)
For 2-inch meter	169.51	(I)
For 3-inch meter	317.84	(I)
For 4-inch meter	529.73	(I)
For 6-inch meter	1,059.46	(I)
For 8-inch meter	1,695.14	(I)
For 10-inch meter	2,436.76	(I)
For 12-inch meter	3,496.22	(I)

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. \_\_\_\_\_

Juan Liem \_\_\_\_\_

Date Filed \_\_\_\_\_

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

NAME  
Treasurer and Secretary  
TITLE

Effective Date: \_\_\_\_\_

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.	\$ 2.7341	(I)
For total bi-monthly usage above 12 to 20 Ccf.	4.7183	(I)
For total bi-monthly usage over 20 Ccf.	6.5141	(I)
 Service Charge (Conservation Rates):		
For 5/8x3/4-inch meter	\$ 21.19	(I)
For 3/4x3/4-inch meter	31.78	(I)
For 1-inch meter	52.97	(I)
For 1 1/2-inch meter	105.95	(I)
For 2-inch meter	169.51	(I)
For 3-inch meter	317.84	(I)
For 4-inch meter	529.73	(I)
For 6-inch meter	1,059.46	(I)
For 8-inch meter	1,695.14	(I)
For 10-inch meter	2,436.76	(I)
For 12-inch meter	3,496.22	(I)

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)

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.	\$ 3.8454	(I)
Service Charge:		
For 2-inch meter	\$ 169.51	(I)
For 3-inch meter	317.84	(I)
For 4-inch meter	529.73	(I)
For 6-inch meter	1,059.46	(I)
For 8-inch meter	1,695.14	(I)
For 10-inch meter	2,436.76	(I)

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.)

Advice Letter No. \_\_\_\_\_

Juan Liem \_\_\_\_\_

Date Filed \_\_\_\_\_

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

Treasurer and Secretary  
TITLE

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

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. \$ 3.8454 (I)

Service Charge:

Per Meter  
Per Month

For 2-inch meter	\$ 169.51	(I)
For 3-inch meter	317.84	(I)
For 4-inch meter	529.73	(I)
For 6-inch meter	1,059.46	(I)
For 8-inch meter	1,695.14	(I)
For 10-inch meter	2,436.76	(I)
For 12-inch meter	3,496.22	(I)

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)

(To be inserted by utility)

*Issued by*

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

Advice Letter No. \_\_\_\_\_

Juan Liem  
NAME

Date Filed \_\_\_\_\_

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

Treasurer and Secretary  
TITLE

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_