

Decision 90 05 082 MAY 22 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GIBBS RANCH WATER COMPANY, a California
corporation for authority to increase
rates.

) Application 89-08-038
) (Filed August 24, 1989)
)

Harrison L. Gibbs and John D. Reader, for
Gibbs Ranch Water Company, applicant.

Phyllis J. Harskamp, for Racetrack
Homeowners' Association, interested
party.

Arthur B. Jarrett, for the Commission
Advisory and Compliance Division, Water
Utilities Branch.

O P I N I O N

Gibbs Ranch Water Company (Gibbs Ranch), a California corporation, provides water service to approximately 566 customers in an unincorporated area of Tuolumne County about a mile west of Sonora.

Applicant requested a general rate increase of \$41,300 or 23.4% for test year 1990 and an additional increase of \$9,160 or 4.2% for test year 1991.

This decision grants Gibbs Ranch a general rate increase of \$27,988 or 15.58% for test year 1990 and \$3,268 or 1.52% for test year 1991. It also approves an additional 14.5¢ in residential quantity charges to be effect for two years to recover a \$26,282 undercollection in its balancing accounts for purchased water and purchased power.

Duly noticed public hearings were held in Sonora on January 3 and 4, 1989, before Administrative Law Judge Orville I. Wright, and the matter was submitted for decision on January 18, 1990.

Description of Applicant

Gibbs Ranch is located in an unincorporated area of Tuolumne County about a mile west of Sonora. It serves treated water to areas known as Rancho Sonora Estates, the Racetrack subdivision and the Gibbs Ranch Villas, and vicinity, as well as serving untreated ditch water in adjacent areas.

The water system was originally obtained from the Pacific Gas and Electric Company (PG&E). In 1984, Tuolumne County acquired the PG&E ditches and piped water system serving Sonora and surrounding areas. Gibbs Ranch now has a firm right to 40 miners inches of water from the County, and it also has a well which has provided about 3.0% of its water for many years.

Raw water is stored in a 5 million gallon reservoir, and after treatment at a filter plant, is pumped to storage tanks having a combined storage capacity in excess of 650,000 gallons.

In December, 1988, there were 517 customers receiving treated water and four private fire connections being served through over 90,000 feet of distribution mains.

Adopted Summary of Earnings

Table 1 shows the adopted summary of earnings for Gibbs Ranch for test years 1990 and 1991.

An exhibit showing a comparison of results of operations as developed by both applicant and Water Utilities Branch (Branch) of the Commission Advisory and Compliance Division is unnecessary in this case because applicant has accepted all of the relatively minor differences disclosed in the Branch report, leaving only the matter of the appropriate management salary for discussion. Table 1 reflects our adoption of the Branch estimate for operations and maintenance labor, including management salary.

TABLE 1
ADOPTED SUMMARY OF EARNINGS
Test Years 1990 and 1991

	<u>1990</u>	<u>1991</u>
<u>Operating Revenues</u>		
1 Residential	200,815	210,911
2 Irrigation	4,519	4,588
3 Untreated	2,077	2,109
4 Private Fire Protection	194	196
5 TOTAL REVENUES	<u>207,605</u>	<u>217,804</u>
<u>Operating Expenses</u>		
6 Purchased Water	10,630	10,830
7 Purchase Power	13,750	14,030
8 Other Volume Related Expense	5,780	5,910
9 O & M Labor	19,750	20,640
10 Materials	6,480	6,790
11 Contract Work	4,820	5,040
12 Transportation Expense	3,180	3,330
13 Other Plant Maintenance	1,360	1,430
14 Office Salary	15,360	16,080
15 Management Salary	10,070	10,530
16 Benefits - Health Insurance	3,200	3,350
17 Uncollectibles Expenses	519	545
18 Office Services & Rent	10,430	10,930
19 Office Supplies & Expenses	6,740	7,060
20 Professional Services	6,770	7,100
21 Insurance	3,680	3,850
22 Regulatory Expense	1,500	1,500
23 General Expense	2,200	2,300
24 TOTAL EXPENSES	<u>126,219</u>	<u>131,245</u>
25 Depreciation	21,878	22,747
26 Property Taxes	5,977	6,488
27 Payroll Taxes	4,040	4,200
28 State Income Tax	4,603	4,941
29 Federal Income Tax	5,833	6,327
30 TOTAL DEDUCTIONS	<u>168,550</u>	<u>175,948</u>
31 NET REVENUE	39,055	41,856
<u>Rate Base</u>		
32 Average Plant	900,610	935,340
33 Average Depreciation Reserve	254,840	276,880
34 Net Plant	645,770	658,460
35 Less: Advances	272,980	260,530
36 Contributions	22,700	22,230
37 Plus: Material & Supplies	1,000	1,000
38 Working Cash	12,220	12,650
39 RATE BASE	<u>363,310</u>	<u>389,350</u>
40 RATE OF RETURN	10.75%	10.75%

Management Salary

Applicant's estimate of management salary for test year 1990 is \$21,000 as compared to the Branch estimate of \$10,070, a difference of \$10,930. For test year 1991, Gibbs Ranch seeks \$22,000 while staff projects \$10,530, a difference of \$11,470.

Applicant's owner is both the corporation's controller and its manager of utilities--water and sewer. He is actively engaged in two other business endeavors, averaging a 70-hour work week, according to the testimony. The manager calculates that he spends 18 hours per week, on average, conducting utility functions and seeks a compensation allowance of \$22.50 per hour or \$21,060 for the year 1990. The requested rate of \$22.50 is based upon the salary of the district manager of the Tuolumne Regional Water District. Applicant argues that the cited executive salary is a reasonable wage level indicator for its manager because the difference in size and complexity of the Tuolumne Regional Water District is accounted for by the fact that the Gibbs Ranch Manager is only a part-time occupation.

Branch relied upon actual recorded management expense in making its estimate. It used averages of 16 hours per week and \$12.10 per hour to develop its 1990 estimate of \$10,070. The hourly rate selected is for lower level management wages for Tuolumne Regional Water District.

Branch, however, checked its overall estimate for reasonableness by comparing the sum of employee labor, contract work, office salaries, management salaries, and professional fees per customer per month for 13 water companies ranging from 301 to 774 customers. The last test year approved by the Commission for each of the utilities was selected and that expense was then factored upward for inflation to the year 1990. The result of this test shows applicant's overall labor cost to be \$9.85 per customer as compared to the Branch estimate of \$8.25 per customer.

As the highest overall labor cost for the 13 utilities surveyed is \$8.36 and the average cost is \$6.51, it seems reasonable to conclude that the Branch management component of the labor cost element of operating expenses was correctly computed.

We will adopt the Branch estimate of management salary.

Balancing Accounts

A balancing account for purchased water was ordered on February 18, 1981, pursuant to Commission Resolution W-2784 and for purchased power on May 20, 1980 pursuant to Commission Resolution W-2645. There have been no purchased water or power offset increases since Decision (D.) 82-12-073, dated December 15, 1982, which authorized applicant's last rate increase. Below is a tabulation of applicant and staff agreed undercollection figures as of June 30, 1989, together with agreed revenue requirements for each of the test years.

Balancing Accounts Undercollections	<u>Applicant and Staff</u>
Purchased Water	\$11,703
Purchased Power	<u>14,485</u>
Total	\$26,188
 Schedule No. 1 (Metered Service)	
1990 (Ccf)	89,269
1991 (Ccf)	<u>91,989</u>
Total	74,258
Cents per Ccf	14.45
Cents per Ccf Rounded Off	14.5
1990 Revenue Increase	\$12,944
1991 Revenue Increase	<u>13,338</u>
	\$26,282

Rate Design

Applicant's present metered service rate schedule consists of a service charge, a lifeline block of 300 cubic feet, and a second block for consumption over 300 cubic feet.

The metered service rates proposed by the applicant are identical in design to its present rates with each element increased by the system average increase requested in the application. The proposed service charge would recover approximately 50% of the metered customers' share of the applicant's fix costs in the test years.

The Commission's current rate design policy for water companies established by D.86-05-064, effective May 28, 1986, calls for phasing out lifeline rates, allows for reduction of multiple consumption blocks to a single block, and calls for recovery of up to 50% of fixed expenses through service charges. This policy was developed to provide water utilities an opportunity to more readily recover fixed costs, thus bringing more stability to utility revenues.

In keeping with the Commission's current rate design policy discussed above, Branch recommends that the adopted metered service rates incorporate the following guidelines:

1. Eliminate the lifeline consumption block and have a single quantity rate for all water used.
2. Service charges be set to recover no more than 50% of the metered customers share of adopted fixed costs in the test years. (Fixed costs are gross revenues at adopted rates less purchased power, purchased water, chemicals, income taxes, uncollectibles and any other costs which vary with water usage.)
3. Final rates should not cause any customer bill to increase by more than twice the adopted system average increase.

Applicant's proposed metered service rates consist of a service charge which will recover 50% of fixed costs. As this percentage meets the Commission's rate design policy guideline, Branch recommends accepting applicant's proposal.

In addition to its requested basic metered service rates, the applicant plans to add a charge for water consumption for two years to recover undercollections of balancing accounts. Branch recommends acceptance.

Branch recommends that the rates in the Private Fire Protection Service Schedule be increased by the adopted system average increase. The applicant proposes to increase each element of its present General Metered Service - Untreated Water rates by the system average increase requested. Branch recommends that the adopted General Metered Service - Untreated Water rates be determined by increasing the present service charges by the adopted system average increase and set a single quantity block for all water usage per 100 cubic feet.

Branch recommends that the rates in Flat Rate Service - Untreated Water and General Irrigation Service schedules be increased by adopted system average increase.

We will adopt applicant's rate design proposals as approved and amplified by Branch.

Service and Water Quality

Branch conducted a field investigation of the applicant's service area in November of 1989. Water is gravity fed into the system to a treatment plant and then boosted and stored at higher elevations in three storage tanks.

During the field investigation, domestic water pressure was checked, and all pressures were found within ranges prescribed by General Order 103. The water system, including the treatment facilities, has been recently inspected by the State Department of Health Services (DHS) and found satisfactory, subject to provision of a recommended additional pressure filter.

Advice Letter Filing

Applicant will be required to install a new 250 gpm filter system in 1990 to comply with DHS orders to reduce filtering rates.

This cost was originally estimated at \$45,000, but a more recent quotation increased the estimate to \$60,000.

Applicant and Branch concur that we should grant authority in this proceeding for Gibbs Ranch to file an offset increase by advice letter, if necessary, to recover actual costs of the projected new filter system.

Findings of Fact

1. Gibbs Ranch Water Company, a California corporation, provides water service to approximately 566 customers in an unincorporated area of Tuolumne County about a mile west of Sonora.

2. Applicant requests authority to adjust rates for water service to increase revenues for 1990 by \$41,300 or 23.4%, and for 1991 by \$9,160 or 4.2%.

3. The increase in rates authorized by this decision is expected to provide increased revenue for 1990 of \$27,988 or 15.58%, and for 1991 of \$3,268 or 1.52%.

4. An additional 14.5¢ in residential quantity charges, to be effect for two years to recover a \$26,282 undercollection in applicant's balancing accounts for purchased water and purchased power, is reasonable.

5. The Adopted Summary of Earnings for 1990 and 1991 sets forth reasonable estimates of the levels of revenues and expenses likely to occur in those years.

6. A rate of return of 10.75% on applicant's rate base is reasonable.

7. The rate design proposed by applicant and Branch is reasonable.

8. Applicant's service and water quality are adequate.

9. Applicant may require an offset rate increase to recover costs of a filter system improvement ordered by the State Department of Health Services.

10. Because of applicant's immediate need for rate relief, this order should be effective today.

Conclusions of Law

1. A.89-08-038 should be granted to the extent provided by the following order, the adopted rates being just, reasonable, and nondiscriminatory.

2. Applicant should be authorized to file for an offset rate increase, if required, to recover costs of a filter system improvement ordered by the State Department of Health Services.

O R D E R

IT IS ORDERED that:

1. Gibbs Ranch Water Company (Gibbs Ranch) is authorized to file revised tariff schedules attached to this decision as Appendix A and to concurrently cancel its present schedules for such service. This filing shall comply with General Order (GO) Series 96. The effective date of the revised schedules shall be 5 days after the date of filing. The revised schedules shall apply only to service rendered on and after their effective date.

2. On and after November 5, 1990, Gibbs Ranch is authorized to file an advice letter, with appropriate supporting workpapers, requesting the step rate increases for 1991 included in Appendix B, or to file a lesser increase in the event that the rate of return on rate base adjusted to reflect the rates then in effect and normal ratemaking adjustments from the 12-month ending September 30, 1990, exceeds the rate of return found reasonable in this case. This filing shall comply with GO 96-A. The requested step rates shall be reviewed by the Branch to determine their conformity with this order and shall go into effect upon such

determination of conformity. Branch shall inform the Commission if it finds that the proposed rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedules shall be no earlier than January 1, 1991 or 40 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date. ✓

3. The applicant's pro-forma calculations to justify its step-rate increases for year 1991 shall comply with the established procedures, dated October 31, 1985, for calculating pro-forma rates of return.

4. Applicant is authorized to file an advice letter requesting an offset rate increase, if required, to recover actual costs of a filter system improvement ordered by the State Department of Health Services. |

5. The application is granted as set forth above.

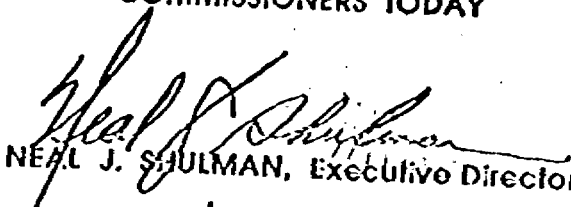
This order is effective today.

Dated MAY 22 1990, at San Francisco, California.

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SHULMAN, Executive Director

APPENDIX A
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Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Rancho Sonora Estates and vicinity, located about one mile west of Sonora, Tuolumne County.

RATES

Quantity Rate:

Balancing Acct.	(L)
<u>Surcharge</u>	(N)

All water, per 100 cu. ft. ... \$ 1.35 (C)	\$ 0.145	(N)
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Service Charge:

Per Meter Per Month

For 5/8 x 3/4-inch meter	\$12.25	(I)
For 3/4-inch meter	12.25	
For 1-inch meter	16.25	
For 1-1/2-inch meter	23.10	
For 2-inch meter	29.95	(I)

The Service Charge is a readiness-to-serve which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate. (T)

SPECIAL CONDITIONS

1. The Balancing Account surcharge will expire 2 years after the effective date of this schedule. (N)
2. All bills are subject to the reimbursement fee set forth on Schedule No. UP. (L)

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service furnished to private fire system and to private fire hydrants.

TERRITORY

Rancho Sonora Estates and vicinity, located about one mile west of Sonora, Tuolumne County.

RATE

Per Service
Per Month

For each-inch of diameter of service connection. ... \$0.90 (I)

SPECIAL CONDITIONS

1. The customer will pay, without refund, the entire cost of the private fire service facilities.
2. The private fire service facilities shall be installed by the utility or under the utility's direction and shall be the sole property of the applicant but subject to the control of the utility, with the right to alter, repair, replace, and the right to remove upon discontinuance of service.
3. The maximum diameter for the private fire service connection will be 4-inches. The maximum diameter shall not be larger than the diameter of the water main to which the private fire service facilities are connected.
4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the utility at the cost of the customer. Such cost shall not be subject to refund.

(Continued)

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Schedule No. 4
(Continued)

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (Continued)

5. The private fire service facilities will include a detector check valve or similar device acceptable to the utility which will indicate the use of water. The facilities may be located within the customer's premises or within public right-of-way adjacent thereto. Where located within the premises, the utility and its duly authorized agents shall have the right of ingress to and egress from the premises for all purposes related to said facilities. In the event the installation is solely a private fire hydrant facility, the requirement for a detector check valve or other similar device may be waived.
6. No structure shall be built over the private fire service facilities and the customer shall maintain and safeguard the area occupied by the private fire service facilities from traffic and other hazardous conditions. The customer will be responsible for any damage to the private fire service facilities whether resulting from the use or operation of appliances and facilities on customer's premises or others.
7. Subject to the approval of the utility, any change in the location or construction of the private fire service facilities as may be requested by public authority or the customer will be made by the utility following payment to the utility of the entire cost of such change.
8. The customer's installation must be such as to separate effectively the private fire service facilities from that of the customer's regular domestic water service. Any unauthorized use of water from the private fire service facilities will be charged for at the applicable tariff rates and may be grounds for the utility's discontinuing private fire service without liability to the utility.

(L)

(L)

(Continued)

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Schedule No. 4
(Continued)

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (Continued)

9. There shall be no cross connection between the systems supplied by water through the utility's private fire service facilities and any other source of supply without the specific approval of the utility. The specific approval, if given, will at least require at the customer's expense, a special double check valve installation or other backflow prevention device acceptable to the utility. Any unauthorized cross connection may be grounds for immediately discontinuing private fire service without liability to the utility.
10. The utility will supply only such water at such pressure as may be available from time as a result of its operation of the system. The customer shall indemnify the utility and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the utility for any loss or damage resulting from service under this schedule. Section 774 of the Public Utilities Code limits pressure or supply for fire protection service.
11. The customer shall be responsible for the periodic testing of any backflow prevention devices as required by public authority or the utility. Any repair or replacement of such devices or of any other facilities installed to provide private fire service shall be done at the customer's expenses. Any refusal to comply with the above requirements may be grounds for the utility's discontinuing private fire service without liability to the utility.
12. All bills are subject to the reimbursement fee set on Schedule No. UF.

(L)

(L)

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Schedule No. T-11

GENERAL METERED SERVICE

UNTREATED WATER

APPLICABILITY

Applicable to untreated water service from the ditch system at premises and installation served on the effective date of this tariff sheet.

TERRITORY

Within the territory served from the company's ditch water system.

RATES

Quantity Rate: (L)

All water, per 100 cu.ft. \$ 0.128 (C)

Service Charge:

Per Meter Per Month

For 5/8 x 3/4-inch meter	\$ 6.20	(I)
For 3/4-inch meter	7.45	
For 1-inch meter	9.90	
For 1-1/2-inch meter	12.15	
For 2-inch meter	19.05	
For 3-inch meter	36.40	
For 4-inch meter	56.65	
For 6-inch meter	80.90	
For 8-inch meter	114.45	

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 Rate. (T)

(Continued)

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Schedule No. T-11
(Continued)

GENERAL METERED SERVICE

UNTREATED WATER

SPECIAL CONDITIONS

1. This schedule is available only upon application and agreement in form on file with the Public Utilities Commission. For seasonal customers, this schedule is available only on an annual basis and the annual minimum charge will be 12 times the monthly minimum charge.
2. The water supplied under this schedule is untreated water from open ditches, canals, conduits, and flumes. The company does not represent or guarantee that any water delivered hereunder is potable or of a quality suitable for human consumption. Any customer who uses said water or makes it available to others for human consumption shall take all necessary precautions to make the same potable and shall assume all risks and liabilities in connection therewith.
3. The company does not guarantee a continuous and uninterrupted supply under this schedule and reserves the right to temporarily suspend the delivery of water when it is necessary to take the whole or any part of its water system out of service for the purpose of cleaning, maintaining, repairing, or making essential improvements thereon.
4. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (L)
(L)

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Schedule No. T-12

FLAT RATE SERVICE

UNTREATED WATER

APPLICABILITY

Applicable only to untreated water service on a flat rate basis at premises and installations served on the effective date of this tariff sheet.

TERRITORY

Within the territory served from the company's ditch water system.

RATES

For a single-family residential unit, including premises having the following areas:

	<u>Per Meter Per Month</u>	
7,000 sq.ft. or less	\$26.60	(I)
7,001 to 16,000 sf.ft.	31.20	
16,001 to 25,000 sf.ft.	35.85	(I)
For each additional single-family residential unit on the same premises and served from the same service connection.	20.25	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one-inch in diameter.
2. All service not covered by the above classification shall be furnished only on a metered basis.

(Continued)

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Schedule No. T-12
(Continued)

FLAT RATE SERVICE

UNTREATED WATER

SPECIAL CONDITIONS (Continued)

3. The water supplied under this schedule is untreated water from open ditches, canals, conduits, and flumes. The company does not represent or guarantee that any water delivered hereunder is potable or of a quality suitable for human consumption. Any customer who uses said water or makes it available to other for human consumption shall take all necessary precautions to make the same potable and shall assume all risks and liabilities in connection therewith.
4. The company does not guarantee a continuous and uninterrupted supply under this schedule and reserves the right to temporarily suspend the delivery of water when it is necessary to take the whole or any part of its water system out of service for the purpose of cleaning, maintaining, repairing, or making essential improvements thereon.
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (L)
(L)

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Schedule No. T-13

GENERAL IRRIGATION SERVICE

APPLICABILITY

Applicable to untreated water for irrigation purposes from the utility's ditch system and premises and installations served on the effective date of this tariff sheet.

TERRITORY

The territory adjacent to the utility's ditch system, Tuolumne County, as shown on its service area maps.

RATES

	<u>Per Connection</u> <u>Per Month</u>	
A. Irrigation season, 6-month period April 15 to October 15 inclusive:		
Service Charge:		
First 1/2 miner's inch of contract capacity or less.	\$11.65	(I)
Additional capacity, per 1/2 miner's inch.	5.80	(I)
Charge for Turn On, Turn Off or Regulation Change:		
First 6 Turn ons, Turn offs or Regulation Changes.	No Charge	
Over 6 Turn ons, Turn offs or Regulation Changes, per change.	14.00	
Quantity Rates:		
First 23 miner's inch-days, per miner's inch-day.	2.85	(I)
Next 57 miner's inch-days, per miner's inch-day.	2.58	
Over 80 miner's inch-days, per miner's inch-day.	2.17	(I)
B. Non-irrigation season, 6-month period, October 16 to April 14 inclusive:		
Quantity Rate:		
For all water delivered, per miner's inch-day.	2.72	(I)

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Schedule No. T-13
(Continued)

GENERAL IRRIGATION SERVICE

Minimum Charge:

For each delivery. 20.11 (I)

SPECIAL CONDITIONS

1. Minimum delivery flow rates under this schedule are as follows:

Miner's Inch

During irrigation season. 1/2
During non-irrigation season. 1/4

2. The company require a 48-hour notice from the customer for changes in the rate of water delivery.

3. The water supplied under this schedule is untreated water from open ditches, canals, conduits, and flumes. The company does not represent or guarantee that any water delivered hereunder is potable or of a quality suitable for human consumption. Any customer who uses said water or makes it available to other for human consumption shall take all necessary precautions to make the same potable and shall assume all risks and liabilities in connection therewith.

4. The company does not guarantee a continuous and uninterrupted supply under this schedule and reserves the right to temporarily suspend the delivery of water when it is necessary to take the whole or any part of its water system out of service for the purpose of cleaning, maintaining, repairing, or making essential improvements thereon.

5. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (L)
(L)

(END OF APPENDIX A)

APPENDIX B
Page 1

Each of the following increases in rates may be put into effect on or after January 1, 1991 by the following rate schedules which add the appropriate increases to the rate effective on that date.

Schedule No. 1

Quantity Rate:

All water, per 100 cu.ft. \$0.02

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter	\$0.20
For 3/4-inch meter	0.20
For 1-inch meter	0.25
For 1-1/2-inch meter	0.35
For 2-inch meter	0.45

Schedule No. 4

Rate:

	<u>Per Service</u> <u>Per Month</u>
For each inch of diameter of service connection ..	\$0.01

Schedule No. T-11

Quantity Rate:

All water, per 100 cu.ft. \$0.002

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter	\$0.10
For 3/4-inch meter	0.10
For 1-inch meter	0.15
For 1-1/2-inch meter	0.20
For 2-inch meter	0.30
For 3-inch meter	0.55
For 4-inch meter	0.85
For 6-inch meter	1.25
For 8-inch meter	1.75

APPENDIX B
Page 2

Schedule T-12

Rates:

For a single-family residential unit,
including premisis having the following
areas:

	<u>Per Meter</u> <u>Per Month</u>
7,000 sq.ft. or less	\$0.40
7,001 to 16,000 sq.ft.	0.50
16,001 to 25,000 sq.ft.	0.55

For each additional single-family
residential unit on the same premises
and served from the same service
connection..... \$0.30

Schedule T-13

A. Irrigation season, 6-month period April 15 to October 15 inclusive:	<u>Per Connection</u> <u>Per Month</u>
Service Charge:	
First 1/2 miner's inch of contract capacity or less	\$0.15
Additional capacity, per 1/2 miner's inch .	0.10
Quantity Rates:	
First 23 miner's inch-days, per miner's inch-day	0.04
Next 57 miner's inch-days, per miner's inch-day	0.04
Over 80 miner's inch-days, per miner's inch-day	0.03
B. Nonirrigation season, 6-month period, October 16 to April 14 inclusive:	
Quantity Rate:	
For all water delivered, per miner's inch-day	0.04
Minimum Charge:	
For each delivery	0.31

(END OF APPENDIX B)

APPENDIX C
Page 1

ADOPTED QUANTITIES

Name of Company: Gibbs Ranch Water Company

1. Net-to-Gross Multiplier: 1.300
2. Federal Tax Rate: 15.0%
3. State Tax Rate: 9.3%
4. Purchased Water:

	<u>1990</u>	<u>1991</u>
Annual Consumption:		
Miner's Inch 0 - 50	600	600
Miner's Inch 50 - 200	1800	1800
Miner's Inch ϕ 200	2756	2861
Rates: Tuolumne Water System		
Rate Schedule Effective Date	7/1/89	7/1/89
Quantity:		
Miner's Inch 0 - 50	\$2.10	\$2.10
Miner's Inch 50 - 200	2.05	2.05
Miner's Inch ϕ 200	1.95	1.95
Service Charge:		
Per Connection Per Month	\$25.00	\$25.00
Total Annual Cost	\$10,630	\$10,830

APPENDIX C
Page 2ADOPTED QUANTITIES

	<u>1990</u>	<u>1991</u>
5. Purchased Power:		
Rates: Pacific Gas and Electric		
Schedule A-1P Effective Date	3/22/89	3/22/89
Schedule A-10 Effective Date	3/22/89	3/22/89
Schedule A-1P:		
Customer Charge (per month):	\$6.25	\$6.25
Energy Charge (per kwh):		
Summer	\$0.10956	\$0.10956
Winter	\$0.09004	\$0.09004
Schedule A-10:		
Customer Charge (per month):	\$50.00	\$50.00
Demand Charge (per kw):	3.03	3.03
Energy Charge (per kwh):		
Summer	\$0.09132	\$0.09132
Winter	0.07205	0.07205
Kwh Used:		
Schedule A-1P:		
Summer	15,431	15,793
Winter	8,309	8,504
Schedule A-10:		
Summer	57,953	59,312
Winter	57,953	59,312
Cost:		
Schedule A-1P:		
Customer Charge (2 meters)	\$ 150	\$ 150
Kwh Usage - Summer	1,691	1,730
Kwh Usage - Winter	748	766
Schedule A-10:		
Customer Charge (1 meter)	600	600
Demand Charge (360 kw)	1,091	1,091
Kwh Usage - Summer	5,292	5,416
Kwh Usage - Winter	4,176	4,273
Total Annual Cost	\$13,750	\$14,030

APPENDIX C
Page 3ADOPTED QUANTITIES

	<u>1990</u>	<u>1991</u>
6. Payroll:		
Employee Labor	\$19,750	\$20,640
Office Salary	15,360	16,080
Management Salary	10,070	10,530
Total Payroll	\$45,189	\$47,250
Payroll Taxes	\$4,040	\$4,200
7. Water Testing Expenses	\$3,760	\$3,930
8. Ad Valorem Taxes:		
Assessed Value	\$ 5,977	\$ 6,488
Tax Rate	579,217 1.032%	628,682 1.032%
9. Service Connections:		
Metered:		
Schedule No. 1	541.5	558.0
Schedule No. T-11	11.0	11.0
Schedule No. T-13	11.0	11.0
Flat:		
Schedule No. T-12	2.0	2.0
Schedule No. 4	4.0	4.0

(END OF APPENDIX C)

APPENDIX D
INCOME TAX CALCULATIONS

	<u>1990</u>	<u>1991</u>
Revenue	\$207,605	\$217,804
Total Expenses	126,219	131,245
Depreciation	21,878	22,747
Taxes Other Than Income	10,017	10,688
State Taxable Income	49,491	53,124
State Income Tax	4,603	4,941
Federal Tax Depreciation	6,000	6,000
Federal Taxable Income	38,888	42,183
Federal Income Tax	5,833	6,327
Total Income Tax	\$ 10,436	\$ 11,268

(END OF APPENDIX D)

APPENDIX E

Comparison of typical bill for residential metered (treated) customer on a 5/8 x 3/4 inch meter at various usage levels at present and adopted rates in 1990:

<u>Monthly Usage in Ccf</u>	<u>Present Rates</u>	<u>Adopted Rates</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percentage</u>
0	\$ 11.17	\$ 12.25	\$ 1.08	9.7
3	13.78	16.30	2.52	18.3
5	16.15	19.00	2.85	17.6
10	22.08	25.75	3.67	16.6
14 (Average)	26.82	31.15	4.33	16.1
20	33.93	39.25	5.32	15.7
30	45.78	52.75	6.97	15.2
50	69.48	79.75	10.27	14.8
100	128.73	147.25	18.52	14.4

(END OF APPENDIX E)