

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Orig. and copy  
to Executive Director

RESOLUTION NO. W-3349

EVALUATION & COMPLIANCE DIVISION  
 BRANCH/SECTION: Water Utilities  
 DATE: March 6, 1987

Director  
 Numerical File  
 Alphabetical File  
 Accounting Officer

R E S O L U T I O N

BIG HILL WATER CO. (BHWCO). ORDER AUTHORIZING  
 A GENERAL RATE INCREASE PRODUCING \$34,880 OR  
 125.9% ADDITIONAL ANNUAL REVENUE IN 1987 AND A  
 FURTHER INCREASE OF \$440 OR 0.7% IN 1988.

BHWCO, by draft advice letter received by the Water Utilities Branch (Branch) on May 8, 1986, requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service by \$28,220 or 100% in 1986, \$12,540 or 22.2% in 1987, and by \$2,940 or 4.3% through an attrition allowance in 1988. BHWCO estimates that the proposed rates would produce a loss in 1986 and a rate of return of 11% on rate base in 1987 and 1988. BHWCO serves about 224 metered customers near Columbia and Soulsbyville, Tuolumne County.

The present rates have been in effect since February 10, 1986 pursuant to Resolution No. W-3300, dated February 5, 1986 which authorized an increase in rates to offset the effects of increased property taxes and payroll. BHWCO has never had a general rate increase.

BHWCO submitted a summary of earnings for 1986, 1987 and 1988 and proposed rates for each year. The Branch made an independent analysis of BHWCO's summary of earnings for 1986 and 1987 at present and BHWCO's requested rates. The Branch has included the 1986 summary in Appendix A for comparison purposes, but recommends that rates based on a 1987 test year be put into effect since 1986 has already passed. Appendix A shows that the differences between BHWCO's and the Branch's summary of earnings are in revenues, operating expenses and rate base. The quantities used to develop the Branch's recommendations are shown in Appendix D.

In June, 1985 BHWCO completed a program to install meters on all service connections. BHWCO based its revenue estimates on recorded usage from July, 1985 through February, 1986 plus estimated usage from March through June, 1986 with 3% annual customer growth factored in. The Branch, having available more recent data, based its estimates on November, 1985 through October, 1986 recorded usage and likewise included 3% annual customer growth. Besides using later data, the Branch's method has the advantage of not relying as heavily on recorded usage during the transition months when customers might be adjusting their usage in response to metering.

The Branch's estimated operating expenses differ from BHC's in the areas of purchased water, power, transportation, insurance, property taxes and other taxes.

BHC's purchased water expense estimate was based on the average recorded purchased water quantity for 1984 and 1985. The Branch based its estimate on recorded purchased water from November, 1985 through October, 1986. Both BHC and the Branch used the same 3% annual customer growth factor and purchased water price. The Branch's method has the advantage of using the same period for purchased water expense as for revenues, in addition to using data from a later period when customers were less likely to be adjusting their usage in response to metering.

BHC estimated its power consumption for the test year 1987 by applying a 3% annual increase to its 1985 recorded consumption to reflect customer growth. The Branch's estimate was based on the recorded usage for the 12 month period ending October, 1986, the addition of 3% annual growth for 1987 and the latest power rates effective September 7, 1986. The Branch's use of later data provides a more accurate base for its projection.

BHC's estimate of transportation expense is based on a daily travel of 60 miles and \$0.28 per mile. BHC did not submit a breakdown to justify the 60 miles or the \$0.28 per mile. As a result of its field investigation, the Branch estimated 40 miles of daily travel as a more reasonable figure. The Branch used \$.205 per mile which is the amount allowed by the Internal Revenue Service. Both BHC and the Branch increased the 1986 estimated expense by 5% for 1987 to account for growth, inflation and additional maintenance required for the vehicle being one year older.

BHC's estimates for insurance expense include approximately \$2,500 for liability insurance. Since BHC does not currently have a liability policy, the Branch included only vehicle insurance in its estimates. Should BHC later obtain liability coverage, the Branch recommends it apply for an offset rate increase under the Commission's liability insurance offset policy.

The Branch's estimates of property and other taxes for the test years are higher than BHC's because the Branch's estimates were based upon the latest property tax billings for fiscal 1986-1987 from Tuolumne County.

The Branch's estimates of rate base are lower than BHC's because of differences in estimates for working cash allowance. The differences resulted from an arithmetical error made by BHC in its calculations and from the Branch's lower estimate of operating expenses.

BHC requests a rate of return of 11% on rate base for 1987 and an attrition allowance sufficient to maintain a rate of return of 11% for 1988. The requested rate of return is above the rate of return range (10.25% to 10.75%) recommended for small water companies with 100% equity financing by the Accounting and Financial Branch of the Evaluation and Compliance Division. The Water Utilities Branch recommends the midpoint rate of return of 10.5% for BHC.

The attrition allowance is in the form of a step rate increase and is to compensate BHC for the anticipated drop in the return on rate base between the years 1987 and 1988 due to operating expense increases rising faster than

operating revenue, primarily because of inflation. An attrition allowance of \$440 for 1988 will maintain the Branch's recommended 10.5% rate of return on rate base.

In February, 1982 the Commission adopted a policy of capping small water company rate increases at 100% per year. The revenues deferred by capping are made up with interest in rates approved for the subsequent year, and then rates are lowered to their final level when all deferred revenues and interest have been recovered.

The Branch's proposal deviates from this policy by recommending the full 1987 increase be granted now rather than 100% now, the remainder (12.6% plus interest and attrition) in twelve months, and then dropping rates to their final level in 24 months. BHC recently completed a significant plant improvement program under the Safe Drinking Water Bond Act and needs the cash flow from this increase in large part to pay for higher operating expenses connected with the new plant. The Branch believes that imposing two rate increases and then a decrease would result in more complication for this small company and its customers than was intended by the Commission's policy.

BHC was informed of the Branch's differing view of revenues, operating expense, rate base and rate of return and has stated that it accepts the Branch's estimates.

A notice of the proposed rate increase was mailed to all customers on June 2, 1986. Fifteen letters protesting the size of the increase were received by the Branch. One also complained about occasional muddy water and another complained about occasional low pressure. The Branch investigation indicates the two complaint letters concern isolated incidents of unknown cause. The Branch does not consider corrective action necessary.

The Branch drafted a letter of reply to the customers who wrote to the Commission about this increase. It explains the Commission's action and will be mailed after this resolution is signed. The draft letter is attached as Appendix E.

A field investigation of BHC's system was made on July 10, 1986 by a member of the Branch. Visible portions of the water system were inspected, pressures checked, customers and company employees interviewed, and methods of operations checked. According to the State Department of Health Services, water quality meets required standards. The investigation indicated that BHC's system is in compliance with the requirements of the Commission's General Order 103, Rules Governing Water Service, and that service is satisfactory. There are no outstanding Commission orders requiring system improvements.

In 1978, water conservation kits were distributed to all of BHC's customers. In addition, meters were installed in 1985 on all of BHC's connections thereby promoting water conservation.

BHC was ordered to establish a balancing account for purchased water and power in 1981 but has never done so. A review of BHC's power rates since 1981 indicates that the rates have never dropped below those which were in effect when BHC's offset was granted. Therefore it would appear that a balancing account would show an under accrual.

The Commission's "Procedures for Maintaining Balancing Account for Water Utilities" directed all water utilities to terminate existing balancing account procedures as of June 30, 1983 and to adopt new procedures beginning July 1, 1983. The Branch recommends that BHC be required to establish balancing accounts for purchased power and water beginning as of July 1, 1983. The Branch further recommends BHC be admonished that failure to present up-to-date balancing accounts at the time of its next rate increase may be cause for sanctions in connection with that request.

Since there are no flat rate customers, BHC has requested that all of its flat rate schedules (BH-2R, BH-2RS, MG-2R and MG-2RS) be canceled. The Branch concurs. BHC's present meter rates consist of a service charge and two quantity blocks. In accordance with Commission rate design policy which calls for service charges to be set at a level to recover up to 50% of fixed costs, the Branch has designed BHC's rates to allow the service charge to recover approximately 48.6%, and the current two quantity blocks have been replaced with one.

The Branch recommends that the Commission authorize an increase of \$34,880 or 125% for 1987 and an attrition step increase of \$440 or 0.7% in 1988 at the recommended rates contained in Appendix B. These increases provide a 10.5% rate of return on rate base for both years.

At the Branch's recommended rates for 1987, the monthly bill for a typical metered customer using 1,130 cubic feet of water per month will increase from \$9.99 to \$22.57 (125.9%) excluding the Safe Drinking Water Bond Act surcharge (see Appendix B). A comparison of the present and recommended rates is shown in Appendix C.

The Commission's opinion, after investigation by the Water Utilities Branch, is that:

- a. The Branch's recommended summary of earnings (Appendix A) is reasonable and should be adopted.
- b. The rates recommended by the Branch (Appendix B) are reasonable and should be authorized.
- c. Elimination of Schedules BH-2R, Residential Flat Rate Service; BH-2RS, Residential Part-time Flat Rate Service; MG-2R, Residential Flat Rate Service; and MG-2RS, Residential Part-Time Flat Rate Service is reasonable.
- d. The quantities (Appendix D) used to develop the Branch's recommendation are reasonable and should be adopted.
- e. BHC should be required to establish balancing accounts for purchased power and water beginning July 1, 1983.
- f. An attrition step increase of \$440 (0.7%) should be allowed for 1988.

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are, for the future, unjust and unreasonable.

IT IS RESOLVED that:

1. Authority is granted under Public Utilities Code Section 454 for Big Hill Water Company to file an advice letter incorporating the Summary of Earnings and revised rate Schedules Nos. BH-1 and MG-1 attached to this resolution as Appendices A and B, respectively, and concurrently to cancel the presently effective rate Schedules Nos. BH-1, BH-2R, BH-2RS, MG-1, MG-2R and MG-2RS. Such filing shall comply with General Order 96-A. The effective date of the revised rate schedules shall be the date of filing.
2. BHWG shall establish balancing accounts for purchased power and water as of July 1, 1983.
3. On or after November 15, 1987, Big Hill Water Company is authorized to file an advice letter, with appropriate workpapers, requesting an attrition step rate increase of \$440 (0.7%) or to file a lesser increase in the event that BHWG's rate of return on rate base, adjusted to reflect the rates then in effect and normal rate-making adjustments, for the 12 months ended September 30, 1987 exceeds 10.5%. Such filing shall comply with General Order 96-A. The requested rates shall be reviewed by the staff to determine their conformity with this resolution and shall go into effect upon the staff's determination of conformity. The staff shall inform the Commission if it finds that the proposed rates are not in accord with this resolution, and the Commission may then modify the increase. The effective date of the revised schedules shall be no earlier than January 1, 1988, or 40 days after the filing of the attrition rates, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.
4. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on March 6, 1987. The following Commissioners approved it:

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
Commissioners

  
VICTOR R. WEISSNER  
Executive Director

APPENDIX A  
Page 1

BIG HILL WATER COMPANY  
Summary of Earnings  
(Test Year 1986)

Item	: Utility Estimated :		: Branch Estimated :	
	: Present :	: Proposed :	: Present :	: Proposed :
	: Rates :	: Rates :	: Rates :	: Rates :
<u>Operating Revenues</u>				
Flat	0	0	0	0
Metered	\$ 28,220	\$ 56,440	\$ 26,960	\$ 53,920
Total Revenues	28,220	56,440	26,960	53,920
<u>Operating Expenses</u>				
Purchased Water	7,300	7,300	6,700	6,700
Purchased Power	11,420	11,420	9,770	9,770
Oth Vol Rel Exp	4,580	4,580	4,580	4,580
Employee Labor	11,440	11,440	11,440	11,440
Materials	1,200	1,200	1,200	1,200
Contract Work	820	820	820	820
Transportation	4,500	4,500	2,130	2,130
Office Salary	2,860	2,860	2,860	2,860
Mgmt. Salary	1,200	1,200	1,200	1,200
Uncollectible	140	280	140	280
Off. Serv. & Rent	600	600	600	600
Off. Suppl. & Exp.	1,900	1,900	1,900	1,900
Insurance	2,800	2,800	270	270
Reg. Comm. Exp.	1,300	1,300	1,300	1,300
General Expense	50	50	50	50
Subtotal	52,110	52,250	44,960	45,100
Depreciation Exp.	2,520	2,520	2,520	2,520
Payroll Taxes	1,790	1,790	1,790	1,790
Prop. & Other Taxes	2,050	2,050	2,120	2,120
Income Taxes	200	200	200	550
Total Deds.	58,670	58,810	51,590	52,080
Net Revenue	(30,450)	(2,370)	(24,630)	1,840
<u>Rate Base</u>				
Average Plant	159,040	159,040	159,040	159,040
Avg Depr Reserve	82,980	82,980	82,980	82,980
Net Plant	76,060	76,060	76,060	76,060
Less: Advances	0	0	0	0
Contrbtdn	22,830	22,830	22,830	22,830
Plus: Work Cash	12,400	12,400	7,970	7,970
M&S	500	500	500	500
Rate Base	66,130	66,130	61,700	61,700
Rate of Return	Loss	Loss	Loss	2.98%

APPENDIX A  
Page 2

BIG HILL WATER COMPANY  
Summary of Earnings  
(Test Year 1987)

Item	: Utility Estimated :		: Branch Estimated :		: Adopted :
	: Present :	: Proposed :	: Present :	: Proposed :	
	: Rates :	: Rates :	: Rates :	: Rates :	: Rates :
<u>Operating Revenues</u>					
Flat	0	0	0	0	0
Metered	\$29,080	\$68,980	\$27,860	\$66,610	\$62,740
Total Revenues	29,080	\$68,980	\$27,860	\$66,610	\$62,740
<u>Operating Expenses</u>					
Purchased Water	7,500	7,500	6,900	6,900	6,900
Purchased Power	11,730	11,730	10,070	10,070	10,070
Oth Vol Rel Exp	4,760	4,760	4,760	4,760	4,760
Employee Labor	11,900	11,900	11,900	11,900	11,900
Materials	1,250	1,250	1,250	1,250	1,250
Contract Work	840	840	840	840	840
Transportation	4,750	4,750	2,230	2,230	2,230
Office Salary	2,950	2,950	2,950	2,950	2,950
Mgmt. Salary	1,250	1,250	1,250	1,250	1,250
Uncollectible	140	350	140	350	350
Off. Serv & Rent	660	660	660	660	660
Off. Suppl. & Exp.	1,950	1,950	1,950	1,950	1,950
Insurance	2,900	2,900	270	270	270
Reg. Comm. Exp.	1,300	1,300	1,300	1,300	1,300
General Expense	60	60	60	60	60
Subtotal	53,940	54,150	46,530	46,740	46,740
Depreciation Expense	2,710	2,710	2,710	2,710	2,710
Payroll Taxes	1,850	1,850	1,850	1,850	1,850
Property & Other Taxes	2,150	2,150	2,160	2,160	2,160
Income Taxes	200	200	200	3,040	2,150
Total Deductions	\$60,850	\$61,060	\$53,450	\$56,500	\$55,610
Net Revenue	(31,770)	7,920	(25,590)	10,110	7,130
<u>Rate Base</u>					
Average Plant	165,380	165,380	165,380	165,380	165,380
Average Depr. Reserve	85,260	85,260	85,260	85,260	85,260
Net Plant	80,120	80,120	80,120	80,120	80,120
Less: Advances	0	0	0	0	0
Contribution	20,990	20,990	20,990	20,990	20,990
Plus: Working Cash	12,400	12,400	8,250	8,250	8,250
Mats & Suppls	500	500	500	500	500
Rate Base	72,030	72,030	67,880	67,880	67,880
Rate of Return	Loss	11.00%	Loss	14.89%	10.50%

(END OF APPENDIX A)

APPENDIX B  
Page 1

Schedule No. BH-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Big Hill Division on Monte Grande and vicinity, located approximately 5 miles east of Columbia, Tuolumne County.

RATES

Service Charge:	<u>Per Meter Per Month Charge</u>	(I)	<u>Per Meter Per Month Surcharge</u>
For 5/8 x 3/4-inch meter .....	\$ 6.75	(I)	\$ 5.35
For 3/4-inch meter .....	7.45		8.05
For 1-inch meter .....	10.15		13.40
For 1-1/2-inch meter .....	14.20		26.75
For 2-inch meter .....	18.20	(I)	42.80

Quantity Rate:

For all water, per 100 cu.ft. .... 1.40 (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 monthly charge computed at the Quantity Rates. (L)  
(L)

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 82-10-006.



APPENDIX B  
Page 2

Schedule No. MG-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Monte Grande Division on Soulsbyville Road and vicinity, located approximately one mile south of Soulsbyville, Tuolumne County.

RATES

	<u>Per Meter Per Month Charge</u>		<u>Per Meter Per Month Surcharge</u>
Service Charge:			
For 5/8 x 3/4-inch meter .....	\$ 6.75	(I)	\$11.20
For 3/4-inch meter .....	7.45		16.75
For 1-inch meter .....	10.15		28.00
For 1-1/2-inch meter .....	14.20		56.00
For 2-inch meter .....	18.20	(I)	89.60

Quantity Rate:

For all water, per 100 cu.ft. .... 1.40 (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 monthly charge computed at the Quantity Rates. (L)  
(L)

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 82-10-006.

(END OF APPENDIX B)

APPENDIX C  
COMPARISON OF RATES

A comparison of present and Branch's recommended rates is shown below:

<u>METERED SERVICE</u>	<u>Per Meter Per Month</u>	
	<u>Present Rates</u>	<u>Recommended Rates</u>
Service Charge:		
For 5/8 x 3/4-inch meter ....	\$ 4.75	\$ 6.75
For 3/4-inch meter ....	6.90	7.45
For 1-inch meter ....	11.60	10.15
For 1-1/2-inch meter ....	23.70	14.20
For 2-inch meter ....	38.00	18.20

Quantity Rates:

First 300 cu.ft., per 100 cu.ft. .	\$ 0.42	
Over 300 cu.ft., per 100 cu.ft. .	0.48	
For all water, per 100 cu.ft. ...		\$ 1.40

A comparison of monthly customer bills at present and Branch's recommended rates for 1987 test year for a 5/8 x 3/4-inch meter is shown below:

<u>Usage</u> <u>100 cu.ft.</u>	<u>Present</u> <u>Bills</u>	<u>Recommended</u> <u>Bills</u>	<u>Amount</u> <u>Increase</u>	<u>Percent</u> <u>Increase</u>
0	\$ 4.75	\$ 6.75	\$ 2.00	42.1
3	6.01	10.95	4.94	82.2
5	6.97	13.75	6.78	97.3
11.3 (Avg)	9.99	22.57	12.58	125.9
15	11.77	27.75	15.98	135.8
20	14.17	34.75	20.58	145.2
30	18.97	48.75	29.78	157.0
50	28.57	76.75	48.18	168.6
100	52.57	146.75	94.18	179.2

APPENDIX D

Page 1

ADOPTED QUANTITIES

Name of Company: Big Hill Water Company

	<u>Test Year</u>	
	<u>1986</u>	<u>1987</u>
Net-to-Gross Multiplier:	1.31	1.31
Federal Tax Rate:	15%	15%
State Tax Rate:	9.6%	9.6%
Business License:	0.0	0.0
Uncollectible Rates:	0.5%	0.5%

Expenses

1. Purchased Power (Electric)		
Pacific Gas & Electric Company		
Total Cost (\$)	\$ 9,770	\$10,070
kWh Used	105,576	108,743
Effective Schedule Date	9/7/86	9/7/86
\$/kWh Used	\$0.09258	\$0.09258
Schedule	A1-P	A1-P
2. Purchased Water:	\$6,700	\$6,900
3. Pump Tax-Replenishment Tax:	none	none
4. Payroll and Employee Benefits:		
Operation and Maintenance Payroll	\$11,440	\$11,900
Administrative & General Salaries	4,060	4,200
Total	<u>\$15,500</u>	<u>\$16,100</u>
Payroll Taxes	\$ 1,790	\$ 1,850
5. Ad Valorem Taxes	\$1,940	\$1,980
Tax Rate	1.035%	1.035%
Assessed Value	\$187,486	\$191,498
6. Other Taxes (County Service Area Taxes)	\$180	\$180

Service Connections:

1. Metered - Size		
5/8 x 3/4-inch .....	224	231
3/4-inch .....	-	-
1-inch .....	-	-
1-1/2-inch .....	-	-
2-inch .....	-	-

2. Metered Water Sales used to Design Rates:

0-3	7,169 Ccf	6,978 Ccf
>-3	23,308 Ccf	24,497 Ccf
	<u>30,477 Ccf</u>	<u>31,475 Ccf</u>

APPENDIX D  
Page 2

ADOPTED TAX CALCULATIONS

Line: No.:	Item	At 1986 Rates		At 1987 Rates	
		State Tax	FIT	State Tax	FIT
1.	Operating Revenues	\$53,920	\$53,920	\$62,740	\$62,740
2.	O&M Expenses	36,640	36,640	37,950	37,950
3.	A&G Expenses	8,460	8,460	8,790	8,790
4.	Tax Other Than Income	3,910	3,910	4,010	4,010
5.	Depreciation	2,520	2,520	2,710	2,710
6.	State Tax	-	230	-	890
7.	Subtotal	<u>51,530</u>	<u>51,760</u>	<u>53,460</u>	<u>54,350</u>
8.	Net Taxable Income for State Tax	2,390		9,280	
9.	State Tax @ 9.6%	230		890	
10.	Total State Tax	<u>230</u>		<u>890</u>	
11.	Net Taxable Income for FIT		2,160		8,390
12.	Federal Income Tax @ 15%		<u>320</u>		<u>1,260</u>
13.	Total FIT		320		1,260

(END OF APPENDIX D)

APPENDIX E

TO CUSTOMERS WHO HAVE WRITTEN TO THE COMMISSION REGARDING THE REQUEST FOR A RATE INCREASE BY BIG HILL WATER COMPANY OF \$28,220 IN 1986, AN ADDITIONAL \$12,540 IN 1987 AND \$2,940 IN 1988.

Dear Customer:

On June 2, 1986 Big Hill Water Company (BHW) notified its customers by mail that it was requesting authority from the Public Utilities Commission to raise its rates for water service by an average of 100% in 1986 and an additional 22.2% in 1987 and 4.3% in 1988. Customers were invited to write to the Commission if they had comments on BHW's proposed increase. The Commission subsequently received 15 customer letters protesting the magnitude of the proposed increase.

Following BHW's request, the Commission staff conducted a thorough investigation of the company's operations including an analysis of the revenue, expense, and plant investment data which the utility relied on for its proposal. The staff made adjustments to BHW's estimates and recommended that the Commission authorize an increase. The major reason for the increase is to cover increased operating expenses.

After considering all factors presented, the Commission has authorized an increase in gross annual revenues of \$34,830 for 1986 and 1987 combined and an additional \$440 for 1988. For the typical customer using 1130 cubic feet per month, this will mean an increase in the monthly bill from \$9.99 to \$22.57 in 1987 and to \$22.73 in 1988. Your increase will vary depending on your water usage.

In establishing rates, the Commission's role is twofold. Rates must be kept as low as possible and, at the same time, be sufficient to cover operating expenses and provide a fair return on the utility's investment in its water system. You may be assured that the utility's request was thoroughly reviewed and evaluated by the Commission staff before this increase was granted.

We appreciate that you took the time to provide your opinions on the proposed rate increase. If you have any questions, please call Peter Liu of our staff at (415) 557-0940.

Very truly yours,

WESLEY FRANKLIN, Chief  
Water Utilities Branch