

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3502
July 6, 1990**R E S O L U T I O N**

(RES. W-3502) BAKMAN WATER COMPANY (BWC). ORDER
AUTHORIZING A GENERAL RATE INCREASE PRODUCING
\$94,124 OR 21.0% ADDITIONAL ANNUAL REVENUE.

BWC, by draft advice letter accepted by the Water Utilities Branch (Branch) on November 27, 1989 requested authority under Section VI of General Order (G.O.) 96-A and Section 454 of the Public Utilities Code to increase rates for water service by \$242,192 or 54.0%. After removing the effects of the user fee surcharges, which are not considered for ratemaking, BWC's estimates show that 1990 gross revenue of \$446,425 at present rates would increase to \$687,727 at proposed rates to produce a rate of return of 5.63%. BWC presently serves approximately 33 metered and 1,968 flat rate customers in an area approximately 1-1/2 miles east of downtown Fresno, Fresno County.

In the early phase of Branch's investigation, BWC informed the Branch that it had not finalized its plans for resolving a groundwater contamination problem. Since BWC expected to recover additional costs of water treatment in rates, on January 25, 1990, BWC requested the Branch put its rate increase request on temporary hold until its plans were finalized. On April 1, 1990, BWC requested its filing be reactivated.

The present rates became effective January 16, 1986 pursuant to Resolution W-3296, which authorized a general rate increase producing \$51,462, or 16.3% additional annual revenue.

The Branch made an independent analysis of BWC's summary of earnings. Appendix A shows BWC's and the Branch's estimated summary of earnings at present, requested, and adopted rates for test year 1990. Appendix A also shows differences in revenue, expenses, and rate base.

The Branch's estimate of flat rate revenue at present rates and at proposed rates is higher than BWC's. This is the result of different estimates of number of customers. The Branch based its estimate on the recorded numbers of customers. This information was not available to BWC when it prepared its estimates.

The Branch's estimate of public fire protection revenue is lower than BWC's. This is due to the utility's inadvertent use of an incorrect amount in the preparation of its workpapers.

The differences in estimates for operating expenses are in purchased power, materials, contract work, transportation expenses, office salaries, employee benefits, office supplies, professional services, insurance, general expenses,

filter plant rental, depreciation expenses, property taxes, payroll taxes, and income taxes.

The Branch's estimate for purchased power is lower than BWC's due to differing methodologies. BWC escalated 1988 recorded electric power consumption and applied the average of PG&E's winter and summer tariffs. BWC's water production estimate also contained inadvertent mathematical errors. The Branch's consumption estimate is based on the average usage per customer for five years recorded data, escalated by expected customer growth. The Branch then applied PG&E's current tariffs for winter and summer consumption and demand charges to arrive at its estimate. The lost production from the four closed wells was replaced at an average efficiency of the remaining wells. The Branch's method of performing detailed analysis of water pumped and electric energy used under each applicable rate schedule and applying the latest power company rates is more accurate because it better reflects the actual expense.

The Branch's estimate of materials and supplies is lower than BWC's. BWC based its estimate on its plan to install carbon filtration equipment which is no longer needed. The Branch's estimate is based on the average of five years of recorded data reported in BWC's annual reports, escalated to 1990 dollars. The escalation factors used by the Branch for this and other accounts are those recommended by the Advisory Branch of Commission Advisory and Compliance Division.

The Branch's estimate of contract work expenses is lower than BWC's. This expense item relates only to water testing. The Branch's estimate is based on BWC's reported laboratory costs times the number of tests required by DHS. The utility provided no detailed justification of its estimate.

The Branch's estimate of transportation expense and business related mileage is lower than BWC's. The Branch applied a rate of \$0.24 per mile, the rate allowed by the Internal Revenue Service for business mileage, to its lower mileage estimate, which it considers reasonable for this size company. BWC used \$0.32 per mile rate for its estimates.

The Branch's estimate of office salaries is lower than BWC's. After analyzing duties and the geographical location of BWC, the Branch found reasonable a salary of \$24,000 per year for the company secretary, and disallowed all other estimated office salaries. BWC estimated a total of six positions in this classification. Two of the disallowed salaries were paid to employees who no longer work for the utility. Three were for family members who occasionally answer phones at home.

The Branch's estimate of employee benefits is higher than BWC's. BWC inadvertently included the costs of employee health insurance in its insurance estimate. After removing the benefits for the disallowed office positions discussed above, the Branch moved these expenses to employee benefits.

The Branch's estimate of office supplies and expenses is lower than BWC's. BWC's estimate was based on additional supplies required by the installation of carbon filters which BWC thought necessary when its estimate was originally prepared. As discussed earlier, the Branch did not include the cost of carbon filters in its plant estimate, and so the Branch estimate is the escalated five year average of recorded data.

The Branch's estimate of professional services is lower than BWC's. The Branch's estimate is based on an average of five years of recorded data reported in BWC's annual reports, escalated to 1990 dollars. The utility offered no justification for its estimate.

The Branch's estimate of insurance expense is lower than BWC's. As discussed above, BWC's estimate included payments for employee health insurance. The Branch reallocated these expenses to employee benefits.

The Branch's estimate of general expenses is lower than BWC's. BWC included some expenditures for the new carbon filters which are no longer required. The Branch's estimate is based on the average of five years of recorded data reported in BWC's annual reports, escalated to 1990 dollars.

The Branch's disallowance of filter plant rental costs are discussed under plant in service.

The Branch's estimate of depreciation expense is lower than BWC's. As explained below under depreciation reserve, BWC inadvertently used 1989 figures where 1990 figures were appropriate. The Branch used the proper 1990 figures.

The Branch's estimate of property taxes is lower than BWC's. The difference is a direct result of the Branch using a lower estimate of plant additions in the test year as explained below under plant in service.

The Branch's estimate of payroll taxes is lower than BWC's. The Branch used the latest payroll tax rates which were not available to BWC at the time it prepared its estimate. As described earlier, the Branch's payroll was also lower than BWC's.

The Branch's income tax estimate reflects the current rates under the Federal Tax Reform Act of 1986 and the corresponding state rates for 1990. BWC provided no explanation of its estimate of income taxes.

The difference in rate base is due to differences in plant in service, depreciation reserve, advances, contributions, and working cash.

The Branch's estimate of plant in service is higher than BWC's. As previously discussed, the utility's original filing included carbon filtration equipment at three well sites, which were considered plant additions necessary to eliminate groundwater nitrate or dibromochloropropane (DBCP) contamination problems. In January, 1990, BWC developed an alternate approach of tapping an uncontaminated aquifer, but was not sure if this was technically feasible. Therefore, BWC requested a temporary postponement of the case. BWC proposed, and after consideration, the Branch agrees, a reasonable solution is to drill new wells into the lower uncontaminated aquifer adjacent to at least two contaminated wells, and to blend this water with the contaminated water to meet current health standards. Well No. 13-A has been completed and plans to drill and install Well No. 8-A are under way. BWC sought reactivation of its advice letter on April 1, 1990. BWC is requesting authorization to file for an offset rate increase when these facilities have been installed.

The Branch's estimate of rate base includes the costs associated with the installation of well number 13-A. The Branch also recommends BWC be authorized to file an advice letter to begin recovering the reasonable costs associated

with its installation at well number 8-A after it has been placed into service.

BWC's original estimate, based on carbon filtration, would result in a lower rate base estimate, but higher ongoing operation and maintenance expense. Drilling new wells and blending the water is considered a more cost effective approach to the problem.

The Branch's estimate of depreciation reserve and contributions is higher than BWC's and its estimate of advances is lower than BWC's. BWC inadvertently used 1989 figures where 1990 figures were appropriate. The Branch used the proper 1990 figures.

The Branch used the new simplified method of calculating a working cash allowance adopted by the Commission on January 27, 1989 to estimate its working cash estimate. BWC did not offer an explanation for its working cash estimate.

BWC's draft advice letter requested rates which it estimated would produce a return on rate base of 5.63%. The Branch's recommended summary of earnings would produce a rate of return of 11.00% at the Branch's recommended rates. This 11.00% rate of return is the high point of the 10.50% to 11.00% standard rate of return range recommended by the Finance Branch of the Commission Advisory and Compliance Division for small 100% equity financed water utilities.

BWC was informed of the Branch's differing views of revenues, expenses and rate base and has stated that it accepts the Branch's estimate.

A notice of the proposed rate increase was mailed to each customer on December 13, 1989. Three letters protesting the increase were received by the Branch. One was anonymous, while two complained of the magnitude of the increase sought compared to changes in the cost of living. Eleven complaints have been received by the Consumer Affairs Branch (CAB) in the last three years. CAB's records indicate the complaints were solved shortly after being received.

On January 25, 1990 a public meeting attended by eight members of the public was held in BWC's service territory. A Branch representative conducted the meeting and BWC's owner was there to answer questions. One customer argued that the utility's proposal would be a considerable burden on apartment owners who include the water bills in apartment rental fees. He asked that the rate increase be weighted against homeowners who use more water. No one complained about water quality or water service.

According to the California Department of Health Services, BWC's water will meet all primary and secondary drinking water standards currently in effect when the new well is placed into service. There are no outstanding Commission orders requiring system improvements.

Branch engineers conducted a field investigation of BWC's facilities and service area from January 10 through 12, 1990. Visible portions of the water system were inspected, pressures checked, customers and company employees interviewed, and methods of operation checked. The investigation indicated that service is satisfactory and that BWC's system was in compliance with the requirements of the Commission's General Order 103 "Rules Governing Water Service Including Minimum Standards for Design and Construction."

BWC currently has a minimal conservation program. The utility's owner indicated that its water supply was more than adequate to meet customer demand during the last two drought years and it therefore does not expect any shortages in the near future. The Branch does not recommend a conservation program be mandated at this time.

BWC currently has four schedules: Schedule No. 1, General Metered Service, Schedule No. 2, General Flat Rate Service, Schedule No. 4, Private Fire Protection Service, and Schedule No. 5, Public Fire Hydrant Service.

By Decision 86-05-064 the Commission adopted a policy calling for recovery of up to 50% of a water company's fixed expenses through service charges. The policy also calls for phasing out lifeline rates and encourages the reduction of multiple blocks to a single block.

The rates proposed by the Branch, included here as Appendix B, were designed by applying the system average increase to all rate categories. In conformance to current Commission policy, the two metered quantity blocks have been reduced to one.

Section 2713 of the Public Utilities Code prohibits water utilities from charging public fire protection agencies any fees for fire hydrants unless there is a written agreement between the parties to pay for such service. Although the Fresno Fire District does not object to paying the increased rates, no written agreement between it and BWC was ever filed with the Commission. The Branch encourages BWC and FFD to prepare and file a written agreement.

The Branch recommends that the Commission authorize an increase in gross annual revenue of \$94,124, or 21.0%, which would increase estimated annual operating revenues from \$449,244 at present rates to \$543,368 at the rates recommended in Appendix B. This increase will provide an 11.0% estimated rate of return on rate base in test year 1990.

At the Branch's recommended rates shown in Appendix B, the bill for a typical flat rate residential customer would increase from \$8.15 to \$9.90 per month (21.5%) and the bill for a typical metered commercial customer using an average 16,800 cubic feet of water per month would increase from \$57.48 to \$68.69 per month (19.5%). A comparison of customer bills at present and recommended rates is shown in Appendix C.

FINDINGS

1. The Branch's recommended summary of earnings (Appendix A) is reasonable and should be adopted.
2. The rates recommended by the Branch (Appendix B) are reasonable and should be adopted.
3. The quantities (Appendix D) used to develop the Branch's recommendations are reasonable and should be adopted.
4. The utility should be authorized to file for an offset rate increase to begin to recover the reasonable costs associated with the installation of new facilities at well site 8-A after these facilities have been placed into service.

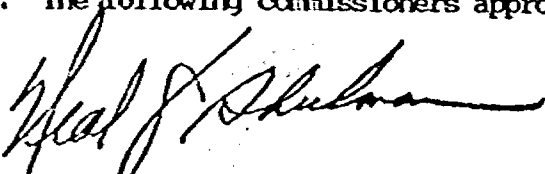
5. The rate increase authorized herein is justified and the resulting rates are just and reasonable.

IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 for Bakman Water Company to file an advice letter incorporating the summary of earnings and revised rate schedules attached to this resolution as Appendices A and B respectively, and concurrently to cancel its presently effective rate Schedules 1, 2, 4, and 5. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be the date of filing.
2. Bakman Water Company is authorized to file an advice letter requesting an offset rate increase to begin to recover the reasonable costs associated with the installation of new facilities at well site 8-A after these facilities have been placed into service.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1990. The following commissioners approved it:

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


NEAL J. SHULMAN
Executive Director

APPENDIX A

BAKMAN WATER COMPANY
SUMMARY OF EARNINGS
Test Year 1990

Item	Utility Estimated		Branch Estimated		Adopted
	Present	Requested	Present	Requested	
	Rates	Rates	Rates	Rates	Rates
<u>Operating Revenue</u>					
Metered	\$ 23,124	\$ 39,292	\$ 23,124	\$ 39,292	\$ 27,970
Flat Rate	383,161	586,731	390,300	597,681	471,802
Private Fire	33,012	50,774	33,012	50,774	40,320
Public Fire	7,128	10,930	2,808	4,306	3,276
Total Revenue	446,425	687,727	449,244	692,053	543,368
<u>Operating Expenses</u>					
Purchased Power	161,544	161,544	144,975	144,975	144,975
Materials	75,000	75,000	13,240	13,240	13,240
Contract Work	31,000	31,000	22,000	22,000	22,000
Transportation	18,000	18,000	10,060	10,060	10,060
Other Plant Maint.	6,000	6,000	6,000	6,000	6,000
Employee Labor	42,000	42,000	42,000	42,000	42,000
Office Salaries	38,000	38,000	24,000	24,000	24,000
Management Salaries	54,000	54,000	54,000	54,000	54,000
Employee Benefits	2,000	2,000	23,170	23,170	23,170
Office Svcs. & Rent	36,000	36,000	36,000	36,000	36,000
Office Supplies	25,000	25,000	17,390	17,390	17,390
Professional Services	12,000	12,000	6,680	6,680	6,680
Insurance	47,000	47,000	13,130	13,130	13,130
General Expenses	14,000	14,000	13,320	13,320	13,320
Uncollectibles	700	700	700	700	700
Filter Plant Rental	48,000	48,000	0	0	0
Subtotal	610,244	610,244	426,665	426,665	426,665
Depreciation Exp.	27,000	27,000	28,580	28,580	28,580
Property Tax	6,906	6,906	6,594	6,594	6,594
Payroll Tax	12,422	12,422	10,870	10,870	10,870
Income Tax	5,500	6,000	800	76,290	17,593
Total Deductions	662,072	662,572	473,509	548,999	490,302
<u>Net Revenue</u>	(215,647)	25,155	(24,265)	143,054	53,066
Average Plant	1,740,000	1,740,000	1,817,330	1,817,330	1,817,330
Avg. Depr. Reserve	595,000	595,000	630,990	630,990	630,990
Net Plant	1,145,000	1,145,000	1,186,340	1,186,340	1,186,340
Less: Advances	50,000	50,000	34,330	34,330	34,330
Contributions	650,000	650,000	669,500	669,500	669,500
Plus: Working Cash	1,500	1,500	0	0	0
Mat'l & Suppl.	0	0	0	0	0
<u>Rate Base</u>	446,500	446,500	482,510	482,510	482,510
<u>Rate of Return</u>	(loss)	5.63%	(loss)	29.65%	11.00%

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BAKMAN WATER COMPANY

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Sunnyside Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATES

Quantity Rate:

All water, per 100 cu. ft.	\$ 0.344	(T) (I)
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Service Charge:

	<u>Per Meter</u> <u>Per Month</u>		
For 5/8 x 3/4-inch meter	\$ 3.80	(I)	
For 3/4-inch meter	4.10		
For 1-inch meter	5.45		
For 1-1/2-inch meter	8.10		
For 2-inch meter	10.90		
For 3-inch meter	21.80		
For 4-inch meter	30.25		
For 6-inch meter	50.80		
For 8-inch meter	72.60		
For 10-inch meter	90.70		(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 Rate. (T) (T)

SPECIAL CONDITIONS

1. The established billing cycle for General Metered Service is every two months. (T) (T)
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (T) (T)

APPENDIX B
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BAKMAN WATER COMPANY

Schedule No. 2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Sunnyside Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>	
1. For a single-family residential unit including premises not exceeding 14,000 sq. ft. in area	\$ 9.90	(I)
2. For a multiple unit residential unit, including two units and premises	14.00	(I)
a. For each additional unit	7.00	(I)
3. For each business establishment with one toilet and wash basin and served from a 3/4-inch service connection	6.15	(I)
4. For each business establishment served from a 1-inch service connection	19.75	(I)
5. For a 2-inch service connection to Raintree Nursing Home	43.75	(I)
6. For a 4-inch service connection to Easterby School No. 2 (Turner School)...	123.00	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one-inch in diameter, except as noted. (N)
2. All service not covered by the above classifications shall be furnished only on a metered basis.

(Continued)

APPENDIX B

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BAKVAN WATER COMPANY

Schedule No. 2

(Continued)

GENERAL FLAT RATE SERVICE

3. For service covered by the above classifications, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day. (C)
4. The established billing cycle for residential flat rate service is every two months. (T)
(T)
5. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (T)
(T)

APPENDIX B

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BAKMAN WATER COMPANY

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately-owned fire protection systems.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Sunnyside Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATE

Per Month

For each inch of diameter of service connection . . . \$ 2.15 (I)

SPECIAL CONDITIONS

1. The fire protection service shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

APPENDIX B

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BAKVAN WATER COMPANY

Schedule No. 4

(Continued)

PRIVATE FIRE PROTECTION SERVICE

5. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (T)
(T)

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BAKMAN WATER COMPANY

Schedule No. 5

PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized fire districts, and other political subdivisions of the State.

TERRITORY

The area bounded by Olive Avenue, East Kings Canyon Road, Winery Avenue and Sunnyside Avenue, located approximately 1-1/2 miles east of Fresno, and vicinity, Fresno County.

RATE

Per Month

For each hydrant \$ 3.50 (I)

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rate under Schedule No. 1, General Metered Service.
2. Relocation of any fire hydrant shall be at the expense of the party requesting relocation.
3. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public authority. Such authorization shall designate the specific location at which each is to be installed.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

APPENDIX C

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BAKMAN WATER COMPANY

COMPARISON OF RATES

METERED SERVICE

	Per Meter Per Month			
	Present Rate	Recommended Rates	Amount Increase	Percentage Increase
<u>Quantity Charge:</u>				
First 300 cu.ft., per 100 cu.ft.	\$ 0.21	\$ 0.344	\$ 0.134	63.8%
Over 300 cu.ft., per 100 cu ft	0.29	0.344	0.054	18.6%
All use, per 100 cu.ft.	--	0.344	--	--
<u>Service Charge:</u>				
For 5/8 x 3/4-inch meter	\$ 3.15	\$ 3.80	\$ 0.65	20.6%
For 3/4-inch meter	3.40	4.10	0.70	20.6%
For 1-inch meter	4.50	5.45	0.95	21.1%
For 1-1/2-inch meter	6.70	8.10	1.40	20.9%
For 2-inch meter	9.00	10.90	1.90	21.1%
For 3-inch meter	18.00	21.80	3.80	21.1%
For 4-inch meter	25.00	30.25	5.25	21.0%
For 6-inch meter	42.00	50.80	8.80	21.0%
For 8-inch meter	60.00	72.60	12.60	21.0%
For 10-inch meter	75.00	90.70	15.70	20.9%

Monthly bill for a typical commercial customer with a 2-inch meter:

Usage 100 cu. ft.	Present Bills	Recommended Bills	Amount Increase	Percent Increase
100	\$ 37.76	\$ 45.30	\$ 7.54	20.0%
150	52.26	62.50	10.24	19.6%
168 (Avg.)	57.48	68.69	11.21	19.5%
200	66.76	79.70	12.94	19.4%
250	81.26	96.90	15.64	19.2%

APPENDIX C

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BAKVAN WATER COMPANY

COMPARISON OF RATES

FLAT RATE SERVICE

	<u>Per Connection Per Month</u>			
	<u>Present</u> <u>Rates</u>	<u>Recommended</u> <u>Rates</u>	<u>Increase</u>	
			<u>Amt.</u>	<u>Percent</u>
1. For a single-family residential unit including premises not exceeding 14,000 sq. ft. in area	\$ 8.15	\$ 9.90	\$ 1.75	21.5%
2. For a multiple unit residential unit, including two units and premises	11.64	14.00	2.36	20.3%
a. For each additional unit	5.82	7.00	1.18	20.3%
3. For each business establishment with one toilet and wash basin and served from a 3/4-inch service connection	5.00	6.15	1.15	23.0%
4. For each business establishment served from a 1-inch service connection	15.72	19.75	4.03	25.6%
5. For a 2-inch service connection to Raintree Nursing Home	36.09	43.75	7.66	21.2%
6. For a 4-inch service connection to Easterby School No. 2 (Turner School)...	101.29	123.00	21.71	21.4%

Appendix D
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Bakman Water Company

ADOPTED QUANTITIES

Test Year 1990

Federal Tax Rate: 15%, 25%
 State Tax Rate: 9.3%
 Local Franchise Rate: 0.0%

Expenses:

1. Purchased Power:

Pacific Gas & Electric Co.

Rate Schedule	A-1	A-6	A-10	A-11
Effective Date of Schedule	1/1/90	1/1/90	1/1/90	1/1/90
Kwh Used - Grand Total		1,443,529		
Kwh Used - Total	325,621	163,790	808,900	145,218
Kwh Used - Summer	280,099	67,996	533,330	74,405
Peak		0		0
Part Peak		67,996		74,405
Off Peak		0		0
Kwh Used - Winter	45,522	95,794	275,570	70,813
Part Peak		95,794		70,813
Off Peak		0		0
\$/kwh - Summer	0.12170		0.09427	
Peak		0.27891		0.10364
Part Peak		0.13955		0.07924
Off Peak		0.07267		0.05325
\$/kwh - Winter	0.10006		0.07310	
Part Peak		0.07454		0.05961
Off Peak		0.05595		0.05165
Summer Charge	\$34,088	\$ 9,489	\$50,277	\$ 5,896
Winter Charge	4,555	7,140	20,144	3,657
Customer Charge	3x8.75x12	1x14.95x12	3x63x12	1x68.1x12
Demand Charge	—	—	140x3.3x12	15x3.3x12
Total Purchased Power	\$38,958	\$16,808	\$78,233	\$10,976
Grand Total Purch Power		\$144,975		

2. Purchased water

None

3. Insurance Expenses

\$13,130

4. Ad Valorem Taxes

\$ 6,594

Composite Tax Rate

1.104%

Assessed Value

\$ 449,263

Special Assessments

\$ 1,584

Irrigation Assessments

\$ 51

5. Water Testing Expenses

\$ 22,000

Appendix D
Page 2

Bakran Water Company

ADOPTED QUANTITIES

Test Year 1990

Service Connections

Flat Rate	1968
Metered Rate	
5/8 x 3/4-inch meter	0
3/4-inch meter	0
1-inch meter	0
1-1/2-inch meter	2
2-inch meter	26
3-inch meter	4
4-inch meter	1
Subtotal Metered	33
Total	
Metered Water Sales Used to Design Rates	66,750 Ccf

ADOPTED INCOME TAX CALCULATIONS
Test Year 1990

Line No.	Item	State Tax	Federal Tax
1.	Operating Revenue	\$543,368	\$543,368
2.	Expenses	426,665	426,665
3.	Taxes Other Than Income	17,464	17,464
4.	Depreciation	28,580	28,580
5.	Interest	0	0
6.	Taxable Income for State Tax	70,659	
7.	State Tax @ 9.3% (\$800 Min.)	6,571	6,571
8.	Taxable Income for FIT		64,088
9.	Federal Income Tax (See Below)		11,022
10.	Total Income Tax		\$17,593
Federal Income Tax Rates			
	On first \$50,000 taxable income	15%	
	On next \$25,000 taxable income	25%	