

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
WATER UTILITIES BRANCH

RESOLUTION NO. W-3902
JANUARY 5, 1995

R E S O L U T I O N

(RES. W-3902) AGATE BAY WATER COMPANY (ABWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING AN
ADDITIONAL ANNUAL REVENUE OF \$12,613 OR 11.21%.

BY ADVICE LETTER NO. 19, FILED ON OCTOBER 24, 1994.

SUMMARY

This Resolution authorizes ABWC to increase rates by \$12,613 or 11.21% to recover costs in capital investment in water utility plant. This new facility was authorized in ABWC's last general rate case as per Resolution W-3677, dated September 2, 1992. The increase will not result in a rate of return greater than last authorized for ABWC.

BACKGROUND

ABWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates in order to offset an investment of \$76,858 for a new booster pump station constructed in 1993 and 1994. ABWC presently serves approximately 553 flat rate customers in Agate Bay and vicinity on the north shore of Lake Tahoe, Placer County.

The present rates became effective January 7, 1994, pursuant to Resolution No. W-3822, which authorized an offset rate increase of \$12,507, or 12.8%.

DISCUSSION

In its last general rate case, filed by draft advice letter on February 27, 1992, ABWC demonstrated the need for a booster pump station. Authority to build a booster pump and file an advice letter to recover the costs was granted under Ordering Paragraph No. 4 of W-3677, which states in part, "Agate Bay Water Company is authorized to file an advice letter rate increase request to offset the....installation of a new storage tank, booster pump..."

The Adjusted Summary of Earnings ABWC submitted as part of Advice Letter No. 19 contained calculation errors in income taxes, depreciation expense, depreciation reserve, plant and rate base. Corrections were made by the Water Utilities Branch (Branch) and the proposed rates revised accordingly. These changes have been incorporated in the Adjusted Summary of Earnings and rate schedules attached to this resolution.

Resolution No. W-3902
ABWC/AL19/REP/HJL:mem

ABWC's Advice Letter No. 19 included a request for authority to offset its billing by the Department of Health Services (DHS) for services from July 1, 1993 through June 30, 1994. ABWC was informed by Branch that under authority granted the by Commission Resolution No. W-3784, dated June 23, 1993, that DHS service billing offsets no longer required specific approval of the Commission and are approved by the Branch. Accordingly the Branch has reviewed the requested DHS billing offset component of Advice Letter No. 19 and found it in order. The associated one-time charge is shown in the Special Conditions of Schedule No. 2A, Annual Flat Rate Service attached to this resolution.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there service problems requiring corrective action.

The Branch recommends that ABWC be authorized to increase its rates to recover the costs of the new booster pump that has been added to rate base. The annual bill for customers of ABWC, all of whom are on a flat rate schedule, will rise 11.21%.

Although there are also metered rates shown in the tariffs, the utility has not completely changed over all customers to meters, therefore all customers pay on the flat rate schedule.

NOTICE AND PROTESTS

ABWC published a notice of this proposed increase in a local newspaper on November 10, 1993. There were no protest letters.

FINDINGS

The Commission finds, after investigation by the Branch, that the rate increase proposed by Agate Bay Water Company is just and reasonable to recover the cost of adding a new booster pump station to it system.

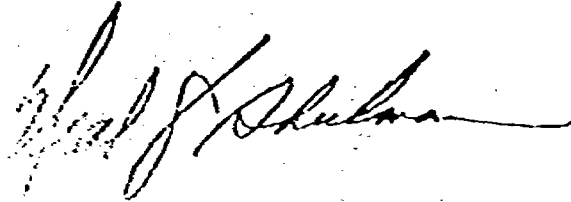
IT IS ORDERED that:

1. Agate Bay Water Company is authorized to incorporate the Adjusted Summary of Earnings and revised rate schedules attached to this resolution as Appendices A and B, respectively and concurrently cancel its presently effective Rate Schedule Nos. 1, General Metered Service, Schedule No. 2A, Annual Flat Rate Service, and Schedule No. 2AL, Limited Flat Rate Service. In all other respect, Advice Letter No. 19 is hereby granted. The effective date of the revised schedules shall be five days after the effective date herein.

Resolution No. W-3902
ABWC/AL19/REP/HJL:mem

2. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 5, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
NORMAN D. SHUMWAY
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
Commissioners

APPENDIX A

Agate Bay Water Company

ADJUSTED SUMMARY OF EARNINGS
 Test Year 1994

Item	Adopted W-3822	Changes	Revised Adopted
<u>Operating Revenues</u>			
Flat Rate	\$ 112,487	\$ 12,613	\$ 125,100
TOTAL	\$ 112,487	\$ 12,613	\$ 125,100
<u>Operating Expenses</u>			
Purchased Power	2,734	0	2,734
Materials	1,850	0	1,850
Contract Work	30,000	0	30,000
Transportation	2,400	0	2,400
Office Salaries	12,000	0	12,000
Management Salaries	15,000	0	15,000
Office Services and Rent	3,600	0	3,600
Office Supplies	2,550	0	2,550
Professional Services	1,700	0	1,700
Insurance	5,200	0	5,200
Regulatory Commission Expenses	600	0	600
General Expenses	700	0	700
Depreciation Expense	9,277	793	10,070
Subtotal	87,611	793	88,404
Taxes Other Than Income	5,030	868	5,898
Income Taxes	2,283	4,767	7,050
Total Deductions	94,924	6,428	101,352
Net Revenue	17,563	6,185	23,748
<u>Rate Base</u>			
Average Plant	288,805	76,858	365,663
Average Dep. Reserve	144,313	10,070	154,383
Net Plant	144,492	66,788	211,280
Less: Advances	0	0	0
Contributions	290	0	290
Plus: Working Cash	0	0	0
Materials & Supplies	4,915	0	4,915
Rate Base	149,117	66,788	215,905
Rate of return	11.78%	-	11.00%

End of Appendix A

APPENDIX B

Page 1 of 4

Agate Bay Water Company

Schedule No. 1
METERED SERVICE

APPLICABILITY

Applicable to all water service furnished on a metered basis.

TERRITORY

Agate Bay and vicinity, on the northwest shore of Lake Tahoe, Placer County.

RATES

Quantity Rate:	Per Meter Per Month	
Per 100 cu.ft.	\$ 0.68	(I)
Service Charge:		
For 5/8 x 3/4-inch meters	8.90	(I)
For 3/4-inch meters	9.70	
For 1-inch meters	13.10	
For 1-1/2-inch meters	17.60	
For 2-inch meters	23.50	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the monthly charge computed at the Quantity Rate.

SPECIAL CONDITIONS

1. As authorized by the California Public Utilities Commission pursuant to Resolution W-3784, all bills are subject to a one-time surcharge of \$2.48. This charge offsets the Department of Health Services fee as billed to Agate Bay Water Company for the fiscal year 1993-1994. (N)
|
(N)
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF. (L)
(L)

(continued)

APPENDIX B

Page 2 of 4

Agate Bay Water Company

Schedule No. 2A
ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on an annual basis.

TERRITORY

Agate Bay and vicinity, on the northwest shore of Lake Tahoe, Placer County.

RATES

Annual Flat Rate

Residential use, payable in advance on or before
January 1 of each year.....\$225.49 (I)

SPECIAL CONDITIONS

1. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1, 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 metered charge for the same period shall be made on or about that same day.
2. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance payable in two equal installments. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated flat rate charges in advance at intervals of less than one year (monthly, bimonthly, or quarterly) in accordance with the utility's established billing periods. Where a resident has failed to pay the first half of the annual charge due January 1, service will be discontinued and will not be restored until the total annual charge has been paid.

(continued)

APPENDIX B

Page 3 of 4

Agate Bay Water Company

Schedule No. 2A
(continued)

ANNUAL FLAT RATE SERVICE

SPECIAL CONDITIONS (continued)

3. The opening bill for flat rate service shall be established annual flat rate charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

4. As authorized by the California Public Utilities Commission pursuant to Resolution W-3784, all bills are subject to a one-time surcharge of \$2.48. This charge offsets the Department of Health Services fee as billed to Agate Bay Water Company for the fiscal year 1993-1994.

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

(N)
|
(N)

(L)
(L)

APPENDIX B

Page 4 of 4

Agate Bay Water Company
Schedule No. 2AL
LIMITED ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to flat rate service only to the Sun Club furnished on an annual basis.

TERRITORY

Agate Bay and vicinity, on the northwest shore of Lake Tahoe, Placer County.

RATES

Annual Flat Rate

Recreation Club use, payable in advance on or before January 1 of each year \$625.35 (I)

SPECIAL CONDITIONS

1. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1, Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period of time has been paid in advance, refund of the prorated difference such flat rate payment and the minimum meter charge for the same period shall be made on or about the same.
2. As authorized by the California Public Utilities Commission pursuant to Resolution W-3784, all bills are subject to a one-time surcharge of \$2.48. This charge offsets the Department of Health Services fee as billed to Agate Bay Water Company for the fiscal year 1993-1994. (N)
|
(N)
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (L)
(L)

End of Appendix B