

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3910
March 22, 1995

R E S O L U T I O N

(RES. W-3910), TAHOE CEDARS WATER COMPANY (TCWC).
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING AN
ADDITIONAL ANNUAL REVENUE OF \$15,269 OR 7.25%.

BY ADVICE LETTER NO. 30, FILED ON JANUARY 25, 1995.

SUMMARY

This Resolution authorizes TCWC to increase rates by \$15,269 or 7.25% to recover costs in capital investment in water utility plant. This new facility was authorized in TCWC's last general rate case as per Resolution W-3821, dated January 7, 1994. The increase will not result in a rate of return greater than last authorized for TCWC.

BACKGROUND

TCWC 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 \$108,344 for a new well and telemetry system. TCWC presently serves approximately 904 flat rate customers and 16 commercial metered customers in Tahoe Cedars and adjacent areas located in El Dorado and Placer Counties near Tahoe.

The present rates became effective January 7, 1994, pursuant to Resolution W-3821, which authorized a general rate increase of \$40,746 or 24.0%.

DISCUSSION

In its last general rate case, filed by draft advice letter on April 27, 1993, TCWC clearly demonstrated the need for a new well and a new telemetry system. Authority to build the well and telemetry system and file an advice letter to recover the costs was granted under Ordering Paragraph #3 of W-3871, which states in part, "Tahoe Cedars Water Company is authorized to file an advice letter requesting additional rate increases after completion of the new well and telemetry projects in progress."

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

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The Water Utilities Branch (Branch) recommends that TCWC be authorized to increase its rates to recover the costs of the new well and telemetry system that has been added to rate base. The annual bill for customers of TCWC's flat rate customers will increase from \$206.65 to \$221.63, a rise of 7.25%. TCWC's original request for an 8.6% increase is incorrect. TCWC's income tax calculation was in error.

NOTICE AND PROTESTS

TCWC published a notice of this proposed increase in a local newspaper on February 14, 1995. There were no protest letters.

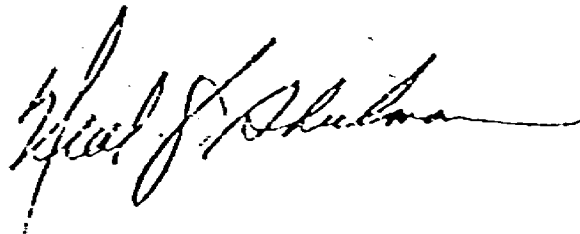
FINDINGS

The Commission finds, after investigation by the Branch, that the rate increase proposed by Tahoe Cedars Water Company is just and reasonable to recover the cost of adding a new well and telemetry system.

IT IS ORDERED that:

1. Tahoe Cedar Water Company is authorized to make effective revised Schedule 1A (Annual General Metered Service), and Schedule 2SR (Residential Flat Rate Service), attached to Advice Letter 30, and to concurrently cancel the presently effective rate schedule. The effective date of the revised rate schedule shall be five days after the effective date of this resolution.
2. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 22, 1995. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLEP
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
Commissioners

APPENDIX A

Tahoe Cedars Water Company

ADJUSTED SUMMARY OF EARNINGS
Test Year 1995

Item	Adopted W-3821	Changes	Revised Adopted
<u>Operating Revenues</u>			
Flat Rate	\$ 186,800	\$ 13,543	\$ 200,343
TOTAL	\$ 23,800	\$ 1,726	\$ 25,526
	210,600	15,269	225,869
<u>Operating Expenses</u>			
Employee Labor	32,000	0	32,000
Purchased Power	13,280	0	13,280
Materials	8,000	0	8,000
Contract Work	9,500	0	9,500
Transportation	4,480	0	4,480
Office Salaries	6,200	0	6,200
Management Salaries	26,000	0	26,000
Office Services and Rent	3,600	0	3,600
Office Supplies	5,750	0	5,750
Insurance	5,590	0	5,590
General Expenses	2,800	530	3,330
Employee Benefits	3,000	0	3,000
Depreciation Expense	12,177	2,923	15,100
Subtotal	132,377	3,453	135,830
Taxes Other Than Income	13,570	1,517	15,087
Income Taxes	15,673	3,297	18,970
Total Deductions	161,620	8,267	169,887
Net Revenue	48,980	7,002	55,982
<u>Rate Base</u>			
Average Plant	591,961	108,344	646,133
Average Dep. Reserve	209,857	2,600	211,157
Net Plant	382,104	105,744	434,976
Less: Advances	0	0	0
Contributions	16,975	0	16,975
Plus: Working Cash	0	0	0
Materials & Supplies	3,332	0	3,332
Rate Base	368,461	105,744	421,333
Rate of Return	13.29%	-	13.29%

(END OF APPENDIX A)

APPENDIX B
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Tahoe Cedars Water Company

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated territory including Tahoe Cedars Tract and vicinity, located near the community of Tahoea, Ed Dorado and Placer Counties.

RATES

Quantity Rate:	Per Meter Per Month	
Per 100 cu.ft.	\$ 0.84	(I)
Service Charge:		
For 5/8 x 3/4-inch meters	120.01	(I)
For 3/4-inch meters	180.02	
For 1-inch meters	279.65	
For 1-1/2-inch meters	372.59	
For 2-inch meters	540.54	
For 3-inch meters	929.57	
For 4-inch meter	1,265.55	

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

(continued)

APPENDIX B
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Tahoe Cedars Water Company

Schedule No. 2A

ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate service furnished on an annual or seasonal basis.

TERRITORY

The unincorporated territory including Tahoe Cedars Tract and vicinity, located near the community of Tahoma, El Dorado and Placer Counties.

RATES

1. For a single-family residential either permanent or temporary.....	\$221.63	\$200.61	(I)
a. For each additional single-family residential unit, either permanent or temporary, located on the same premises and served from the same service connection.....	140.50	125.97	(I)

SPECIAL CONDITIONS

1. The season shall be the ten-month period January 1st through October 31st.
2. The seasonal charge is due in advance.
3. The above flat rates apply to service not larger than one-inch in diameter.
4. The seasonal rate is closed to additional services.
5. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(END OF APPENDIX B)