

WATER/ABJ/KKE:jrb

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Water Advisory Branch

RESOLUTION W-4144
April 22, 1999

RESOLUTION

(RES. W-4144), CONLIN STRAWBERRY WATER COMPANY, INC. (CSWC). ORDER AUTHORIZING AN INTERIM GENERAL RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$25,170 or 24.4% IN 1999.

SUMMARY

By draft advice letter filed on June 1, 1998, this resolution grants an interim increase in gross annual revenues of \$25,170 for test year 1999. This increase will provide CSWC with sufficient monies to pay its current cash operating expenses.

BACKGROUND

CSWC 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 \$62,000 or 60.2% in 1998. CSWC also requested reducing the State Drinking Water Bond Act (SDWBA) loan surcharge by \$8,000 or 17.4%. CSWC estimates that it will service approximately 122 metered customers and approximately 244 flat rate customers in test year 1999. CSWC provides service to the area known as Strawberry and vicinity, located approximately 31 miles east of Sonora, Tuolumne County.

The present rates were established on February 16, 1994 by Resolution W-3827 which authorized a general rate increase of \$24,880 or 33.6%, and a rate of return of 13.35% on a ratebase of \$126,760.

DISCUSSION

The Water Division's Water Advisory Branch (Branch) is conducting the investigation into CSWC's rate increase request. As part of the investigation, the Water Division's staff is including the audit of the company's SDWBA loan. Due

to the addition of the audit of the SDWBA loan and the company's six month delay in setting and holding the Public Meeting, a standard practice involved in all GRC proceedings, the Branch was not able to complete its investigation within the guidelines of Standard Practice U-9-W, Standard Practice for Processing Informal General Rate Cases (GRC) of Class C and D Water Utilities.

In view of this, the Branch recommends an interim rate increase of \$25,170 to be granted to CSWC, subject to refund, pending the final results of the staff investigation needed to set permanent rates.

NOTICE AND PUBLIC MEETING

The Branch conducted an informal public meeting on Tuesday, December 15, 1998, at the Pinecrest Community Center, located in the City of Pinecrest. The date, time and location of the meeting were specified in a notice of the proposed general rate increase mailed to each customer on December 1, 1998. Branch representatives and representatives from CSWC were in attendance. The Branch representative explained Commission rate setting procedures and the utility representative explained the need for the rate increase. Approximately 40 customers were in attendance. Among other complaints, all of the customers who spoke at the meeting protested the magnitude of the increase. Branch representatives assured customers that the Commission would take into account all of the customers concerns when authorizing the final rates in the matter.

CSWC's filed tariffs currently contain Schedules No. 1A, Annual Metered Service and No. 2A, Annual Flat Rate Service. At the Branch's recommended rates shown in Appendix A, the monthly bill for a 5/8 x 3/4-inch metered customer using 3.7 Ccf (one Ccf equals 100 cubic feet) will increase from \$34.50 to \$39.66 and when combined with a decrease of the SDWBA loan surcharge from \$10.60 to \$8.80 the composite increase is 14.96%. Bill comparisons are shown in Appendix B.

FINDINGS

1. The interim rates recommended by the Branch (Appendix A) are reasonable and should be adopted.
2. The rate increase authorized herein should be subject to refund pending the completion of the staff investigation and audit of the SDWBA loan.

IT IS ORDERED that:

1. Strawberry Conlin Water Company, Inc. is authorized to file an advice letter adopting the revised schedules No. 1A, Annual Metered Service, and No. 2A, Annual Flat Rate Service, attached to this resolution as Appendix A, and to concurrently cancel its presently effective rate schedules. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be five days after the date of its filing.
2. The rate increase authorized herein is subject to refund pending final resolution of Strawberry Conlin Water Company, Inc.'s rate increase request.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on April 22, 1999. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners

Appendix A Rates

Conlin-Strawberry Water Company Test Year 1999

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Strawberry and vicinity, located approximately 31 miles east of Sonora,
 Tuolumne County.

RATES

Quantity Rate:

All water, per 100 cu. ft. \$1.07 (I)

Service Charge:

	<u>Per Meter</u>	
	<u>Per Meter Per Year</u>	<u>Per Month Surcharge</u>
For 5/8 x 3/4-inch meter	\$322.80 (I)	8.80 (R)
For 3/4-inch meter	483.00	13.20
For 1-inch meter	804.00	22.00
For 1-1/2-inch meter	1,623.00	44.00
For 2-inch meter	2,566.00	70.25
For 3-inch meter	4,806.00	132.00
For 4-inch meter	8,013.00 (I)	220.00 (R)

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.

The surcharge is in addition to the regular metered water bill. The surcharge must be identified on each bill. The surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision 83-05-052.

Appendix A Rates Continued

Schedule No. 1A
ANNUAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he or she may elect, at the beginning of the utility calendar, to pay prorated service charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods. Meters will be read and quantity charges billed monthly, bimonthly or quarterly in accordance with the utility's established billing periods except that meters may be read and quantity charges billed during the winter season at intervals greater than three months.
2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service 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 year. The balance of the payment of the initial annual charges 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.
3. All water bills are subject to the PUC Reimbursement Fee set forth in Schedule No. UF.

(D)

Appendix A Rates Continued

**Conlin-Strawberry Water Company
Test Year 1999**

Schedule No. 2A

ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate services furnished on an annual basis.

TERRITORY

Strawberry and vicinity, located approximately 31 miles east of Sonora,
Tuolumne County.

RATES

	<u>Per Service Connection Per Year</u>	<u>Surcharge Per Month</u>
For each single-family residential unit or business establishment	\$359.00 (I)	8.80 (R)
For each additional residential unit or business establishment on the same premises and served from the same service connection	311.00 (I)	6.65 (R)
Main Resort, for each cabin	126.00 (I)	2.60 (R)
For each swimming pool.....	126.00 (I)	2.60 (R)

The surcharge is in addition to the regular flat rate water bill. The total surcharge must be identified on each bill. The surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision 83-05-052. This surcharge is applicable to flat rate service not larger than 3/4-inch.

Appendix A Rates Continued

Schedule No. 2A
ANNUAL FLAT RATE SERVICE
(Continued)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than $\frac{3}{4}$ inch in diameter.
 2. For services covered by the above classifications, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1A, Annual 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.
 3. The annual flat rate charge applies during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he or she may elect, at the beginning of the calendar year, to pay prorated flat rate charges in advance at intervals of not less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing period.
 4. The opening bill for flat rate service shall be the 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 year. 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 this initial annual charges shall be due to the customer.
- (D)
5. All water bills are subject to the PUC Reimbursement Fee set forth in Schedule No. UF.

(END OF APPENDIX A)

Appendix B Comparison of Rates

**Conlin-Strawberry Water Company
 Test Year 1999**

	Per Service Connection Per Year				Monthly		Per Year
	Present Rates Water \$		Recommended rates Water \$		Present Rates SDWBA \$	Recommended Rates SDWBA \$	Composite Total Increase %
	Metered	Flat	Metered	Flat			
METERED							
Service Charge:							
5/8 x 3/4-inch meter	250.00		322.80		10.60	8.80	13.57
3/4 - inch	375.00		483.00		15.90	13.20	13.36
1-inch meter	625.00		804.00		26.50	22.00	13.26
1 1/2 - inch	1,260.00		1,623.00		53.00	44.00	13.45
2-inch meter	2,000.00		2,566.00		84.80	70.25	12.97
3-inch meter	3,750.00		4,806.00		159.00	132.00	12.94
4-inch meter	6,250.00		8,013.00		265.00	220.00	12.97
FLAT							
Residential		277.60		359.00	10.60	8.80	14.77
Additional unit		243.00		311.00	8.00	6.65	15.25
Main Resort, cabin		97.50		126.00	3.10	2.60	16.70
Swimming pool		97.50		126.00	3.10	2.60	16.70
QUANTITY CHARGE							
All water, per 100 cu.ft.	0.83		1.07				28.92
<i>A monthly comparison bill including both water and the SDWBA surcharge for a customer with a 5/8 x 3/4 -inch meter is shown below:</i>							
Usage in CCF (100 Cu. Ft.)	Present Bill \$		Recommended Bill \$		Amount Increase \$		Increase %
0	31.43		35.70		4.27		13.59
3.7 average	34.50		39.66		5.16		14.96
10	39.73		46.40		6.67		16.79
15	43.88		51.75		7.87		17.94
20	48.03		57.10		9.07		18.88
<i>A quarterly comparison bill including both water and the SDWBA surcharge for customers with flat rate service is shown below:</i>							
Type of connection	Present Bill \$		Recommended Bill \$		Amount Increase \$		Increase %
Residential flat rate	101.20		116.15		14.95		14.77
Additional/Commercial	84.75		97.70		12.95		15.28
Main Resort, Cabin	33.68		39.30		5.62		16.69
Swimming Pool	33.68		39.30		5.62		16.69