

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS**

Advice Letter Cover Sheet

Utility Name: Tahoe Park water Company

Date Mailed to Service List: Mar. 28, 2019

CPUC Utility #: WTC 96

Protest Deadline (20th Day): Apr. 17, 2019

Advice Letter #: 70

Review Deadline (30th Day): Apr. 27

Tier ☒1 ☐2 ☐3 ☐ Compliance

Requested Effective Date: May 01, 2019

Authorization Gen. Order 96-B, (D.) 87-09-026

Rate Impact: \$0

Description: Rule 15 Par. E
Income Tax Component

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

Utility Contact: Richard Dewante

Utility Contact:

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Phone:

Email: rmdewante@sbcglobal.net

Email:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

☐ APPROVED

☐ WITHDRAWN

☐ REJECTED

Signature: _____

Comments: _____

Date: _____

Tahoe Park Water Company
5000 Windplay Dr., Suite 4
El Dorado Hills, CA 95762

March 28, 2019

Advice Letter No. 70

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Tahoe Park Water Company (TPWC) hereby transmits for filing the following changes in its tariff schedules and two copies of each are attached hereto:

Cal. P.U.C.			
<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Schedule No.</u>	<u>Cancelling Sheet No.</u>
479-W	Rule 15	UF	312-W
480-W	Table of Contents	None	478-W

Rule 15 provides for the Income Tax Components (ITC) of Contributions in Aid of Construction (CIAC) and Advance in Aid of Construction (AIAC). Decision (D.) 87-09-026 authorized the methods that utilities can adopt in calculating the ITC for CIAC and AIAC. Small utilities are to use Method 2.

This advice letter (AL 70) is submitted pursuant to General Order 96-B, Water Industry Rules. AL 70 is designated as a Tier 1 advice letter and the attached tariff sheets will become effective on May 1, 2019 upon approval by the Commission.

Due to the nature of this advice letter, no customer notice is required, although a copy was served on the Tahoe Park Water Co. service list.

Tahoe Park Water Company

By: 
Richard Dewante

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and affecting rates and service of the utility, together with information relating thereto:

<u>Subject Matter of Sheet</u>	<u>Cal. P.U. C. Sheet No.</u>	
Title Page	255-W	
Table of Contents	480-W, 469-W	(T)
Preliminary Statement	453-W, 454-W	
Service Area Map	363-W, 364-W	
 Rate Schedules:		
Schedule No. 1A, Annual Metered Service	471-W, 203-W	
Schedule No. 1B, Annual Metered Service	472-W, 382-W	
Schedule No. 2RA-TP, Annual Residential Flat Rate Service	473-W, 362-W	
Schedule No. 2RA-SKY, Annual Residential Flat Rate Service	474-W, 358-W	
Schedule No. 4, Private Fire Protection Service	475-W, 252-W, 297-W	
Schedule No. UF - Surcharge to Fund PUC Reimbursement Fee	477-W	(C)

Rules:

No. 1 Definitions	178-W, 179-W
No. 2 Description of Service	112-W
No. 3 Application for Service	17-W
No. 4 Contracts	18-W
No. 5 Special Information Required on Forms	462-W - 465-W
No. 6 Establishment & Re-establishment of Credit	21-W
No. 7 Deposits	22-W, 124-W
No. 8 Notices	232-W, 233-W
No. 9 Rendering and Payment of Bills	25-W, 27-W
No. 10 Disputed Bills	466-W, 467-W
No. 11 Discontinuance & Restoration of Service	234-W - 241-W
No. 12 Information Available to Public	32-W, 33-W
No. 13 Temporary Service	34-W, 35-W
No. 14 Continuity of Service	36-W
No. 15 Main Extensions	269-W - 281-W, 479-W
No. 16 Service Connections, Meters, and Customer's Facilities	282-W - 288-W
No. 17 Measurement of Service	174-W
No. 18 Meter Tests and Adjustment of Bills for Meter Error	50-W - 52-W
No. 19 Service to Separate Premises and Multiple Units, and Resale of Water	199-W, 200-W
No. 20 Fire Protection	54-W

(continued)

(To be inserted by utility) Advice Letter No. <u>70</u>	Issued by <u>Richard Dewante</u> NAME <u>President</u> TITLE	(To be inserted by Cal. P.U.C.) Date Filed <u>3/28/2019</u> Effective <u>5/1/2019</u> Resolution No. _____
Decision No. _____		

Rule No. 15
(continued)

MAIN EXTENSIONS

E. Income Tax Component of Contributions and Advances Provision

1. Contributions in Aid of Construction and Advances for Construction shall include, but are not limited to, cash, services, facilities, labor, and income taxes thereon provided by a person or agency to the utility. The value of non cash contributions and advances shall be based on the utility's estimates. Contributions and advances shall consist of two components for the purpose of recording transactions, as follows:

- a. Income Tax Component (ITC) and
- b. The balance of the contribution or advance

2. The ITC shall be calculated by multiplying the balance of the contribution or advance by the factor of:

- a. 38.857% for 2018 and thereafter (C)

3. The tax factor is established by using Method 2 as set forth in D. 87-09-026 in I. 86-11-019 and Resolution E-3243 dated September 25, 1991.

4. The formula to compute Method 2 includes the following factors:

- a. State franchise tax of 8.84% and (C)
- b. Corporate federal tax rate of 21% (C)

5. The ITC factor has been derived from the corporation tax rate and it will remain in effect until the utility's net taxable income changes to the extent that the gross-up rate would increase or decrease by five percentage points or more. When and if that occurs the utility will file an advise letter showing the new rates and cancel out this sheet.

6. If a utility collects a gross-up calculated by using an incremental tax rate that is more than its actual incremental rate, the difference between what was collected and what should have been collected will be refunded to the contributor.

(To be inserted by utility)

Advice Letter No. 70

Decision No. 87-09-026

Issued By

Richard Dewante

President

(To be inserted by P.U.C.)

Date Filed Mar. 28, 2019

Effective May 1, 2019

Resolution No.

Tahoe Park Water Company
Advice Letter No. 70
Service List

Placer Co. Environmental Health
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Tahoe City, CA 96145

Placer County Public Works
1091 County Center Dr., Ste. 220
Auburn, CA 95603

Tahoe Swiss Village Utility
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