

BASS LAKE WATER COMPANY

PO BOX 113 Bass Lake, CA 93604 559-642-2494 stevev@basslakerealty.com

June 11, 2020

Advice Letter No. 78-W-A

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Bass Lake Water Company (Bass Lake) hereby transmits for filing one PDF copy of this advice letter 78-W-A and the various attachments which are enclosed including the following revised tariff sheets:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
508-W	Schedule No. 1	505-W
509-W	Schedule No. 2	506-W
510-W	Table of Contents	507-W

REQUEST

With this supplemental filing Bass Lake hereby requests authority to update Commission Staff on replacement reservoir construction status, project cost, and final Plumas Bank loan amount. The request to increase the Bass Lake loan amount from \$620,000 was approved by Plumas Bank loan committee on May 28, 2020 to \$780,000. The current project cost estimate has been increased by \$200,000 to \$975,000 from the prior estimate of \$775,000. This results in the RBO amount increasing to the new project estimated cost of \$975,000. The construction completion date should be July 30, 2020. The final cost will not be under \$975,000 so Bass Lake requests that the above numbers be used by the Commission staff in obtaining Commissioner Resolution approval so the rate adjustment can be implemented as quickly as possible and allow Plumas Bank to finalize the loan documents.

Currently Bass Lake has executed a Construction Loan Promissory Note with Plumas Bank that will be updated as reflected above. After construction is complete and the Commission has approved the loan and RBO in the respective amounts of \$780,000 loan and \$975,000 the Bass Lake loan will be finalized with Plumas Bank and the payment of the loan origination fee. Anything over the \$975,000 will be funded by Bass Lake.

Residual funding of approximately \$195,000 will be made with company funds. See attached revised capital structure and cash flow projections supporting the availability of this funding. Insurance proceeds in the amount of \$56,855 has been received and been used for demolition, grading, and other work in preparation of tank erecting.

BASS LAKE WATER COMPANY

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Bass Lake as a part of this supplemental filing request that all customer Rates be increased by 34.34% or \$311,039 revenue requirement to provide a rate of return of 12.15% as was approved by Resolution 4741-W. See attached revised summary of earnings. This increase is necessary to satisfy the Plumas Bank loan requirements and a rate of return to cover current operating costs and the loan repayment. The attached tariff sheets reflect this increase in rates.

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This advice letter and the enclosed tariff sheets is a Tier 3 advice letter which needs a resolution per GO 96-B Section 7.3.3 (6). Bass Lake respectfully requests approval of AL 78-W-A as soon as possible.

NOTICE

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been mailed or emailed to all parties listed on the enclosed service list.

RESPONSE OR PROTEST¹

Anyone may respond to or protest this AL. A response supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A protest objects to the AL in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the AL;
2. The relief requested in the AL would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding;
or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

¹ GO. 96-B, General Rule 7.4.1

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A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The Water Division must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

Email Address:

Water.Division@cpuc.ca.gov

Mailing Address:

California Public Utilities Commission
Water Division, 3rd Floor
505 Van Ness Avenue
San Francisco, CA 94102

On the same day the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest to Stephen R. Welch at: Bass Lake Water Company

Email Address:

steve@basslakerealty.com

Mailing Address:

Bass Lake Water Company
PO Box 113
Bass Lake, CA 93604

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

REPLIES

The utility shall reply to each protest and may reply to any response. Any reply must be received by DWA within five business days after the end of the protest period, and shall be served on the same day on each person who filed the protest or response to the AL.²

² GO. 96-B, General Rule 7.4.3

BASS LAKE WATER COMPANY

PO BOX 113 Bass Lake, CA 93604 559-642-2494 stevew@basslakerealty.com

SERVICE LIST

- Recipient 1 Hillview Water Company
Attn: Roger Forrester
P.O. Box 2269
Oakhurst, CA 93644
H2o5@sti.net
- Recipient 2 Broadview Terrace Mutual Water Company
P.O. Box 1454
Oakhurst, CA 93644
info@btmwater.com
- Recipient 3 Yosemite Spring Park Utility Company
Attn: Layton Gillette, General Manager
laytong@yloa.org
- Recipient 4 Madera County
Public Works
mcpublicworks@madera-county.com

I hereby certify that the above service list has been served a copy of AL 78-W-A on June 11, 2020.

Executed in Santa Paula, California on the June 11, 2020.

Bass Lake Water Company

By: /s/Frank Brommenschenkel
Stephen R. Welch
President

Enclosures

NOTICE TO CUSTOMERS OF PROPOSED RATE INCREASE

June 11, 2020 Draft

The **Bass Lake Water Company** has requested authority from the California Public Utilities Commission to increase rates by \$311,039 or 34.34%, for a rate base offset for the cost of replacing the Pines storage facility with a new above ground bolted steel tank. Bass Lake is also requesting approval of a \$780,000 Plumas Bank Loan for the \$975,000 estimated project cost. Insurance proceeds and company funds will cover the remainder of the overall project cost. The Water Board has wanted the old tank replaced with a newer style of tank. This filing has been prepared in accordance with Standard Practice U-27. The resulting rates will not result in a rate of return in excess of what has been found reasonable for the Bass Lake Water Company.

The present rates have been in effect since June 1, 2020.

The company proposes to increase rates as follows:

(A) Annual Metered Service:

Service Charge:		Per Meter Per Year	
		Present Rates	Proposed Rates
For	5/8 x 3/4-inch meter.....	\$ 249.43	\$ 335.08
For	3/4 inch meter	374.16	502.65
For	1-inch meter.....	623.59	837.73
For	1 1/2-inch meter.....	1,247.16	1,675.43
For	2-inch meter.....	1,932.43	2,596.03
For	3-inch meter.....	3,741.48	5,026.30
For	4-inch meter.....	12,471.53	16,754.25

Quantity Rate: All water used per 100 cubic feet \$1.386 \$1.862

(B) Annual Residential Flat Rate Service:

For a Single Family resident unit		Per Service Connection Per Year	
		Present Rates	Proposed Rates
	3/4 inch service	\$ 747.92	\$1,004.76
	1 inch service	1,246.47	1,674.51
	1 1/4 inch service	1,869.79	2,511.88
	1 1/2 inch service	2,493.14	3,349.28
	2 inch service	3,989.20	5,359.09
	For each additional single-family unit on the same premises and served from the same service connection ..	\$559.52	\$ 751.66

There are two ways to respond to this notice. You can send a **protest** to the CPUC and, if you do, you must send a copy of the protest to the utility; or you can send a **response** to the CPUC with a copy to the utility if you wish. A **protest** is a document objecting to the granting in whole or in part of the authority sought in this advice letter. A **response** is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A **protest** must be mailed within 20 days of the date the CPUC accepts the advice letter for filing served on the utility. The filing date is the date the advice letter was put on the CPUC Calendar. The Calendar is available at the CPUC Website of www.cpuc.ca.gov. A **protest** must state the facts on which the protest is based, the effect that approval of the advice letter might have on the protestant, and the reasons the **protestant** believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter. The utility must respond to a **protest** within five days.

All **protests** and **responses** should be sent to: CPUC, Water Utilities Branch, Room 3106, 505 Van Ness Avenue, San Francisco, CA 94102, FAX: 415-703-4426 or E-Mail: water_division@cpuc.ca.gov

All **protests** should be sent to **Bass Lake Water Company**, PO Box 109, Bass Lake, CA 93604, PHONE 559-642-2494 FAX: 559-642-2517, steve@basslakerealty.com. If you have not received a reply to your protest from the utility within 10 business days, contact Frank Brommenschenkel at 805-525-4200 or frank.brommen@verizon.net.

Schedule No. 1

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered service furnished on an annual basis.

TERRITORY

The northwest shore of Bass Lake including the Falls and Bass Lake and vicinity, Madera County.

RATES

Quantity Rate:

All water, per 100 cubic feet..... \$1.862 (I)

Annual Service Charge:

Per Meter Per Year

For 5/8 x 3/4-inch meter.....	\$ 335.08	(I)
For 3/4-inch meter.....	502.65	(I)
For 1-inch meter.....	837.73	(I)
For 1-1/2-inch meter.....	1,675.43	(I)
For 2-inch meter.....	2,596.03	(I)
For 3-inch meter.....	5,026.30	(I)
For 4-inch meter.....	16,754.25	(I)

The service charge is a readiness-to-serve charge that is Applicable to all metered service and to which is to be added the annual charge computed at the Quantity Rates.

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 78-W-A Bass Lake Water Company Date Filed _____

Decision No. _____ Stephen R Welch, Pres Effective _____

Resolution No. _____

Schedule No. 2
ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The northwest shore of Bass Lake including the Falls and Bass Lake and vicinity, Madera County.

RATES

Per Service Connection
Per Year

Table with 3 columns: Description, Rate, and Code. Rows include single family resident unit services (3/4 inch to 2 inch) and additional single-family unit on same premises.

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 calendar year, 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.

(continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 78-W-A Bass Lake Water Company Date Filed

Decision No. Stephen R Welch, President Effective

Resolution No.

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The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

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(Continued)

(To be inserted by utility)

Issued by

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

Advice Letter No. 78-W-ABass Lake Water Company

Date Filed _____

Decision No. _____

Stephen R Welch, President

Effective _____

Resolution No. _____

Bass Lake Water Company
Advice Letter 78-W-A Summary of Earnings - RBO Supplemental
June 11, 2020

Item	Resolution W-4544 6/30/05	Resolution W-4741 2/20/09	CPI-U Increases 18.8%	2019 Recorded	Rate Base Offset AL 78-W-A	Requested Rates
Operating Revenue						
Metered	\$ 57,815	\$ 71,893		\$ 87,964		\$ 87,964
Flat	\$ 445,874	\$ 554,444		\$ 767,514		\$ 767,514
Irrigation				\$ 4,511		\$ 4,511
Other Water Revenue	\$ -			\$ 28,840		\$ 28,840
RBO Storage Tank					\$ 311,039	\$ 311,039
2019 CPI-U Increase				\$ 16,961		\$ 16,961
Total Revenue	\$ 503,689	\$ 626,337	\$ 754,387	\$ 905,789	\$ 311,039	\$ 1,216,828
Operating Expenses						
Purchased Water						\$ -
Purchased Power	\$ 13,000	\$ 13,000		\$ 22,314		\$ 22,314
Other Vol. Related exp.	\$ 26,564	\$ 26,564		\$ 58,213		\$ 58,213
Materials	\$ 17,900	\$ 17,900		\$ 30,854		\$ 30,854
Contract Work	\$ 17,890	\$ 17,890		\$ 48,727		\$ 48,727
DHS fee (in General exp per BL)	\$ 728	\$ 728		\$ -		\$ -
Trans Expense	\$ 9,500	\$ 9,500		\$ 22,350		\$ 22,350
Other Plant Maint	\$ -	\$ -		\$ -		\$ -
Management Salaries	\$ 6,646	\$ 6,646		\$ 40,320		\$ 40,320
Employee Pensions & Benefits	\$ 18,565	\$ 18,565		\$ 40,788		\$ 40,788
Office Salaries	\$ 13,200	\$ 13,200		\$ -		\$ -
Employee labor	\$ 129,947	\$ 129,947		\$ 251,163		\$ 251,163
Ofc. Service and Rentals	\$ 10,800	\$ 10,800		\$ 21,217		\$ 21,217
Ofc. Supplies and Exp.	\$ 6,000	\$ 6,000		\$ 7,432		\$ 7,432
Uncollectables	\$ 450	\$ 450		\$ 1		\$ 1
Professional Services	\$ 1,000	\$ 1,000		\$ 30,579		\$ 30,579
Insurance	\$ 36,500	\$ 36,500		\$ 46,547		\$ 46,547
Regulatory Expense	\$ 1,000	\$ 1,000		\$ 14,479		\$ 14,479
General Expense	\$ 4,000	\$ 4,000		\$ 11,509		\$ 11,509
Subtotal	\$ 313,690	\$ 313,690		\$ 646,493	\$ -	\$ 646,493
Depreciation Expense	\$ 39,537	\$ 56,858		\$ 68,873	\$ 48,750	\$ 117,623
Other than inc. tax	\$ 22,271	\$ 32,028		\$ 32,117	\$ 9,750	\$ 41,867
Income Taxes	\$ 38,071	\$ 82,583		\$ 34,982	\$ 85,400	\$ 85,400
Non-Utility Income				\$ (11,453)		
Interest Expense	\$ -	\$ -		\$ 21,494		
Total Deductions	\$ 413,569	\$ 485,159		\$ 792,506	\$ 143,900	\$ 891,383
Net Revenue	\$ 90,120	\$ 141,178		\$ 113,283	\$ 167,139	\$ 325,445
Rate Base						
Plant	\$ 1,585,051	\$ 2,279,448		\$ 2,577,196	\$ 975,000	\$ 3,552,196
CWIP	\$ 17,345	\$ -		\$ 277,173		\$ 277,173
Depr. Reserve	\$ 516,129	\$ 743,711		\$ 1,083,068	\$ 48,750	\$ 1,131,818
Net Plant	\$ 1,086,267	\$ 1,535,737		\$ 1,771,302	\$ 926,250	\$ 2,697,552
Less: Contributions/Advances	\$ 438,957	\$ 384,480		\$ 40,500		\$ 40,500
Plus: Working Cash	\$ 7,182	\$ 7,182		\$ 14,805	\$ -	\$ 14,805
Plus: Material & Supplies	\$ 3,500	\$ 3,500		\$ 8,223		\$ 8,223
Rate Base	\$ 657,992	\$ 1,161,939		\$ 1,753,830	\$ 926,250	\$ 2,680,080
ROR = Net Rev/Rate Base	13.7%	12.15%		6.5%		12.14%
24% Rate of Margin	24.0%	34.1%		15.2%		40.4%

Bass Lake Water Company

Replacement Storage RBO Amounts AL 78-W-A Supplemental
6/11/2020

\$	975,000.00	Total RBO
\$	118,462.50	\$975,000 times, .1215 for RBO Rate of Return
\$	59,979.99	Federal Tax .21
\$	25,420.00	State Tax .082
\$	48,750.00	Depreciation @ 5%
\$	9,750.00	Property Tax
\$	262,362.49	Total Revenue Requirement

Bass Lake Water Company
Advice Letter 78-W-A RBO
6/11/2020

Schedule No. 1
Annual Metered Service

Percent Increase			34.34%
Quantity Rate	\$	1.386	\$ 1.862

Annual Service Charge

5/8 x 3/4	\$	249.43	\$	335.08
3/4	\$	374.16	\$	502.65
1	\$	623.59	\$	837.73
1 1/2	\$	1,247.16	\$	1,675.43
2	\$	1,932.43	\$	2,596.03
3	\$	3,741.48	\$	5,026.30
4	\$	12,471.53	\$	16,754.25

Schedule No. 2
Annual Residential Flat Rate Service

Percent Increase			34.34%
Rates			

3/4	\$	747.92	\$	1,004.76
1	\$	1,246.47	\$	1,674.51
1 1/4	\$	1,869.79	\$	2,511.88
1 1/2	\$	2,493.14	\$	3,349.28
2	\$	3,989.20	\$	5,359.09
Add. SF Unit	\$	559.52	\$	751.66

Bass Lake Water Company
Pines Tank Project
Revised Cost

As of March 16, 2020

Spent to Date:

Demolition, Debris Removal, Fill-Dirt Hauling, Compaction, Trenching for new pipeline, Tie-In to existing tank, Re-grade Access Road, Equipment Rental, Distribution Line and Valve Installation, and Permit Fee	\$208,845.27
Engineering Fees	75,060.15

Future project costs:

Outstanding Invoice to Contractor Ralph Gordon – regrading and conduit Installation	7,546.00
Balance due on Engineering Contract	55,539.85
Dawson-Mauldin Contract – Buried and Above Ground Site piping, Altitude valve piping, Ring Wall Footing, and steel bolted tank	615,000.00
Sub-total	<u>\$961,991.27</u>
Contingency	13,000.00
Total Project Cost:	<u>974,991.27</u>
Project Cost Rounded:	\$975,000.00

Bass Lake Water Company

Capital Structure

AL 78-W-A Plumas Bank Loan, RBO Pines Reservoir, 400,000 Gal

6/10/2020

Item	Recorded 2019		Adjustment		Proforma	
Long Term Debt	\$ 244,306	13.26%	\$ 780,000	¹	\$ 1,024,306	34.74%
Common Stock	\$ 49,100	2.66%			\$ 49,100	1.67%
Paid in Capital	\$ 1,219,177	66.16%			\$ 1,219,177	41.35%
Retained Earnings	\$ 330,074	17.91%	\$ 325,663	²	\$ 655,737	22.24%
Total Capitalization	\$ 1,842,657	100.00%	\$ 1,105,663		\$ 2,948,320	100.00%

Notes:

1. \$780,000 Plumas Bank loan requested in this filing.
2. Projected Earnings in 2020 and 2021.

Cash Requirements Forecast Reservoir Replacement

Company Funded Portion of	\$ 195,000
Contingency	\$ 13,000
Insurance Proceeds	\$ (57,000)
Total Capital Expenditures	\$ 151,000
Projected Cash available From 2018 & 2019 Retained Earning	\$ 330,074
Excess or Reserve cash over and above Contingencies	\$ 179,074