

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

**Advice Letter Cover Sheet**

**Utility Name:** Big Basin Water Company

**Date Mailed to Service List:** May 21, 2020

**CPUC Utility #:** WTC 157

**Protest Deadline (20<sup>th</sup> Day):** June 10, 2020

**29Advice Letter #:** 76-W

**Review Deadline (30<sup>th</sup> Day):** June 20, 2020

**Tier**     1     2     3     Compliance

**Requested Effective Date:** Jun 30, 2020

**Authorization** GO 96-B

**Rate Impact:** \$170,562  
33.89%

**Description:** Informal general rate case  
Test year 2020

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:** Jim Moore

**Utility Contact 2:**

**Phone:** (831) 338-2933

**Phone 2:**

**Email:** bbwater197@yahoo.com

**Email 2:**

**DWA Contact:** Tariff Unit

**Phone:** (415) 703-1133

**Email:** [Water.Division@cpuc.ca.gov](mailto: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WITHDRAWN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:** \_\_\_\_\_

\_\_\_\_\_

# Big Basin Water Company

P.O. Box 197 Boulder Creek, CA 95006

Telephone (831) 338-2645

May 21, 2018

Advice Letter No. 76-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Big Basin Water Company, Inc. (BIG BASIN) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
410-W	Schedule No. 1, General Metered Service	406-W
411-W	Schedule No. 2, Residential Flat Rate Service	407-W
412-W	Schedule No. 4, Private Fire Protection Service	408-W
413-W	Table of Contents	409-W

## REQUEST

By Advice Letter (AL) No. 76-W, BIG BASIN seeks authority under General Order 96-B, Rule 1.7 and Rule 7.6.2, Water Industry Rule 7.3.3(5) and Section 454 of the Public Utilities Code to increase its rates for water service to recover increased operating expenses and earn an adequate return on margin over current rates. The requested rates will be an increase of \$170,562 (33.89%) in gross annual revenue from its present rates which will provide a rate of margin (ROM) of 22.57% in test year 2020.

## BACKGROUND

The present rates became effective on April 6, 2020, pursuant to Decision 92-03-093, which authorized an offset (CPI) rate increase of \$10,209, or 2.3%.

The last general rate increase became effective on June 12, 2014, pursuant to Resolution W-4985, which authorized a general rate increase of \$82,117, or 22.7%, and a rate of

# Big Basin Water Company

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return of 10.8%.

## *Affordability of Proposed Rates*

BIG BASIN has an individual poverty rate of 8.3%, and only about 8.9% of households have incomes under \$35,000 annually. The annual cost of water for an average customer is approximately .98% of the median household income (MHI) of \$90,130<sup>1</sup> for Boulder Creek. The Water Division (WD) notes that no affordability criteria have been developed and adopted in any Commission Decision or legislation, and that the percentage of MHI represented by the increased rates is for informational purposes only. The Commission adheres to cost-of-service regulatory principles in developing rates for its jurisdictional utilities, and the WD's recommended rates for BIG BASIN are the minimum required to satisfy the utility's technical, managerial and financial capacity, as well as operational capability. The discussion regarding affordability is presented to indicate to the Commission the relationship between the proposed rates and local incomes. With the proposed rates, the average bill for a 5/8 x 3/4-inch metered residential customer consuming 6 CCF per month would increase from \$54.35 to \$73.26, or 34.8% in TY 2020.

## *Safety*

Safety is very important at BIG BASIN. The utility emphasizes the importance of workplace safety and customer safety to all staff.

BIG BASIN field employees regularly attend safety classes, where various topics are discussed with support from video and demonstration. Our staff is dedicated to our team's safety by always wearing appropriate attire. Each field employee is provided the necessary personal safety equipment- gloves, reflective vests, ear plugs, glasses, and any other necessary equipment. Each employee is trained to handle potentially unsafe working conditions and follow outlined safety protocol at all times.

BIG BASIN field employees are trained and certified to inspect the water system daily to ensure that its system meets all Division of Drinking Water and Public Utilities Commission

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<sup>1</sup> **I**Source: [2013-2017 American Community Survey 5-Year Estimates](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)  
[https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)

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standards. This includes overall system inspection (well sites, water lines, yards) daily, system wide valve exercising program, system flushing program, hydrant maintenance and inspection program on a routine schedule.

Internal control measures are in place to ensure that all employee and customer records are protected. Locked filing cabinets and additional computer security is installed. All our customer service employees are trained regarding protecting customer information.

The Commission staff has been provided with work papers supporting the informal general rate case increase. BIG BASIN respectfully requests expedited handling of this advice letter.

## **TIER DESIGNATION AND REQUESTED EFFECTIVE DATE**

These AL and enclosed tariffs are submitted pursuant to Water Industry Rule 7.3.3(5) of General Order (GO.) 96-B and this AL is designated as a Tier 3 filing. This AL will become effective upon approval through a Commission Resolution. <sup>2</sup>

## **NOTICE**

A copy of this AL has been served to all parties listed on the service list <sup>3</sup> on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

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<sup>2</sup> GO. 96-B, Water Industry Rule 7.3.3

<sup>3</sup>GO. 96-B, Water Industry Rule 4.2

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## **RESPONSE OR PROTEST**<sup>4</sup>

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter 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 advice letter;
2. The relief requested in the advice letter 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 advice letter contain material error or omissions;
4. The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
6. The relief requested in the advice letter 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).

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The Water Division (WD) 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:

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<sup>4</sup> GO. 96-B, General Rule 7.4.1

# Big Basin Water Company

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Telephone (831) 338-2645

**Mailing Address:**

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

**Email Address:**

[Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

On the same day the response or protest is submitted to the WD, the respondent or protestant shall send a copy of the protest to BIG BASIN at:

**Mailing Address:**

Big Basin Water Company  
Attn: Jim Moore  
P.O. Box 197  
Boulder Creek, CA 95006

**Email Address:**

[Bbwater197@yahoo.com](mailto:Bbwater197@yahoo.com)

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the WD, 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. Each reply must be received by the WD within five business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

# Big Basin Water Company

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## CERTIFICATE OF SERVICE

I hereby certify that the service list from this AL has been served a copy of this AL No. 76-W on May 21, 2020.

Executed in Boulder Creek, California on May 21, 2020.

Big Basin Water Company

By: \_\_\_\_\_  
Jim Moore  
Manager

Enclosures

**SCHEDULE NO. 1**  
**GENERAL METERED SERVICE**

**APPLICABILITY**

Applicable to all metered water service furnished on a monthly basis.

**TERRITORY**

Big Basin and vicinity, Santa Cruz County

**RATES**

**Quantity Rate:**

For all water, per 100 cu. ft. \$4.42 (I)

**Service Charges:**

**Per Meter Per Month**

For 5/8 x 3/4- inch meter	\$46.76	(I)
For 3/4-inch meter	70.14	
For 1 –inch meter	116.89	
For 1-1/2-inch meter	233.79	
For 2 –inch meter	374.06	
For 3 –inch meter	701.36	
For 4 –inch meter	1,168.93	(I)

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. A \$7.38 bill surcredit shall be applied to each customer’s monthly water bill to amortize the 2018 Timber Operations Balancing Account balance of \$53,191.22 from timber harvesting operations revenues for 2018. The bill surcredit shall be separately identified on each bill and in place for a period of 12 months, or until the \$53,191.22 is fully reimbursed to customers.

(To be inserted by utility)

Advice Letter No. 76-W

Decision No. 92-03-093

*Issued By*

**Jim Moore**

**Manager**

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**SCHEDULE NO. 2**  
**RESIDENTIAL FLAT RATE SERVICE**

**APPLICABILITY**

Applicable only to flat rate residential water service furnished prior to May 1, 1985. This schedule is not open to new customers.

**TERRITORY**

Big Basin and vicinity, Santa Cruz County

**RATES**

**Per Service Connection Per**  
**Month**

All existing flat rate connections, where meters have not been located \$94.37 (I)

**SPECIAL CONDITIONS**

1. The above flat rate applies to service connection not larger than one inch in diameter.
2. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No.1, General 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. All bills are subject to the reimbursement fee set forth in Schedule UF.
4. A \$7.38 bill surcredit shall be applied to each customer's monthly water bill to amortize the 2018 Timber Operations Balancing Account balance of \$53,191.22 from timber harvesting operations revenues for 2018. The bill surcredit shall be separately identified on each bill and in place for a period of 12 months, or until the \$53,191.22 is fully reimbursed to customers.

(To be inserted by utility)

Advice Letter No. 76-W

Decision No. 92-03-093

*Issued By*

**Jim Moore**

**Manager**

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**SCHEDULE NO. 4**  
**PRIVATE FIRE PROTECTION SERVICE**

**APPLICABILITY**

Applicable to water service furnished for private fire systems and to private fire hydrants..

**TERRITORY**

Big Basin and vicinity, Santa Cruz County

**RATES**

	<u>Per Service Connection Per</u> <u>Month</u>	
For each inch of diameter of service connection	\$10.79	(I)

**SPECIAL CONDITIONS**

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such Payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be serviced, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
3. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be serviced, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection service to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility.

(continuation)

(To be inserted by utility)

Advice Letter No. 76-W

Decision No. 92-03-093

*Issued By*

**Jim Moore**

**Manager**

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**TABLE OF CONTENTS**

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

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(continued)

(To be inserted by utility)

Advice Letter No. 76-W  
Decision No. 92-03-093

*Issued By*

**Jim Moore**  
**Manager**

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

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**Big Basin Water Company, Inc.**  
**P.O. Box 197 Boulder Creek, CA 95006**  
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**AL #76-W**

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