

GRAEAGLE WATER COMPANY

P.O. BOX 310 GRAEAGLE, CA 96103 • 530 836-2612

March 31, 2020

Advice Letter No. 55

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Graeagle Water Company (Graeagle) 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>
462-W	Schedule No. 1 - General Metered Service	419-W
463-W	Schedule No. 2 - General Flat Rate Service	420-W
464-W	Schedule No. 2S - Seasonal Flat Rate Service	422-W
465-W	Schedule No. 4 - Private Fire Protection Service	423-W
466-W	Schedule No. 5 - Public Fire Protection Service	424-W
467-W	Schedule No. 6 - Seasonal Flat Rate Irrigation Service	425-W
468-W	Table of Contents	461-W

REQUEST

By AL 55, Graeagle requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 2.3%, the Consumer Price Index (CPI) for 2019. This projected revenue increase of \$14,440 will not result in a rate of return which exceeds the authorized rate of return of 9.9% - 10.9%. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on May 1, 2015, pursuant to Resolution W-5024, which was a general rate increase.

The last general rate increase became effective on May 1, 2015, pursuant to Resolution W-5024, which authorized a general rate increase of \$179,133, or 40%, and a rate of return of 10.7%.

AL 55 is filed pursuant to Ordering Paragraphs No. 1 of **Decision 92-03-093** and **Resolution W-4493**, which authorize Class C and D water and sewer utilities to file a request for a CPI increase once a year by AL. The increase is to be passed on to the utility's customers in their quantity rate and service charge.

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 55 is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.¹

NOTICE

This AL does not require notice;² however, the utility shall inform its customers, by bill insert in the first bill that includes the increase, of the amount of the increase expressed in dollar and percentage terms.³ A copy of this AL has been served to all parties listed on the service list⁴ on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

RESPONSE OR PROTEST⁵

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.

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.

¹ GO. 96-B, Water Industry Rule 7.3.1

² GO. 96-B, General Rule 4.2

³ GO. 96-B, General Rule 3.2

⁴ GO. 96-B, Water Industry Rule 4.1

⁵ GO. 96-B, General Rule 7.4.1

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. DWA 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 DWA, the respondent or protestant shall send a copy of the protest to Graeagle at:

Email Address:

gwc@playgraeagle.com

Mailing Address:

PO Box 310
Graeagle, CA 96103

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, 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.⁶

I hereby certify that the above service list has been served a copy of AL 55 on March 31, 2020.

Executed in Graeagle, California on the March 31, 2020.

Graeagle Water Company

By: */s/ Cindy Holms*

Cindy Holms
Controller

Enclosures

⁶ GO. 96-B, General Rule 7.4.3

SERVICE LIST

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22415 Ranch Deep Cliff
Cupertino, CA 95014

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354 Stoneridge Circle
Vacaville, CA 95687

William R. Dunn
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Brentwood, CA 94513

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641-A 65th St.
Oakland, CA 94609

Frank Kortangian
PO Box 398
Graeagle, CA 96103

Mark Mihevc
PO Box 722
Graeagle, CA 96103

Category	Most Recent Adpted in Resolution W-5027	Actual 2019	CPI Increase @ 2.3% on Recent Adopted Revenue Only	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base
	a	b	c	(Revenues) d=b+c
Operating Revenues:			c=a*2.3%	
Flat Rate	189,593	182,785	4,361	187,146
Metered	437,634	419,134	10,066	429,200
Private Fire Protection	600	600	14	614
TOTAL OPERATING REVENUES	627,827	602,519		616,959
Operating Expenses:				
Purchased Water	-	-		-
Purchased Power	10,026	10,910		10,910
Purchased Chemicals	-	-		-
Other volume Related Expenses	7,391	9,806		9,806
Employee Labor	-	-		-
Materials	3,687	1,841		1,841
Contract Work	144,468	142,290		142,290
Water Testing	5,426	4,124		4,124
Transportation Expense	8,106	17,820		17,820
Other Plant Maintenance	10,036	4,328		4,328
Office Salaries	96,523	83,368		83,368
Management Salaries	64,973	94,448		94,448
Employee Pension and Benefits	-	-		-
Uncollectibles	68	-		-
Office Service and Rentals	4,860	17,918		17,918
Office Supplies and Expenses	8,987	6,557		6,557
Professional Services	13,380	19,733		19,733
Insurance	4,093	2,972		2,972
Regulatory Commission Expense	500	7,321		7,321
General Expenses	6,740	10,837		10,837
SUBTOTAL	389,264	434,272		434,272
Depreciation	51,016	69,940		69,940
Taxes Other than Income	15,314	31,291		31,291
State and Federal Income Taxes	59,441	320		320
Interest	-	699		699
TOTAL DEDUCTIONS	515,035	536,522		536,522
NET REVENUE	112,792	65,998		80,438
RATE BASE				
Average Plant	2,154,561	2,664,364		2,664,364
Less Average Accumulated Depr.	1,033,334	1,341,504		1,341,504
NET PLANT	1,121,227	1,322,860		1,322,860
Working Cash	25,741	214,935		214,935
Less Advances & Contributions	98,894	83,166		83,166
Plus Materials & Supplies	475	-		-
RATE BASE	1,048,549	1,454,629	-	1,454,629
RATE OF RETURN	10.76%	4.54%		5.53%

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

This schedule is applicable within the entire territory served by the utility

Quantity Rate:

All water used per 100 cu. ft..... \$1.98 (I)

Service Charge:

	<u>Per Meter Per Month</u>	
For 5/8 x 3/4 -inch meter	\$31.93	
For 3/4-inch meter	\$47.89	
For 1 -inch meter	\$79.81	
For 1-1/2-inch meter	\$159.63	
For 2 -inch meter	\$255.41	
For 3 -inch meter	\$334.37	
For 4 -inch meter	\$601.88	

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge computed at the Quantity Rate.

SPECIAL CONDITIONS

1. The established billing cycle for service is every two months.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. In the event that a customer terminates service under this schedule and reinstates service at the same location within 12 months, there will be a reconnection charge equal to the minimum charge which would have been billed had the customer not terminated service

(continued)

(To be inserted by utility)
 Advice Letter No. 55
 Decision No. 92-03-093

Issued By
Daniel E. West
 Name
President
 Title

(To be inserted by Cal. P.U.C.)
 Date Filed March 31, 2020
 Effective May 1, 2020
 Resolution No. _____

Schedule No. 2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat water service furnished on an annual basis

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

	<u>Per Year</u>	Per Service <u>Per Month</u>	
For a single-family residence, business establishment, or manager's quarters of a motel or trailer park, including premises.....	\$614.35	\$51.19	(I)
For additional buildings on the same premises and served from the same service connection:			
(1) each residence, cabin or trailer with housekeeping accommodations	\$257.04	\$21.42	
(2) each hotel or motel room with bathroom facilities only	\$129.32	\$10.77	
(3) each trailer facility with partial plumbing.....	\$90.56	\$7.55	
1-inch Service.....	\$921.51	\$76.80	
1 1/2 - inch Service.....	\$1,412.98	\$117.75	
2- inch Service.....	\$1,965.85	\$163.82	
4-inch Service.....	\$3,593.83	\$299.48	(I)

(continued)

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Schedule No. 2S

SEASONAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat water service furnished on an annual basis

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

	Per Service		
	<u>Per Year</u>	<u>Per Month</u>	
For a single-family residence, business establishment, or manager's quarters of a motel or trailer park, including premises.....	\$583.18	\$72.90	(1)
For additional buildings on the same premises and served from the same service connection:			
(1) each residence, cabin or trailer with housekeeping accommodations.....	\$243.70	\$30.46	
(2) each hotel or motel room with bathroom facilities only.....	\$121.90	\$15.23	
(3) each trailer facility with partial plumbing.....	\$85.26	\$10.66	(1)

SPECIAL CONDITIONS

- (1) The above flat rates apply to service connections no larger than 3/4 inch diameter.
- (2) The established billing cycle for service is every two months
- (3) The seasonal service charge applies to service during the 8-month period commencing March 16 and ending November 15
- (4) All bills are subject to the reimbursement fee set forth on Schedule NO. UF.
- (5) In the event that a customer terminates service under this schedule and reinstates service at the same location within 12 months, there will be a reconnection charge equal to the minimum charge which would have been billed had the customer not terminated service
- (6) 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, a refund of the prorated difference between such flat rate payment and the minimum metered charge for the same period shall be made on or about that same day.

(continued)

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service furnished for private fire protection systems.

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

Per Month

For each inch of diameter of service \$4.62 (I)

SPECIAL CONDITONS

1. The fire protection service shall be installed by the utility and the cost paid for by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection services shall not be less than six inches and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, 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 systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction. Said systems shall be installed according to the specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

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Schedule No. 5

PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

Per Month

For each hydrant..... \$11.29 (I)

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rate under Schedule No.1, General Metered Service.
2. Relocation of any fire hydrant shall be at the expense of the party requesting relocation.
3. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public authority. Such authorization shall designate the specific location at which each is to be installed.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operations of the system.
5. The established billing cycle for service is every two months.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. In the event that a customer terminates service under this schedule and reinstates service at the same location within 12 months, there will be a new reconnection charge equal to the minimum charge which would have been billed had the customer not terminated service.

(continued)

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Effective May 1, 2020

Resolution No. _____

Schedule No. 6

SEASONAL FLAT RATE IRRIGATION SERVICE

APPLICABILITY

Applicable to all flat rate water furnished to outside irrigators with service connections larger than 3/4 inch on a seasonal basis

TERRITORY

This schedule is applicable within the entire territory served by the utility.

RATES

	Per Service		
	<u>Per Year</u>	<u>Per Month</u>	
1" Service.....	\$ 614.36	\$ 76.80	(I)
1-1/2" Service.....	\$ 997.30	\$ 124.66	
2"Service.....	\$1,389.21	\$ 173.65	
4"Service.....	\$2,552.07	\$ 319.01	
Feather River Park Golf Course.....	\$9,889.64	\$1,236.20	(I)

SPECIAL CONDITIONS

1. The utility may, at its discretion, interrupt service to irrigation customers during the following periods: (Memorial Day Weekend, July Fourth Weekend, or Labor Day Weekend); with such interruptions only to be used in the case that service to other customers would be impacted by continued irrigation. No service should be interrupted for more than four days. No punitive action under Rule 15 should be triggered by excessive use of irrigation water for one week before and one week after any service interruption.
2. The seasonal service charge applies to service during the 8-month period commencing March 16 and ending November 15.
3. The established billing cycle for service is every two months.
4. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
5. In the event that a customer terminates service under this schedule and reinstates service at the same location within 12 months, there will be a reconnection charge equal to the minimum charge which would have been billed had the customer not terminated service.
6. 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, a refund of the prorated difference between such flat rate payment and the minimum metered charge for the same period shall be made on or about that same day.

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Decision No. 92-03-093

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