

SEARLES DOMESTIC WATER COMPANY

P.O. Box 577, Trona CA 93592, 760-372-5326, schuylea@svminerals.com

October 20, 2020

Advice Letter No. 69-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Searles Domestic Water Company (Searles) hereby transmits for filing one digital copy of this advice letter 69-W and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
451-W	Schedule No. 1	418-W
452-W	Schedule No. 4	419-W
453-W	Schedule No. 7M	420-W
454-W	Schedule No. 9-MLZ	421-W
455-W	Table of Contents	450-W

REQUEST

By AL 69-W, Searles 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 \$16,945 will not result in a rate of return which exceeds the authorized rate of return of 10.08%. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on November 8, 2019, pursuant to Resolution W-4540, which authorized an offset (CPI) rate increase of \$13,737 or 1.9%.

The last general rate increase became effective on May 1, 2013, pursuant to Resolution W-4888, which authorized a general rate increase of \$172,925, or 42.22% for test year 2011, \$55,650 or 9.55%, \$55,400 or 8.68% for escalation years 2012 and 2013 respectively and a rate of return of 10.08%.

AL 69-W 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.

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TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 69-W 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

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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 Audrey Schuyler at: Searles Domestic Water Company

Email Address:

schuylea@svminerals.com

Mailing Address:

Searles Domestic Water Company
P.O. Box 577
Trona, CA 93592

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

⁶ GO. 96-B, General Rule 7.4.3

SEARLES DOMESTIC WATER COMPANY

P.O. Box 577, Trona CA 93592, 760-372-5326, schuylea@svminerals.com

SERVICE LIST

- Recipient 1 Indian Wells Valley Water District
Attn: Don Zdeba
P.O. Box 1329
Ridgecrest, CA 93555
iwvwd@iwvwd.com 760-384-5555
- Recipient 2 Robert A. Lovingood
San Bernardino County Board of Supervisors
385 N. Arrowhead Avenue, 5th Floor
San Bernardino, CA 92415-0110
supervisorlovingood@SBCounty.gov
- Recipient 3 Corporal Brian Woytovich
San Bernardino County Sheriff's Office
Trona Substation
bwoytovich@sbcasd.org

I hereby certify that the above service list has been served a copy of AL 69-W on October 26, 2020.

Executed in Santa Paula, California on the October 26, 2020.

Searles Domestic Water Company

By: /s/Frank Brommenschenkel
Audrey Schuyler
Manager

Enclosures

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to metered water service for domestic household purposes for commercial or retail establishments and small industrial enterprises.

TERRITORY

Within Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, unincorporated communities and territory along the westerly shore of Searles Lake, San Bernardino County.

RATES

		<u>Per Meter</u>	
		<u>Per Month</u>	
Quantity Rates			
First	800 cu. ft., per 100 cu. ft.	\$ 2.36	(I)
Next	3,200 cu. ft., per 100 cu. ft.	4.80	(I)
Over	4,000 cu. ft., per 100 cu. ft.	7.91	(I)
Service Charge			
For	5/8 x 3/4 -inch meter	\$ 30.14	(I)
	3/4 -inch meter	30.14	
	1 -inch meter	75.36	
	1-1/2 -inch meter	150.72	
	2 -inch meter	241.16	
	3 -inch meter	452.17	
	4 -inch meter	753.61	(I)

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 for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

- Multi-family apartment complexes may be independently metered or served from one meter. If they are served from one meter, the monthly or bimonthly consumption shall be divided by the number of active units to calculate the commodity charge. Then that result will be multiplied by the number of active units to arrive at the appropriate service charge for the meter. Service under this condition is subject to approval by the utility.

(continued)

(To be inserted by utility)
 Advice Letter No. 69-W

Issued by
Avinash Puri
 NAME

(To be inserted by Cal. P.U.C.)
 Date Filed _____

Decision No. D.92-03-093

 President
 TITLE

Effective _____

Resolution W-4493 & W-4540

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to metered water furnished to privately-owned fire protection systems.

TERRITORY

Within Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, unincorporated communities and territory along the westerly shore of Searles Lake, San Bernardino County.

RATES

	Per Connection <u>Per Month</u>	
For each inch of diameter of service connection.....	\$ 11.76	(I)

SPECIAL CONDITIONS

1. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed. The fire protection service connection shall be installed by the utility, according to specifications of the San Bernardino County Fire Department and the cost paid by the applicant. Such payment shall not be subject to refund. The utility may install a meter or the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water. The cost of the facilities will be paid by the applicant and not subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. The utility will supply only such water at such pressure as may be available from time to time as a result of normal operation of the system.
4. 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 cost shall not be subject to refund.

(continued)

(To be inserted by utility)

Advice Letter No. 69-W

Decision No. D. 92-03-093

Issued by

Avinash Puri

NAME

President

TITLE

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

Date Filed _____

Effective _

Resolution W-4493 & W-4540

Schedule No. 7M

PUBLIC SCHOOL METERED SERVICE

APPLICABILITY

Applicable to metered water service furnished to and within the buildings and grounds of public schools.

TERRITORY

Within Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, unincorporated communities and territory along the westerly shore of Searles Lake, San Bernardino County.

RATES

		<u>Per Meter Per Month</u>	
Quantity Rates			
First	3,000 cu. ft., per 100 cu. ft.	\$ 2.24	(I)
Next	22,000 cu. ft., per 100 cu. ft.	3.36	(I)
Over	25,000 cu. ft., per 100 cu. ft.	5.18	(I)
Service Charge			
For	5/8 x 3/4 -inch meter	\$ 30.14	(I)
	3/4 -inch meter	30.14	
	1 -inch meter	75.36	
	1-1/2 -inch meter	150.72	
	2 -inch meter	241.16	
	3 -inch meter	452.17	
	4 -inch meter	753.61	(I)

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 for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. Water served under this schedule will be furnished only for use in school buildings and on school grounds.
2. The utility reserves the right to limit the quantity of water delivered to the Trona Schools to 100,000 cubic feet per meter per month.

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(To be inserted by utility)

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

Date Filed _____

Effective _____

Resolution W-4493 & W-4540

Schedule No. 9-MLZ

SURPLUS WATER HAULING SCHEDULE

APPLICABILITY

Applicable to all water hauling customers for domestic household purposes and for commercial establishments from the standpipe at Pioneer Point Pump Station.

TERRITORY

Within Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, unincorporated communities and territory along the westerly shore of Searles Lake, San Bernardino County.

RATES

		<u>Per Meter Per Month</u>	
Quantity Rates			
First	800 cu. ft., per 100 cu. ft.	\$ 2.36	(I)
Next	3,200 cu. ft., per 100 cu. ft.	4.80	(I)
Over	4,000 cu. ft., per 100 cu. ft.	7.91	(I)
Service Charge			
	For each customer.....	\$ 30.14	(I)

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 for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. Each customer will be required to make a \$40.00 deposit to obtain an access key. This deposit will be refunded upon return of the key.
2. Each customer using this facility will record the beginning and ending read on the standpipe log sheet. Customers will be billed for water used. Any discrepancies in total water metered and not accounted for will be prorated and billed to each customer.

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(To be inserted by utility)
 Advice Letter No. 69-W

Issued by
Avinash Puri
 NAME

President
 TITLE

(To be inserted by Cal. P.U.C.)
 Date Filed _____
 Effective _____
 Resolution W-4493 & W-4540

Decision No. D.92-03-093

TABLE OF CONTENTS

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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(To be inserted by utility)

Advice Letter No. 69-W

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Date Filed _____

Decision No. D.92-03-093President

Effective _____

Resolution No. W-4493 & W-4540

Searles Domestic Water Company, LLC

Summary of Earnings - CPI-U 2019

26-Oct-20

	Res. W-4888 11/10/2011 Escalation Year 2013	CPI-U 2016, 2.1% 2017, 2.1% 2018, 1.9%	Recorded 2019	2019 CPI-U Increase 2.3%	Authorized 2020
Sales:					
Metered Water Revenue	\$ 667,515		\$ 550,697		\$ 550,697
Private Fire Protection Revenue	\$ 2,340		\$ 2,461		\$ 2,461
School	\$ 19,345				
Other Water Revenue	\$ 4,350		\$ 33,607		\$ 33,607
Total Sales	\$ 693,550		\$ 586,765	\$ 16,945	\$ 603,710
Tax & Other Expense					
Depreciation Expense	\$ 56,844		\$ 89,213		\$ 89,213
Franchise Tax					\$ -
Income Taxes	\$ 68,403				\$ -
Property Tax			\$ 14,855		\$ 14,855
Payroll Tax			\$ 18,568		\$ 18,568
Other Tax (X-Conn)	\$ 30,009		\$ 3,416		\$ 3,416
Interest Expense			\$ 495		\$ 495
Total Tax & Other Expense	\$ 155,256		\$ 126,547		\$ 126,547
Volume Related Expense					
Purchased Water	\$ 100,833		\$ 71,529		\$ 71,529
Purchased Power			\$ -		\$ -
Other Vol. Rel. Exp.			\$ -		\$ -
Total Volume Related Expense	\$ 100,833		\$ 71,529		\$ 71,529
Non-Volume Related Expense					
Employee Labor	\$ 106,460		\$ 130,978		\$ 130,978
Materials	\$ 23,203		\$ 22,501		\$ 22,501
Contract Work	\$ 6,164		\$ 45,887		\$ 45,887
Transportation	\$ 20,978		\$ 37,599		\$ 37,599
Total Non-Volume Expense	\$ 156,805		\$ 236,965		\$ 236,965
General & Administrative Exp.					
Office salaries	\$ 30,000		\$ 38,990		\$ 38,990
Management	\$ 45,000		\$ 51,331		\$ 51,331
Employee Pension & Benefits	\$ 40,651		\$ 63,885		\$ 63,885
Uncollectable Accounts Expense	\$ 936		\$ 5,142		\$ 5,142
Office Services & Rentals	\$ 2,696		\$ -		\$ -
Office Supplies & Expense	\$ 14,401		\$ 15,538		\$ 15,538
Professional Services	\$ 1,503		\$ 33,761		\$ 33,761
Insurance	\$ 5,337		\$ 1,389		\$ 1,389
Regulatory Commission Expense	\$ 6,052		\$ 7,998		\$ 7,998
General Expenses	\$ 10,664		\$ 9,160		\$ 9,160
Total Gen & Admin. Expense	\$ 157,240		\$ 227,194		\$ 227,194
Expense Capitalized					
Net Admin & Gen Expense	\$ 157,240		\$ 227,194		\$ 227,194
Total Operating Expense	\$ 570,134		\$ 662,234		\$ 662,234
Net Operating Income (Loss)	\$ 123,416		\$ (75,469)		\$ (58,524)
Average Plant	\$ 2,382,666		\$ 2,759,557		\$ 2,759,557
Avg. Accum. Depreciation	\$ 1,270,175		\$ 1,750,506		\$ 1,750,506
Net Plant	\$ 1,112,491		\$ 1,009,051		\$ 1,009,051
Less: Advances	\$ -		\$ -		\$ -
Contributions	\$ 1,460		\$ -		\$ -
Plus: Working Cash	\$ 23,403		\$ 44,641		\$ 44,641
Mat'l & Supplies	\$ 89,876		\$ 129,420		\$ 129,420
Rate Base	\$ 1,224,310		\$ 1,183,112		\$ 1,183,112
Rate of Return	10.08%		-6.38%		-4.95%
Rate of Margin	N/A		-11.40%		-8.84%

Searles Domestic Water Company

2019 CPI-U

10/26/2020

SCHEDULE NO. 1 - GENERAL METERED SERVICE

RATES:

Quantity Rates

	Current	Increased
First 800 cu. ft., per 100 cu. ft.	\$ 2.31	\$ 2.36
Next 3,200 cu. ft., per 100 cu. ft.	\$ 4.69	\$ 4.80
Over 4,000 cu. ft., per 100 cu. ft.	\$ 7.73	\$ 7.91

Monthly Service Charge:

	Current	Increased
5/8 x 3/4 - inch meter	\$ 29.46	\$ 30.14
3/4-inch meter	\$ 29.46	\$ 30.14
1-inch meter	\$ 73.67	\$ 75.36
1-1/2-inch meter	\$ 147.33	\$ 150.72
2-inch meter	\$ 235.74	\$ 241.16
3-inch meter	\$ 442.00	\$ 452.17
4-inch meter	\$ 736.67	\$ 753.61

SCHEDULE NO. 4 - PRIVATE FIRE PROTECTION SERVICE

RATE:

Per Service Connection Per Month

	Current	Increased
For each inch of diameter of service connection	\$ 11.50	\$ 11.76

SCHEDULE NO. 7M - PUBLIC SCHOOL METERED SERVICE

RATES:

Quantity Rates

	Current	Increased
First 3,000 cu. ft., per 100 cu. ft.	\$ 2.19	\$ 2.24
Next 22,000 cu. ft., per 100 cu. ft.	\$ 3.28	\$ 3.36
Over 25,000 cu. ft., per 100 cu. ft.	\$ 5.06	\$ 5.18

Monthly Service Charge:

	Current	Increased
5/8 x 3/4 - inch meter	\$ 29.46	\$ 30.14
3/4-inch meter	\$ 29.46	\$ 30.14
1-inch meter	\$ 73.67	\$ 75.36
1-1/2-inch meter	\$ 147.33	\$ 150.72
2-inch meter	\$ 235.74	\$ 241.16
3-inch meter	\$ 442.00	\$ 452.17
4-inch meter	\$ 736.67	\$ 753.61

SCHEDULE NO. 9MLZ - SURPLUS WATER HAULING SCHEDULE

RATES:

<i>Quantity Rates</i>	Current	Increased
First 800 cu. ft., per 100 cu. ft.	\$ 2.31	\$ 2.36
Next 3,200 cu. ft., per 100 cu. ft.	\$ 4.69	\$ 4.80
Over 4,000 cu. ft., per 100 cu. ft.	\$ 7.73	\$ 7.91

<i>Monthly Service Charge:</i>	Current	Increased
For each customer	\$ 29.46	\$ 30.14