

Sereno Del Mar Water Company

P.O. Box 457 • Forestville, CA 95436-0457
Phone (707) 887-7735 • Fax (707) 887-9445

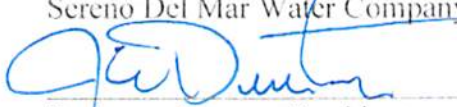
November 6, 2015

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

Re: Sereno Del Mar Water Company
2016 Rate Increase

To whom it may concern:

Enclosed please find a complete copy of the Sereno Del Mar Water Company's Advice Letter #49, which raised the water rates by the 2015 CPI-U of 0.8%.

Sereno Del Mar Water Company

By James Dunton, President

Enclosures: Advice Letter #49

SERENO DEL MAR WATER COMPANY

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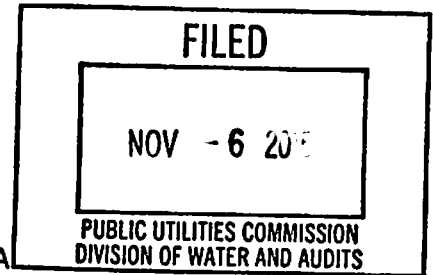
Telephone 707-887-7735

Email: rruwater@sonic.net

November 6, 2015

Advice Letter No. 49

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



Sereno Del Mar Water Company (U-128) 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>
310-W	Schedule No. 1	299-W
311-W	Table of Contents	309-W

REQUEST

By AL 49, Sereno Del Mar Water Company requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 0.8%, the Consumer Price Index (CPI) for 2014. This projected revenue increase of \$1,067 will not result in a rate of return which exceeds the authorized rate of return of 24% (W-4780). Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective in 2013 with an offset (CPI) rate increase of 1.7%.

The last general rate increase became effective in 2009 pursuant to Resolution W-4780, which authorized a general rate increase of \$18,422, or 18%, and a ROM of 24%.

AL 49 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 49 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. 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 Sereno Del Mar Water Company at:

Email Address:

rruwater@sonic.net

Mailing Address:

PO Box 457

Forestville, CA

95436-0457

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

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SERVICE LIST

Carmet-by-the-Sea Water Co.

Attn: Robert Zeni

3670 Arizona Drive

Santa Rosa, CA 94405

707-545-6411

Sonoma County DTPW CSA 41

Attn: Steve Urbanek

2300 County Center Drive #B100

Santa Rosa, CA 95403

70-7565-2231

I hereby certify that the above service list has been served a copy of AL 49 on November 6, 2015.

Executed in Sonoma County, California on the 6th of November, 2015.

Sereno Del Mar Water Company

By:



James Dunton

President

Enclosures

TABLE OF CONTENTS

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

Subject Matter of Sheet	Cal. P.U.C. Sheet No.	
Title Page	214-W	
Table of Contents	311-W, 271-W	(T)
Preliminary Statement	5-W, 6-W, 294-W, 295-W	
Service Area Map	78-W, 65-W, 257-W	
Rate Schedules:		
Schedule No. 1, Metered Service	310-W	(C)
Schedule No. 2, Safe Drinking Water Loan Undeveloped Lot Charge	237-W	
Schedule No. UF, Surcharge to fund CPUC Reimbursement Fee	290-W	
Schedule F, Facilities Fees	180-W	
Schedule LC, Late Payment Charge	182-W	
Summary List of Contracts and Deviations	224-W, 259-W	
Rules:		
No. 1 Definitions	89-W, 90-W	
No. 2 Description of Service	70-W	
No. 3 Application for Service	289-W	
No. 4 Contracts	12-W	
No. 5 Special Information Required on Forms	265-W, 267-W	
No. 6 Establishment and Re-establishment of Credit	15-W	
No. 7 Deposits	244-W, 245-W	
No. 8 Notices	167-W, 168-W	
No. 9 Rendering and Payment of Bills	183-W, 184-W	
No. 10 Disputed Bills	268-W, 269-W	
No. 11 Discontinuance and Restoration of Service	185-W -192-W	
No. 12 Information Available to Public Utilities Commission	26-W, 27-W	
No. 13 Temporary Service	28-W, 29-W	
No. 14 Continuity of Service	30-W	
No.14.1 Voluntary Water Conservation Plan	301-W - 308-W	
No. 15 Main Extensions	194-W, 206-W	
No. 16 Service Connections, Meters, and Customer's Facilities	207-W - 213-W	
No. 17 Standards for Measurement of Service	120-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	121-W, 122-W	
No. 20 Water Conservation	216-W	
No. 21 Fire Protection	217-W	

Advice Letter No. 49

Issued By

Date Filed _____

Decision No. 4780

James Dunton

Effective _____

Name

PRESIDENT

Resolution No. _____

Title

Schedule No. 1

METERED SERVICE

Year 2015

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The subdivision known as Sereno Del Mar and vicinity located 3.5 miles north of Bodega Bay, Sonoma County.

RATES

Quantity Rate

		<u>Per Month</u>	
0 to 6.7	For all water delivered per 100 cu ft.	\$5.10	(1)
6.71 to 10.7	For all water delivered per 100 cu ft.	\$5.66	(1)
Over 10.7	For all water delivered per 100 cu ft.	\$7.07	(1)

Service Charge

Charge per meter size	<u>Per Month</u>	
3/4-inch	\$77.24	(1)
1-inch	\$128.73	(1)
1-1/2 inch	\$257.45	(1)
2-inch	\$411.93	(1)

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

SPECIAL CONDITIONS

1. Any customer prior to resuming service within 12 months after such service was discontinued will be required to pay all service charges which would have been billed if service had not been discontinued.
2. A surcharge of \$5.60 in addition to the regular monthly service charge shall be charged to all meter service. The surcharge is specifically for the repayment of the Safe Drinking State Revolving Fund loan as approved by Resolution W-4234. The monthly surcharge rate is subject to periodic adjustment.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

Advice Letter No. 49
Decision No. W-4780

Name
President
Title

Date Filed _____

Effective _____

Resolution No. W-4780

**Sereno Del Mar Water Company
Summary of Earnings
Earnings Test Calculation**

Category	Most Recent Adopted in Resolution W4780	Actual 2014	CPI Increase @ 0.8% on Recent Adopted Revenue Only	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base (Revenues) d=b+c
	a	b	c=a x 0.8%	
Operating Revenues:				
Flat Rate		41,081	41,081	41,081
Metered		133,358	134,425	134,425
Private Fire Protection				
TOTAL OPERATING REVENUES	119,192	174,439	175,506	175,506
Operating Expenses:				
Purchased Water	730	810		810
Purchased Power	8,450	6,740		6,740
Purchased Chemicals				
Other Volume-Related Expenses				
Employee Labor				
Materials	4,108	1,646		1,646
Contract Work	50,551	66,750		66,750
Water Testing	3,000			
Transportation Expense				
Other Plant Maintenance	1,000	9,138		9,138
Office Salaries				
Management Salaries	1,453			
Employee Pension and Benefits				
Uncollectibles				
Office Service and Rentals	6,051	9,198		9,198
Office Supplies and Expenses	2,000	4,770		4,770
Professional Services	3,600	12,493		12,493
Insurance	2,311	2,633		2,633
Regulatory Commission Expense	749	1,050		1,050
General Expenses	1,500	1,991		1,991
SUBTOTAL	85,503	117,219		117,219
Depreciation	3,295	5,321		5,321
Taxes Other than Income	2,325	955		955
State and Federal Income Taxes	6,319			
SRF Expense		13,168		13,168
TOTAL DEDUCTIONS	97,443	19,444		19,444
Interest		(1,449)		(1,449)
NET REVENUE	21,749	36,327		37,394
RATE BASE				
Average Plant	667,278	722,111		722,111
Less Average Accumulated Depreciation	121,650	238,745		238,745
NET PLANT	545,628	483,366		483,366
Less Advances, Contributions and SRF	440,000	440,000		440,000
Plus Materials and Supplies				
RATE BASE	105,628			
RATE OF RETURN	24%	20.83%		21.31%

For purposes of Earnings Test, you may use actual state and federal income taxes or you may adjust taxes to reflect higher revenues as estimated in Column D.

$$ROM = 1 - \frac{\text{OPERATING EXPENSE}}{\text{OPERATING REVENUE}} = 1 - \frac{117,219 + 19,444}{175,506} = 0.22, \text{ or } 22\%$$