

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

Advice Letter Cover Sheet

Utility Name: Lake Alpine Water Company

Date Mailed to Service List: June 11, 2021

CPUC Utility #: WTD 148

Protest Deadline (20th Day): July 1, 2021

Advice Letter #: 129-W

Review Deadline (30th Day): July 11 2021
October 1,

Tier 1 2 3 Compliance

Requested Effective Date: 20201

Authorization GO 96-B

Rate Impact: \$38,754
4.3%

Description: Informal general rate case
Test year 2021

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: Kimi Johnson

Utility Contact 2:

Phone: 209-753-2409

Phone 2:

Email: info@lakealpinewater.com

Email 2:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY

DATE

STAFF

COMMENTS

APPROVED

WITHDRAWN

REJECTED

Signature: _____

Comments: _____

Date: _____



Lake Alpine Water Company

June 11, 2021

LAKE ALPINE WATER COMPANY
Alpine County

Advice Letter No. 129

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
Water.division@cpuc.ca.gov

LAKE ALPINE WATER COMPANY (LAWC) hereby transmits for filing the following changes in its tariff schedules which are attached hereto:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
594-W	Sched. #1, Annual Metered Service (Continued)	581-W
595-W	Table of Contents	593-W

Request

By Advice Letter (AL) 129-W, LAWC 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 rate of return for capital improvements. The requested rates will produce an increase of \$38,754 (4.3%) in gross annual revenue from its present rates which will provide a rate of return (ROR) of 10.40% in test year 2021.

Background:

The last general rate increase was approved by Resolution W-5175 and became effective on October 11, 2018. The resolution authorized a general rate increase of \$102,300 or 18.8% and a rate of margin of 24%. The current rates were adjusted on July 17, 2020 by the Consumer Price Index margin of 2.3%.

Work papers and receipts justifying this increase have been provided to the CPUC Water Branch Staff.

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 advice letter is designated as a Tier 3 filing. This advice letter will become effective upon approval through a Commission Resolution. ¹

¹ GO. 96-B, Water Industry Rule 7.3.3



Lake Alpine Water Company

NOTICE

A copy of this AL has been served to all parties listed on the service list² 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 PROTEST³

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. 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:

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

²GO. 96-B, Water Industry Rule 4.2

³ GO. 96-B, General Rule 7.4.1



Lake Alpine Water Company

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to LAKE ALPINE at:

Mailing Address:

Lake Alpine Water Company

Attn: Kimi Johnson

P.O. Box 5013

Bear Valley, CA 95223

Email Address:

info@lakealpinewater.com

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. Each 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 to the person who filed the protest or response.

Enclosures

Schedule No. 1A

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Bear Valley tracts, and vicinity located about three miles west of
Lake Alpine, adjacent to State Highway 4, Alpine County.

RATES

Quantity Rate:

All water, per 100 cu. ft..... \$ 8.25 (I)

Service Charge:

	<u>Per Year</u>	
For 5/8 x 3/4-inch meter.....	\$ 1,094.43	(I)
For condo unit service.....	\$ 1,094.43	(I)
For 3/4-inch meter.....	\$ 1,641.64	(I)
For 1-inch meter.....	\$ 2,736.06	(I)
For 1 1/2-inch meter.....	\$ 5,472.13	(I)
For 2-inch meter.....	\$ 8,755.40	(I)
For 3-inch meter.....	\$ 16,416.38	(I)
For 4-inch meter.....	\$ 27,360.63	(I)

The annual service charge is applicable to all metered service. It is a readiness to serve charge to which is added the charge for water used during the billing period computed at the Quantity Rate.

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 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.

2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by the multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If a service is not continued for a least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(continued)

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:

<u>Subject Matter of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>	
Title Page	592-W	
Table of Contents	595-W, 513-W	(T)
Preliminary Statement	7-W, 8-W, 491-W, 492-W, 501-W	
Service Area Map	299-W	
 Rate Schedules:		
Schedule No. 1A, Annual Metered Service	594-W, 543-W	(C)
Schedule No. 1B, SDWSRF Loan Surcharge Metered Service	541-W	
Schedule No. 1C, SDWSRF Loan Surcharge Undeveloped Lots	451-W	
Schedule No. 1S, Snow Making Water	585-W	
Schedule No. 4, Private fire Protection Service	582-W, 504-W	
Schedule No. F, Facilities Fees	583-W	
Schedule No. LC, Late Payment Charge	590-W	
Schedule No. UF, Surcharge to Fund Public Utilities		
Commission Reimbursement Fee	588-W	
List of Contracts & Deviations	586-W	
 Rules:		
No. 1 Definitions	560-W, 561-W	
No. 2 Description of Service	86-W	
No. 3 Application for Service	13-W, 301-W	
No. 4 Contracts	14-W	
No. 5 Special Information Required on Forms	562-W - 564-W	
No. 6 Establishment & Re-establishment of Credit	17-W	
No. 7 Deposits	384-W, 385-W	
No. 8 Notices	565-W - 567-W	
No. 9 Rendering and Payment of Bills	333-W - 334-W	
No. 10 Disputed Bills	568-W, 569-W	
No. 11 Discontinuance & Restoration of Service	570-W - 579-W	
No. 12 Information Available to Public	28-W, 29-W	
No. 13 Temporary Service	30-W, 31-W	
No. 14 Continuity of Service	32-W	
No. 15 Main Extensions	241-W - 253-W, 551-W	
No. 16 Service Connections, Meters, and Customer's Facilities	254-W - 260-W	
No. 17 Standards for Measurement of Service	144-W	
No. 18 Meter Tests and Adjustment of Bills for Meter Error	51-W - 53-W	
No. 19 Service to Separate Premises and Multiple Units, and Resale of Water	173-W, 174-W	
No. 20 Water Conservation	294-W	
No. 21 Fire Protection	295-W	
No. 22 Customer Information Sharing	510-W	

(Continued)

Advice Letter No. <u>129</u>	Issued by <u>Kimi Johnson</u>	Date Filed _____
Decision No. _____	<u>General Manager</u>	Effective _____
		Resolution No: _____

NOTICE OF REQUEST FOR A RATE INCREASE

Proposal

Lake Alpine Water Company (LAWC) is requesting authorization from the California Public Utilities Commission (Commission) through Advice Letter 129 to increase its water revenues by \$38,754 or 4.3% in 2021 over present rates. The last general rate increase became effective October 11, 2018 by Resolution W-5175. The rates were adjusted on July 17, 2020 by the Consumer Price Index of 2.3%. After review of LAWC's expenses and plans in treatment plant improvements, LAWC proposes a rate increase to maintain operating revenues and to fund significant investments in the plant infrastructure.

Customer Impact

<u>Quantity Rate:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
All usage per 100 cu.ft.	\$ 7.97	\$ 8.25
 <u>Service Charge:</u>		
	<u>Per Meter per Month</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
For 5/8x3/4-inch meter	\$ 87.43	\$ 91.20
For condo unit service	87.43	91.20
For 3/4-inch meter	131.14	136.80
For 1-inch meter	218.56	228.00
For 1-1/2-inch meter	437.13	456.00
For 2-inch meter	699.41	729.60
For 3-inch meter	1311.39	1368.00
For 4-inch meter	2185.65	2280.00

Summary

The Annual Service Charge is applicable to all metered service. It is a readiness to serve charge.

The metered quantity rate is multiplied by water consumed and added to the service charge.

All customers also pay the Safe Drinking Water State Fund surcharge, currently \$26.02 per month per residence.

This surcharge will expire in 2028.

The Commission regulatory oversight fee is 1.43% of all these charges.

The average bill for a metered residential customer consuming 2.0 CCF per month would increase from \$131.24 to \$136.63, or 4.1%.

Commission Process

The Commission staff will make a thorough investigation of LAWC's request. Following the investigation, the Commission may grant LAWC's request in whole or in part or may deny it. It may also order the utility to charge rates different from those shown in this notice.

California law requires the company to show to the Commission's satisfaction that an increase is justified before it may raise its rates. Customers who would like to call the Commission's attention to any problems concerning their water service, or who would like to provide any other information or comments regarding this requested increase should do so at the public meeting and/or should write to the Commission.

There are two ways to respond to this notice. You may send a protest to the Commission and, if you do, you must send a copy of the protest to LAWC, or you can send a response to the Commission.

Protests and Responses

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter filing. 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 Commission in acting on the request.

A protest must be mailed within 20 days of the date of this notice. A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant and the reasons the protestant believes the advice letter or 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.

All protests or responses to this filing should be sent to both of the following addresses and should mention that they pertain to **Lake Alpine Water Company 2021 General Rate Case**

California Public Utilities Commission
Water Utilities Division
505 Van Ness Avenue
San Francisco, CA 94102
E-mail: water.division@cpuc.ca.gov

AND

Lake Alpine Water Company, Inc.
PO Box 5013
Bear Valley, CA 95223
E-mail: info@lakealpinewater.com

Comments must be sent no later than twenty (20) days after the date of this notice was sent.

If you have not received a reply to your protest from the utility within 10 business days, contact Kimi Johnson at (209) 753-2409.

A copy of the Lake Alpine Water Company filing may be inspected in the utility's business office at 3 Bear Valley Road, Suite 109 Bear Valley, CA 95223; by calling (209) 753-2409 or emailing info@lakealpinewater.com, you may request a copy to be mailed to you.

Lake Alpine Water Company Affordability of Proposed Rates

At Lake Alpine Water Company's proposed rates, the average bill for a 5/8 x 3/4-inch metered residential customer consuming 2.0 CCF per month would increase from \$103.37 to \$107.70, or 4.1% in TY 2021. This excludes the SDWSRF surcharge of \$26.02 per month.

LAWC is located in the zip code of 95223 in western Alpine County. In order to be representative, we are presenting both data points (zip code and county) for the annual median household income (MHI). The MHI for the zip code is \$56,121 and the MHI for the county is \$64,688. The proposed rate, accordingly, would be 2.3% and 2.0% of the respective MHIs.

It should be noted that no affordability criteria have been developed and adopted in any Commission Decision or Resolution. However, in October 2017, the Health and Safety Code in the California Code of Regulations (Sec. 116760.50) was amended to establish an affordability threshold of 1.5% of MHI for average water bills in Severely Disadvantaged Communities, as defined (60% of California Statewide MHI of \$60,818, or \$37,091)^[2]. The EPA's stated view on potable water is that it is affordable if it costs less than 2.5% of the small community MHI. While the Commission adheres to cost-of-service regulatory principles in developing rates for its jurisdictional utilities, and the requested rates are at the minimum required to satisfy the utility's technical, managerial and financial capacity, and operational capability. The discussion regarding affordability is presented, nonetheless, to indicate to the Commission the relationship between the proposed rates and the local economic circumstances.

^[2] See Assembly Bill 560 (Salas); Chaptered by Secretary of State on October 7, 2017 – Chapter 552, Statutes of 2017.

Lake Alpine Water Company

Safety Narrative for General Rate Case 2021

Lake Alpine Water Company (LAWC) meets all applicable drinking water quality standards as required by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW). The latest inspection report from July 2020 has been sent to the CPUC staff.

LAWC also meets all applicable standards from the Division of Safety of Dams (DSOD). The Reba Dam which holds Bear Lake which is LAWC's source is inspected annually by DSOD. The most recent inspection report from June 2020 has been sent to the CPUC staff.

LAWC's service area has 50 hydrants. Hydrants are flushed and inspected by the LAWC at least once a year. The Bear Valley Fire Department is a volunteer department that is not staffed to maintain the hydrants. All hydrants are dry barrel because of winter temperatures.

The water treatment plant is digitally monitored daily through remote SCADA log in. The plant is manually monitored at least 4 days a week and an operator is on call through SCADA alarms at all times.

LAWC has an annual training budget to allow operators to maintain their certifications and participate in local trainings included safety related topics such as confined space entry and chemical handling.

Lake Alpine Water Company W-148 Service List

Creekside Condo Associations
Amber Watts, Manager
ambercreeksidecondos@gmail.com

Bear Valley Homeowners
Association
paulnordic@sbcglobal.net

Alpine County Public Works
dburkett@alpinecountyca.gov

Paul Peterson, Bear Valley Condo
Management Company
paulnordic@sbcglobal.net

Bear Valley Water District
Jeff.Gouveia@bvwd.ca.gov

Anita Taff-Rice, Attorney
anita@icommlaw.com

Tom MacBride, Attorney
tmacbride@goodinmacbride.com

Gloria Dralla, RLAWC
ggdralla@pacbell.net

Stephen Schwabauer, Bear Valley
Resident, Inc.
steveschwabauer@yahoo.com

Terry Woodrow, County Supervisor
twoodrow@alpinecountyca.gov

Eric Jung, BV Real Estate and Cub
Reporter
eric@bearvalleyrealestate.com

Joel Barnett, Bear Valley Business
Association
joel@bearvalleyrealestate.com

Bruce Orvis, LAWC Board Member
bporvis@juno.com

Tim Schimke, Skyline Bear Valley
Resort
tims@bearvalley.com

Don Schulz, LAWC Board Member
don@mgib.net

I hereby certify that I have this day, June 11, 2021, served a copy of Advice
Letter 129-W on the parties listed on the above Service List by email.

Executed in Bear Valley, CA on June 11, 2021.

Lake Alpine Water Company, Inc.


By:

Kimi Johnson, General Manager