

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

Advice Letter Cover Sheet

Utility Name: RR Lewis Water Co.

Date Mailed to Service List: Mar. 5, 2020

CPUC Utility #: WTD 83

Protest Deadline (20th Day): Mar. 25, 2020

Advice Letter #: 43-W

Review Deadline (30th Day): Apr. 4, 2020

Tier 1 2 3 Compliance

Requested Effective Date: Apr. 15, 2020

Authorization GO 96-B

Rate Impact: \$57,516
56.3%

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: Larry Ostrom

Utility Contact 2:

Phone: 209-948-1882

Phone 2:

Email: RRLEWISH2O@gmail.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WITHDRAWN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: _____

RR Lewis Water Company

4500 E. FREMONT STREET, STOCKTON, CA 95215

Telephone: 209-948-1882

March 5, 2020

Advice Letter No. 43-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RR Lewis Water Company, Inc. (RR LEWIS) hereby transmits for filing one original and one copy of this advice letter and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
297-W, 298-W	Schedule No. 1A, General Metered Service	294-W
299-W, 300-W	Schedule No. 2A, Annual General Flat Rate Service	295-W
301-W, 302-W	Schedule No. 4, Private Fire Protection Service	
	Schedule No. 6, SBA Loan Surcharge	177-W
301-W	Table of Contents	296-W

REQUEST

By Advice Letter (AL) 43-W, RR LEWIS 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 \$57,516 (56.3%) in gross annual revenue from its last general rate case which will provide a rate of margin (ROM) of 24.00% in test year 2020. RR LEWIS requests that the proposed rate increase be implemented as step rate increases for Test Year 2020 and Test Year 2021.

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RR LEWIS also seeks authority to delete Schedule No. 6, SBA Loan Surcharge from its tariff book. The utility received a State grant instead of an SBA loan to fund its chlorinator capital project in 2011. There was no loan or a surcharge made.

BACKGROUND

The present rates were granted December 30, 2019, by approval of AL #42-W, which implemented a Consumer Price Index increase of 1.9%. The last general rate increase became effective on August 2, 2012, pursuant to Resolution W-4926, which authorized a general rate increase of \$31,564, or 53.98%, and a rate of margin of 17.84%.

Affordability of Proposed Rates

Sierra City has an individual poverty rate of 5.3%, and only about 4.1% of households have incomes under \$30,000 annually. The annual cost of water for an average customer is approximately .68% of the median household income (MHI) of \$159,167¹ for Sierra City. 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 RR LEWIS 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 \$65.34 to \$90.67, or 38.8% in TY 2020.

Safety

¹ Source: 2013-2017 American Community Survey 5-Year Estimates
https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml

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RR LEWIS meets all applicable drinking water quality standards as required by the State Water Resources Control Board, Division of Drinking Water (SWRCB).

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This 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 advice letter will become effective upon approval through a Commission Resolution. ²

NOTICE

A copy of this AL has been served to all parties listed on the service list ³ 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 PROTEST⁴

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;

² GO. 96-B, Water Industry Rule 7.3.3

³GO. 96-B, Water Industry Rule 4.2

⁴ GO. 96-B, General Rule 7.4.1

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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 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:

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

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

Mailing Address:

Email Address:

RR Lewis Water Company

4500 E. FREMONT STREET, STOCKTON, CA 95215

Telephone: 209-948-1882

RR LEWIS Water Company

RRLEWISH2O@gmail.com

Attn: Larry Ostrom

4500 E. Fremont St.

Stockton, CA 95215

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.⁵

⁵GO. 96-B, General Rule 7.4.3

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CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter #43-W has been served a copy of this AL on March 5, 2020.

Executed in Stockton, California on March 5, 2020.

RR LEWIS Water
Company

By: /S/ LARRY OSTROM
Larry Ostrom
Manager

Enclosures

Schedule No. 1A

GENERAL METERED SERVICE

TEST YEAR 2020

APPLICABILITY

Applicable to all water service furnished on a metered basis.

TERRITORY

The area northeast of Sierra City, north of the North Yuba River adjacent to Highway 49 in Sierra County.

RATES

Quantity Rate:

For all water, per 100 cu. ft. \$2.85 (I)

Service Charge:

		<u>Per Meter</u>	
		<u>Per Month</u>	
For	5/8 x 3/4-inch meter	\$63.57	(I)
For	3/4-inch meter	\$95.38	(I)
For	1-inch meter	\$158.95	(I)
For	1 1/2-inch meter	\$317.90	(I)
For	2-inch meter	\$508.68	(I)
For	3-inch meter	\$953.72	(I)
For	4-inch meter	\$1,589.60	(I)

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

SPECIAL CONDITIONS

- All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 1A

GENERAL METERED SERVICE

TEST YEAR 2021

APPLICABILITY

Applicable to all water service furnished on a metered basis.

TERRITORY

The area northeast of Sierra City, north of the North Yuba River adjacent to Highway 49 in Sierra County.

RATES

Quantity Rate:

For all water, per 100 cu. ft. \$2.85 (I)

Service Charge:

		<u>Per Meter</u> <u>Per Month</u>	
For	5/8 x 3/4-inch meter	\$73.56	(I)
For	3/4-inch meter	\$110.33	(I)
For	1-inch meter	\$183.39	(I)
For	1 1/2-inch meter	\$367.78	(I)
For	2-inch meter	\$588.45	(I)
For	3-inch meter	\$1,103.34	(I)
For	4-inch meter	\$1,838.89	(I)

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

SPECIAL CONDITIONS

- All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

TEST YEAR 2020

APPLICABILITY

Applicable to all flat rate residential water services furnished on a monthly basis.

TERRITORY

The area northeast of Sierra City north of the North Yuba River adjacent to Hiway 49 in Sierra County.

RATE

	Per Connection Per Month	Service Per
For a single-family residential unit Including premises	\$ 163.45	(I)
For each additional single-family residential unit on the same premises served from the same service connection.	\$ 163.45	(I)

SPECIAL CONDITIONS

1. The above residential rates apply to a service connection not larger than one inch in diameter.
2. If the utility so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.
- 3.. All bills are subject to the reimbursement fee for set forth in Schedule UF.

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

TEST YEAR 2021

APPLICABILITY

Applicable to all flat rate residential water services furnished on a monthly basis.

TERRITORY

The area northeast of Sierra City north of the North Yuba River adjacent to Hiway 49 in Sierra County.

RATE

	Per Connection Month	Service Per
For a single-family residential unit Including premises	\$ 202.57	(I)
For each additional single-family residential unit on the same premises served from the same service connection.	\$ 202.57	(I)

SPECIAL CONDITIONS

1. The above residential rates apply to a service connection not larger than one inch in diameter.
3. If the utility so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.
- 3.. All bills are subject to the reimbursement fee for set forth in Schedule UF.

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

TERRITORY

The area northeast of Sierra City north of the North Yuba River adjacent to Hiway 49 in Sierra County.

RATES

Per Service Connection

Per Month		(N)
For each 2-inch service	6.00	
For each 3-inch service	9.00	
For each 4-inch service	12.00	
For each 6-inch service	18.00	
For each 8-inch service	24.00	
For each 10-inch service	30.00	
For each 12-inch service	36.00	(N)

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. The facilities paid for by the applicant shall be the sole property of the applicant (N)
|
(N)
2. 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 applicant. Such payment shall not be subject to refund. (N)
|
(N)
3. 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, are installed according to 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 (N)
|
(N)
4. For water delivered for other than fire protection purposes, charges shall be made therefore under Schedule No. 1. General Metered service (N)
(N)

(continued)

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE
(continued)

SPECIAL CONDITIONS
(continued)

- 5. The utility undertakes to supply only such water at such pressure as may be available any time through the normal operation of its system. Section 774 of the Public Utilities Code limits the liability of the utility resulting from a claim regarding the provision or maintenance of an adequate water supply, water pressure, equipment or other fire protection facility or service. Acceptance of service under this tariff is acknowledgment of notice of the provisions of Section 774 of the Public Utilities Code. (N)
- 6. The minimum diameter for private fire protection service shall be two inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected. (N)
- 7. The utility will charge a minimum of \$100 per month per hydrant plus the allocable property tax and liability insurance for the maintenance of hydrants for the Sierra City Fire Protection District. (N)
- 8. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (N)

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

Issued By

Larry Ostrom

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.

<u>SUBJECT MATTER OF SHEET</u>	<u>P.U.C. SHEET NO.</u>	
Title Page	249-W	
Table of Contents	303-W, 277-W	(T)
Preliminary Statements	2-W, 3-W, 205-W, 212-W, 239-W, 240-W	
Service Area Map	283-W	
Rate Schedules:		
Schedule No. 1 –General Metered Service	297-W, 298-W	(I)
Schedule No. 2R – Residential Flat Rate Service	299-W, 300-W	(I)
Schedule No. 4 – Private Fire Protection Service	301-W, 302-W	(N)
Schedule No. 6– SBA Loan Reimbursement Surcharge	177-W	(D)
Schedule No. UF – Surcharge to Fund PUC Reimbursement Fee	292-W	
Schedule F, Facilities Fees	287-W	
Schedule F-1, Special Facilities Fees – Lewis Ranch Estates and Helrich Subdivision	179-W, 180-W, 288-W	
Schedule LC, Late Payment Charge	191-W	
Rules:		
No. 1 – Definitions	84-W	
No. 2 – Description of Service	57-W	
No. 3 – Application for Service	215-W	
No. 4 – Contracts	9-W	
No. 5 – Special Information Required on Forms	16-W to 218-W	
No. 6 – Establishment and Re-establishment of Credit	12-W	
No. 7 – Deposits	186-W, 187-W	
No. 8 – Notices	219-W, 220-W	
No. 9 – Rendering and Payment of Bills	192-W, 193-W	
No. 10 – Disputed Bills	221-W, 222-W	
No. 11 – Discontinuance and Restoration of Service	194-W – 199-W, 258-W, 201-W	
No. 12 – Information Available to Public	23-W, 24-W	
No. 13 – Temporary Service	25-W, 26-W	
No. 14 – Continuity of Service	27-W	
No. 14.1 – Mandatory Water Conservation Restriction & Rationing Program	230-W – 232-W	
No. 15 – Main Extensions	152-W – 164-W	
No. 16 – Service Connections, Meters, & Customer’s Facilities	165-W – 171-W	
No. 17 – Standards for Measurements of Service	44-W	
No. 18 – Meter Tests & Adjustment of Bills for Meter Error	45-W, 47-W	
No. 19 – Service to Separate Premises & Multiple Units and Resale of Water	160-W, 161-W	

(continued)

(To be inserted by utility)

Advice Letter No. 43-W

Decision No. GO-96B

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Larry Ostrom

Manager

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

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Tel. #209-948-1882 FAX 209-948-1959
RRLEWISH2O@GMAIL.COM**

Advice Letter #43-W

Service List

Sierra City Waterworks, Inc.
732 Butler St.
Grass Valley, CA 95945

Heather Foster
Sierra County Clerk
P.O. Drawer D
Downieville, CA 95936

Jennifer Capitolo
California Water Association
601 Van Ness Ave., Ste. 2047
San Francisco, CA 94102
jcapitolo@calwaterassn.com

Ed Viray
Eviray88@gmail.com