

CALIFORNIA PUBLIC UTILITIES COMMISSION Water Division

Advice Letter Cover Sheet

Utility Name: Cold Springs Water Co., Inc.

Date Mailed to Service List: 4/14/22

District: NA

CPUC Utility #: WTC-176

Protest Deadline (20th Day): 5/3/22

Advice Letter #: 81-W

Review Deadline (30th Day): 5/13/22

Tier X1 2 3 Compliance

Requested Effective Date: 4/14/22

Authorization D.92-03-093

Rate Impact: \$34,940
7.0%

Description: 2021 CPI-U Rate Adjustment

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: Pete Kerns

Utility Contact: Kim Merrihew

Phone: 209-410-4330

Phone: 209-410-4330

Email: office@coldspringswater.com

Email: office@coldspringswater.com

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

| |
|---------------------|
| DWA USE ONLY |
|---------------------|

| <u>DATE</u> | <u>STAFF</u> | <u>COMMENTS</u> |
|-------------|--------------|-----------------|
| | | |
| | | |
| | | |
| | | |

[] APPROVED

[] WITHDRAWN

[] REJECTED

Signature: _____ Comments: _____

Date: _____

COLD SPRINGS WATER COMPANY, INC.

2980 Highway 108
Cold Springs CA 95335
Telephone 209-410-4330

April 14, 2022

Advice Letter No. 81-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Cold Springs Water Company, Inc. (CSWC) 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> |
|--------------------|---|---------------------------|
| 484-W | Schedule No. 1 -General Metered Service | 481-W |
| 485-W | Table of Contents | 483-W |

REQUEST

By AL 81-W, CSWC requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 7.0%, the Consumer Price Index (CPI) for 2021. This projected revenue increase of \$34,940 will not result in a rate of margin which exceeds the authorized rate of margin of 22.57%. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates and last general rate increase became effective on August 5, 2021, pursuant to Resolution W-5240, which authorized a general rate increase of \$123,674, or 32.94%, and a rate of margin of 22.57%.

AL 81-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.

COLD SPRINGS WATER COMPANY, INC.

2980 Highway 108
Cold Springs CA 95335
Telephone 209-410-4330

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 81-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.

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

COLD SPRINGS WATER COMPANY, INC.

2980 Highway 108
Cold Springs CA 95335
Telephone 209-410-4330

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.

COLD SPRINGS WATER COMPANY, INC.

2980 Highway 108
Cold Springs CA 95335
Telephone 209-410-4330

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. Water Division (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:

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 WD, the respondent or protestant shall send a copy of the protest to CSWC at:

Email Address:

office@coldspringswater.com

Mailing Address:

Cold Springs Water Company, Inc.
2980 Highway 108
Cold Springs CA 95335

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

COLD SPRINGS WATER COMPANY, INC.

2980 Highway 108
Cold Springs CA 95335
Telephone 209-410-4330

ADVICE LETTER #81-W

SERVICE LIST

Del Oro Water Company
Attn: Bob Fortino
robert@corporatecenter.us

Bruce Ramsden, P.E.
Associate Sanitary Engineer
State Water Resources Control Board
Division of Drinking Water – Merced District (11)
West Bullard Ave, Suite 101
Fresno, CA 93704

Tuolumne Utilities District
Attn: Don Perkins
18885 Nugget Road
Sonora, CA 95370

I hereby certify that the above service list has been served a copy of AL 81-W on April 14, 2022.

Executed in Cold Springs, California on the April 14, 2022.

Cold Springs Water Company, Inc.

By: /s/PETE KERNS

Pete Kerns
President

Enclosures

Cold Springs Water Company

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all. metered water service

TERRITORY

Applicable to all services as shown in the Service Area Map

RATES

Quantity Rate:

For all water, per 100 cu. ft. \$11.48 (l)

Service Charge:

Per Meter Per
Monthly

| | | | | |
|-----|----------------------|-------|----------|-----|
| For | 5/8 x 3/4-inch meter | | \$ 67.01 | (l) |
| For | 3/4-inch meter | | \$100.52 | (l) |
| For | 1-inch meter | | \$167.53 | (l) |
| For | 1-1/2 inch meter | | \$335.05 | (l) |
| For | 2-inch meter | | \$536.08 | (l) |

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

(continued)

(To be inserted by utility)

Advice Letter No. 81-W

Decision No. 92-03-093

Issued By

Pete Kerns

President

(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.

SUBJECT MATTER OF SHEET

P.U.C. SHEET NO.

| | | |
|--|--|-----|
| Title Page | 434-W | |
| Table of Contents | 485-W , 433-W | (T) |
| Preliminary Statements | 100-W, 98-W, 479-W, 480-W | |
| Service Area Map | 200-W | |
| Rate Schedules: | | |
| Schedule No. 1 – General Metered Service | 484-W | (I) |
| Schedule No. UF – PUC Reimbursement Fee | 465-W | |
| Schedule No. F – Facilities Fees | 418-W | |
| Schedule No. Surcharge to Fund New Tank | 331-W | |
| Schedule No. LC – Late Payment Charge | 385-W | |
| Rules: | | |
| No. 1 – Definitions | 442-W, 443-W | |
| No. 2 – Description of Service | 11-W | |
| No. 3 – Application for Service | 339-W | |
| No. 4 – Contracts | 13-W | |
| No. 5 – Special Information Required on Forms | 444-W - 446-W | |
| No. 6 – Establishment and Re-establishment of Credit | 16-W | |
| No. 7 – Deposits | 343-W, 344-W | |
| No. 8 – Notices | 447-W - 449-W | |
| No. 9 – Rendering and Payment of Bills | 347-W, 348-W | |
| No. 10 – Disputed Bills | 450-W, 451-W | |
| No. 11 – Discontinuance and Restoration of Service | 452-W -461-W | |
| No. 12 – Information Available to Public | 27-W, 28-W | |
| No. 13 – Temporary Service | 29-W, 30-W | |
| No. 14 – Continuity of Service | 31-W | |
| No. 14.1 –Water Conservation& Rationing Plan | 469-W-470-W, 409-W-415-W, 471-W-478-W | |
| No. 15 – Main Extensions | 359-W, 357-W | |
| No. 16 – Service Connections, Meters, & Customer’s Facilities | 372-W, 378-W | |
| No. 17 – Standards for Measurements of Service | 184-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 | 185-W, 186-W | |
| No. 20 – Water Conservation | 379-W | |
| No. 21 – Fire Protection | 380-W | |

(Continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 81-W

Pete Kerns

Date Filed _____

Decision No. _____

President

Effective _____

Resolution No. _____

Earnings Test

Cold Springs Water Company Summary of Earnings

| Category | Most Recent Adopted in Resolution W-5240 Aug. | | CPI Increase @7% on Adopted Revenue Only c=a*7% | Revenue After CPI |
|--|--|----------------|--|---|
| | 5, 2021 | TY2020 | | Increase, Actual Expenses, & Actual Rate Base (Revenues) d=b + c |
| | a | b | | |
| Operative Revenues: | | | | |
| Flat Rate | | | - | 0 |
| Metered | 499,145 | 418,803 | 34,940 | 453,743 |
| Approved Total Surcharge Revenue(s) | | 0 | - | 0 |
| Private Fire Protection | | | - | 0 |
| TOTAL OPERATING REVENUES | 499,145 | 418,803 | 34,940 | 453,743 |
| Operative Expenses: | | | | |
| Purchased Water | - | - | - | - |
| Purchased Power | 19,565 | 24,956 | | 24,956 |
| Purchased Chemicals | - | | | - |
| Other Volume Related Expenses | 4,304 | 8,774 | | 8,774 |
| Employee Labor | 89,640 | 61,755 | | 61,755 |
| Materials | 6,907 | 10,890 | | 10,890 |
| Contract Work | 12,054 | 8,600 | | 8,600 |
| Water Testing | | - | | - |
| Transportation Expense | 11,200 | 12,826 | | 12,826 |
| Other Plant Maintenance | 13,808 | 7,664 | | 7,664 |
| Office Salaries | 52,000 | 46,075 | | 46,075 |
| Management Salaries | 48,000 | 49,200 | | 49,200 |
| Employee Pension and Benefits | 13,764 | 12,811 | | 12,811 |
| Uncollectibles | 821 | - | | - |
| Office Service and Rentals | 16,760 | 16,605 | | 16,605 |
| Office Supplies and Expenses | 14,183 | 16,333 | | 16,333 |
| Professional Services | 14,664 | 18,634 | | 18,634 |
| Insurance | 12,307 | 14,284 | | 14,284 |
| Regulatory Commission Expense | 5,187 | 9,688 | | 9,688 |
| General Expenses | 2,455 | 1,810 | | 1,810 |
| SUBTOTAL | 337,619 | 320,905 | | 320,905 |
| Depreciation | 26,461 | 27,902 | | 27,902 |
| Taxes Other than Income | 22,409 | 25,220 | | 25,220 |
| State and Federal Income Taxes | 31,526 | 13,925 | | 13,925 |
| Interest | - | 6,353 | | 6,353 |
| TOTAL DEDUCTIONS | 418,015 | 394,305 | | 394,305 |
| NET REVENUE | 81,130 | 24,498 | | 59,438 |
| RATE BASE | | | | |
| Average Plant | 1,446,573 | 1,353,513 | | 1,353,513 |
| Less: Average Accumulated Depreciation | 567,110 | 540,365 | | 540,365 |
| NET PLANT | 879,463 | 813,148 | | 813,148 |
| Less: Advances & Contributions | 279,303 | 7,851 | | 7,851 |
| Plus: Working Cash | 28,135 | 32,200 | | 32,200 |
| Materials & Supplies | 2,360 | 2,360 | | 2,360 |
| RATE BASE | 630,655 | 807,657 | | 813,311 |
| RATE OF MARGIN | 22.57% | 10.69% | | 17.57% |
| Earnings Test: | 17.57% | < | 22.57% | |

Earnings Test

Cold Springs Water Company Working Cash

SIMPLIFIED BASIS DETERMINATION OF WORKING CASH ALLOWANCE

(A utility operating as an individual or partnership using monthly billing at meter rates)

| | |
|---|---------|
| 1 Operating Expenses, Excluding Taxes and Depreciation | 267,783 |
| 2 Purchased Power and/or Purchased Commodity for Resale* | 24,956 |
| 3 Two Months' Average Operating Expenses (1/6 x Line 1) | 44,631 |
| 4 One Month's Average Purchased Power and/or Purchased Commodity* (1/12 x Line 2) | 12,478 |
| 5 Average Tax Accruals Available | |
| 6 Working Cash Allowance (Line 3 - Line 4 - Line 5) | 32,152 |
| 7 Use | 32,200 |

* Electric power, gas or other fuel purchased for pumping and or purchased water or gas or electricity for resale billed after receipt (metered).

Earnings Test

Cold Springs Water Company

METERED RATES:

CPI RATE 7.00%

| Service Charge: | OLD | | NEW | |
|----------------------------|------------------|----|----------------------|-----|
| | <u>Per Meter</u> | | <u>Per Meter Per</u> | |
| | <u>Per Month</u> | | <u>Month</u> | |
| <u>QR</u> | \$10.73 | \$ | 11.48 | (I) |
| 5/8 x 3/4-inch meter | \$62.63 | \$ | 67.01 | (I) |
| 3/4-inch meter | \$93.94 | \$ | 100.52 | (I) |
| 1-inch meter | \$156.57 | \$ | 167.53 | (I) |
| 1-1/2 inch meter | \$313.13 | \$ | 335.05 | (I) |
| 2-inch meter | \$501.01 | \$ | 536.08 | (I) |