

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

Advice Letter Cover Sheet

Utility Name: [Erskine Creek Water Co.](#)

Dated Mailed to Service List: [11/8/2022](#)

District: [N/A](#)

CPUC Utility #: [WTC-288](#)

Protest Deadline (20th Day): [11/28/2022](#)

Advice Letter #: [105](#)

Review Deadline (30th Day): [12/8/2022](#)

Tier: 1 2 3 Compliance

Requested Effective Date: [ASAP](#)

Authorization: [D. 92-03-093](#)

Rate Impact: [\\$58,100](#)
[7.0%](#)

Description: [2021 CPI-U \(7%\)](#)

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: [Debbie Loseth](#)

Utility Contact: [Christian L. Aldinger](#)

Phone: [760-379-8309](#)

Phone: [714-536-4418](#)

Email: Erskinecreekh20@aol.com

Email: chris@paocpas.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WITHDRAWN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: _____

Erskine Creek Water Company

P.O. Box 656
Lake Isabella, CA 93240
Telephone: 760-379-8309
Email: Erskinecreekh20@aol.com

November 8, 2022

Advice Letter No.: 105

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Erskine Creek Water Company (WTC-288) 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>
438-W	Schedule No. 1, General Metered Service	432-W
439-W	Schedule No. 4, Private Fire Protection Service	433-W
440-W	Table of Contents	434-W

REQUEST

By AL 105, Erskine Creek Water Company requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 7%, the Consumer Price Index (CPI) for 2021. This projected revenue increase of \$58,100 will not result in a rate of return which exceeds the authorized rate of return. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on September 16, 2021 by AL #103. (2020 CPI increase)

The last general rate case became effective on February 21, 2019, pursuant to Resolution W-5185, which authorized a general rate increase of \$114,536, or 16.01% for Test Year 2018, and a rate of margin of 22.91%.

AL 104 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.

Erskine Creek Water Company

P.O. Box 656
Lake Isabella, CA 93240
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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. This advice letter is designated as a Tier 1 filing 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 serviced 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 omission;
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.

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 this AL is filed. The addresses for submitting a response or protest are:

¹ GO. 96-B, Water Industry Rule 7.3.1

² GO. 96-B, General Rule 7.4.2

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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RESPONSE OR PROTEST (continued)

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 Lawrence Morales at:

Email Address:

Erskinecreekh20@aol.com

Mailing Address:

[Erskine Creek Water Company](#)
[P.O. Box 656](#)
[Lake Isabella, CA 93240](#)

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

This filing is made under the provisions of General Order No. 96-B.

This filing will not cause withdrawal of service or conflict with any other schedule or rule.

Erskine Creek Water Company

By: /s/ Nicholas Silicz

Nicholas Silicz
President

⁶ GO. 96-B, General Rule 7.4.3

Erskine Creek Water Company

P.O. Box 656
Lake Isabella, CA 93240
Telephone: 760-379-8309
Email: Erskinecreekh20@aol.com

SERVICE LIST

County of Kern
2700 M Street Ste 400
Bakersfield, CA 93301

Mountain Mesa Water Company
skissick@westcostdist.com

California Water Service Co.
1720 North 1st Street
San Jose, CA 95112
760-379-5336

I hereby certify that the above service list has been served a copy of AL 105 on 11/8/2022.

Executed in Lake Isabella, California on 11/8/2022.

Erskine Creek Water Company

By: /s/ Nicholas Silicz

Nicholas Silicz

President

Schedule No. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated community of Lake Isabella and vicinity, Kern County.

RATES

Quantity Rates:

All water used per 100 cubic feet \$ 1.76 (I)

Monthly Service Charges:

	Per Meter <u>Bimonthly</u>
For 5/8x3/4-inch meter	\$ 65.15 (I)
For 3/4-inch meter	97.75
For 1-inch meter	162.91
For 1-1/2-inch meter	325.82
For 2-inch meter	521.32
For 3-inch meter	977.46
For 4-inch meter	1,629.11
For 6-inch meter	3,257.67 (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

(continued)

(To be inserted by utility)

Issued By

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

Advice Letter No.	<u>105</u>	<u>Nicholas Silicz</u>	Date Filed	_____
		Name		
Decision No.	<u>D.92-03-093</u>	<u>President</u>	Effective	_____
		Title	Resolution No.	_____

Schedule No. 4
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated community of Lake Isabella and vicinity, Kern County.

RATES

Every Two
Months

For each inch in diameter of service connection \$ 18.29 (I)

SPECIAL CONDITIONS

1. The fire protection service and connection shall be installed by the utility at the utility's directions. Cost for the entire fire protection installation, excluding the connection at the main shall be paid for by the applicant. Such payment shall not be subject to refund.
2. The expense of maintaining the private fire protection facilities on the applicant's premises (including the vault, meter, and backflow device) shall be paid for by the applicant.
3. All facilities paid for by the applicant shall be the sole property of the applicant. The utility and its duly appointed agents shall have the right to ingress to, and egress from the premises for all purposes related to said facilities.
4. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
5. 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 main extension from the nearest existing main of adequate capacity shall be required by the utility.
6. 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. All facilities are to be installed according to the utility's specifications and maintained to the utility's satisfaction. The utility may require the installation of a backflow prevention device and a standard detector type meter approved by the Insurance Services Office for protection against theft, leakage, or waste of water.
7. No structure shall be built over the fire protection service and the customer shall maintain and safeguard the area occupied by the service from traffic and other hazardous conditions. The customer will be responsible for any damage to the fire protection service facilities.
8. Subject to the approval of the utility, any change in the location or construction of the fire protection service as may be required by public authority or the customers will be made by the utility following payment to the utility of the entire cost of such change.
9. Any unauthorized use of water through the fire protection service will be charged for at the applicable tariff rates and may be grounds for the utility's discontinuing fire protection service without liability.

(To be inserted by utility)

Issued By

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

Advice Letter No. 105

Nicholas Silicz
 Name

Date Filed _____

Decision No. D.92-03-093

President
 Title

Effective _____

Resolution No. _____

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>
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No. 10 Disputed Bills	414-W & 415-W
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(continued)

(To be inserted by utility)

Issued By

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

Advice Letter No. 105

Nicholas Silicz
Name

Date Filed _____

Decision No. D.92-03-093

President
Title

Effective _____

Resolution No. _____

ERSKINE CREEK WATER COMPANY
ATTACHMENT TO ADVICE LETTER 104
SUMMARY OF EARNINGS
2021

CATEGORY	A	B	7.00% C=(A x 7%)	F=(D + E)
	ADOPTED W-5185	(PER ANN RPT) ACTUAL 2021	CPI INCREASE @ 7%	AFTER INCREASED REVENUES
Operating Revenues:				
Metered revenue	825,058	887,976	57,754	945,730
Other water revenue net	-	191,080	-	191,080
Private fire protection	4,942	4,892	346	5,238
Total Operating Revenue	830,000	1,083,948	58,100	1,142,048
Operating Expenses:				
Purchased Water	-	35,149	-	35,149
Power	56,142	69,332	-	69,332
Other Volume Related Expenses	7,089	2,782	-	2,782
Employee Labor	96,573	181,278	-	181,278
Materials	32,343	60,740	-	60,740
Contract Work	12,694	7,517	-	7,517
Transportation Expense	26,425	36,403	-	36,403
Other Plant Maintenance	5,000	1,045	-	1,045
Office Salaries	82,646	164,117	-	164,117
Management Salaries	70,892	74,922	-	74,922
Employee Pensions & Benefits	49,878	57,715	-	57,715
Uncollectible Accounts Expense	4,268	1,801	-	1,801
Office Services & Rentals	32,291	29,093	-	29,093
Office Supplies & Expense	29,638	55,119	-	55,119
Professional Services	7,367	3,975	-	3,975
Insurance	35,776	38,776	-	38,776
Regulatory Commission Expense	2,971	18,374	-	18,374
General Expenses	18,281	10,645	-	10,645
Expenses Capitalized	-	-	-	-
Total Operating Expenses	570,274	848,783	-	848,783
Other Deductions:				
Depreciation	29,670	50,007	-	50,007
Taxes Other Than Income	39,219	55,521	-	55,521
Bad Debts	-	-	-	-
Interest expense (SDWBA)	-	-	-	-
Total Operating Expenses & Other Deductions	639,163	954,311	-	954,311
Net Income Before Taxes	190,837	129,637	-	187,737
State Income Tax	16,870	7,821	-	16,596
Federal Income Tax	36,533	23,334	-	58,188
Net Revenue	137,434	98,482	-	112,953
Rate Base	773,377			1,172,080
Rate of Return (on Rate Base)	17.77%			9.64%
Rate of Margin (N/A)	22.91%			16.44%
				test passed

ERSKINE CREEK WATER COMPANY
 CPI INCREASE IN RATES
 ATTACHMENT TO ADVISE LETTER 104
 2021

AL 103-W 7.00%

DESCRIPTION	CURRENT RATES	INCREASE OF 7%	PROPOSED RATES
Schedule No. 1, Metered Service			
Quantity Rate			
All water per 100 cu. ft	\$ 1.64	\$ 0.12	\$ 1.76
Monthly Service Charge:			
5/8 "X 3/4" Meter	60.89	4.26	65.15
3/4 " Meter	91.35	6.40	97.75
1 " Meter	152.25	10.66	162.91
1 1/2 " Meter	304.50	21.32	325.82
2 " Meter	487.21	34.11	521.32
3 " Meter	913.51	63.95	977.46
4 " Meter	1,522.53	106.58	1,629.11
6 " Meter	3,044.55	213.12	3,257.67
Schedule No. 4, Private Fire Protection			
For each inch of diameter of service connection	\$ 17.09	\$ 1.20	\$ 18.29

ERSKINE CREEK WATER COMPANY
ATTACHMENT TO ADVICE LETTER 104
ESTIMATE OF RATE BASE
2021

DESCRIPTION	SOURCE	RATE BASE BEG	RATE BASE END	AVG RATE BASE
Total Utility Plant	PUC rpt, Sch A	1,785,045	2,102,882	1,943,964
Accumulated Depreciation	PUC rpt, Sch A	(720,057)	(772,503)	(746,280)
Net Utility Plant		1,064,988	1,330,379	1,197,684
Plus: Materials & Supplies	PUC rpt, Sch A	4,170	4,170	4,170
Plus: Working Cash		37,332	37,332	37,332
Less: Advances for Construction	PUC rpt, Sch A	-	-	-
Less: Net Contributions in Aid of Construction	PUC rpt, Sch A	(56,658)	(54,219)	(55,439)
Less: Deferred Income Taxes/ITC	PUC rpt, Sch A34	-	(23,334)	(11,667)
RATE BASE		1,049,832	1,294,328	1,172,080