

CALIFORNIA PUBLIC UTILITIES COMMISSION
Water Division
Advice Letter Cover Sheet

Utility Name: Lukins Brothers Water Company **Date Mailed to Service List:** 04/26/22
District: NA **Protest Deadline (20th Day):** 05/16/22
CPUC Utility #: U-WTC 142 **Review Deadline (30th Day):** 05/26/22
Advice Letter #: 91-W **Requested Effective Date:** 04/26/2022
Tier 1 2 3 Compliance

Authorization D.92-03-093

Description: 2021 CPI Adjustment

Rate Impact: \$88,221
7.0%

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: Jennifer Lukins

Phone: (530) 541-2606

Email: jennifer@lukinswater.com

Utility Contact:

Phone:

Email:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

DWA USE ONLY		
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DATE	STAFF	COMMENTS
6/14/22	WT1	Passed earnings test. Reviewed annual report and GRC Res. W-5209 for accuracy. Reviewed proposed rates. Recommend for approval.

APPROVED

WITHDRAWN

REJECTED

Signature: _____ Comments: _____

Date: _____

LUKINS BROTHERS WATER COMPANY

2031 West Way, So. Lake Tahoe, CA 96150

Telephone (530)541-2606

April 26, 2022

Advice Letter No. 91-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Lukins Brothers Water Company (LUKINS) 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>
555-W	Schedule No. 1, General Metered Service	532-W
556-W, 557-W	Schedule No. 2A, Annual Flat Rate Service	533-W, 548-W
558-W, 559-W	Schedule No. 4, Private Fire Protection Service	544-W, 442-W
560-W	Table of Contents	554-W

REQUEST

By AL 91-W, LUKINS 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. The projected revenue increase of \$88,221 will not result in a rate of margin which exceeds the authorized rate of margin of 12.00%. Workpapers justifying this increase are enclosed.

LUKINS also requests that the Special Conditions in Schedule No. 2A, Annual Flat Rate Service and Schedule No. 4, Private Fire Protection Service tariffs be updated to correct conditions that were inadvertently omitted in previous advice letter filings.

BACKGROUND

The present rates and last general rate increase became effective on February 6, 2020, pursuant to Resolution W-5209, which authorized a general rate increase of \$460,584, or 57.59% and a rate of margin of 12.00%.

AL 91-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

LUKINS BROTHERS WATER COMPANY

2031 West Way, So. Lake Tahoe, CA 96150

Telephone (530)541-2606

quantity rate and service charge.

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 91-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

LUKINS BROTHERS WATER COMPANY

2031 West Way, So. Lake Tahoe, CA 96150

Telephone (530)541-2606

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. A response or protest must be made in writing or by electronic mail and must be received by DWA within 20 days of the date this advice letter 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 DWA, the respondent or protestant shall send a copy of the protest to LUKINS at:

Mailing Address:

Lukins Brothers Water Company
2031 West Way
South Lake Tahoe, CA 96150

Email Address:

jennifer@lukinswater.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. 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
Lukins Brothers Water Company
Advice Letter No. 91-W

LUKINS BROTHERS WATER COMPANY

2031 West Way, So. Lake Tahoe, CA 96150

Telephone (530) 541-2606

I hereby certify that the service list from AL No. 91-W has been served a copy of this Advice Letter No. 91-W on April 26, 2022.

Executed in South Lake Tahoe, California on April 26, 2022.

LUKINS BROTHERS Water
Company

By: /S/ JENNIFER LUKINS

Jennifer Lukins
Manager

Enclosures

Lukins Brothers Water Co.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service furnished on a metered basis.

TERRITORY

This Schedule is applicable with the entire territory served by the utility.

RATES

Quantity Rate:		
For all water per 100 cubic feet	\$3.73	(I)

Service Charge:	<u>Per Meter Per Month</u>	
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For 5/8 x 3/4 -inch meter	\$ 25.75	(I)
For 3/4-inch meter	\$ 38.64	(I)
For 1-inch meter	\$ 64.39	(I)
For 1 1/2 -inch meter	\$ 128.79	(I)
For 2-inch meter	\$ 206.06	(I)
For 3-inch meter	\$ 386.37	(I)
For 4-inch meter	\$ 643.95	(I)
For 6-inch meter	\$1,287.89	(I)
For 8-inch meter	\$2,060.64	(I)
For 10-inch meter	\$2,962.17	(I)

The service charge is a readiness-to-serve charge, which is applicable to all metered service and to which is added the monthly charge for water used computed at the quantity rate.

(To be inserted by utility)

Advice Letter No. 91-W

Decision No. D.92-03-093

Issued By

Jennifer Lukins

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Lukins Brothers Water Co.

Schedule No. 2A

ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service furnished on a flat rate basis.

TERRITORY

This Schedule is applicable with the entire territory served by the utility.

RATES

	<u>Water Per Year</u>	
For a single-family residential unit, Including premises	\$1,160.20	(I)
For each additional single-family residential unit on the same premises and served from the same service connection	\$ 696.11	(I)
Hotels, apartments, and motels: For first room or unit	\$1,160.20	(I)
For each additional room or unit on the same premises and served from the same service connection	\$ 580.11	(I)
For each market, store or office	\$1,160.20	(I)

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. For service covered by the above classifications, if the utility so elects, a meter shall be installed, and service provided under Schedule 1A, Monthly Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the meter service charge for the same period shall be made on or before that date.

(To be inserted by utility)

Advice Letter No. 91-W

Decision No. D.92-03-093

Issued By

Jennifer Lukins

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 2A

**ANNUAL FLAT RATE SERVICE
(continued)**

SPECIAL CONDITIONS (continued)

- 8. In the event that a customer terminates service under this schedule and reinstates service at the same location, there will be a reconnection charge (See Rule No. 11, C. Restoration of Service 1. Reconnection Charge). Any customer, prior to resuming service within twelve months after such service was discontinued, will be required to pay all service charges and surcharges that would have been billed if service has not been discontinued. (C)
- 9. As authorized by CPUC Resolution W-5209, a monthly surcharge of \$10.55 shall be applied to each customer's bill to collect the under collected revenues from February 19, 2019, the interim date, to the effective date of the new rates established by Res. W-5209. The monthly surcharge shall be applied for 60 months or until \$621,507 is recovered. (L)
- 10. As authorized by the Commission, pursuant to Commission Resolution W-5242 and Decision 10-10-018, all bills are subject to a \$2.91 surcharge to recover \$102,604 recorded in the Water Contamination Litigation Expense Balancing Account (WCLEBA), amortized over a period of 36 months from the effective date of Advice Letter 82A-W. The amortization is subject to refund from any proceeds resulting from the water contamination in accordance with Commission Decision 10-10-018. The surcharge shall be separately identified on each bill. (L)

(To be inserted by utility)

Advice Letter No. 91-W

Decision No. D.92-03-093

Issued By

Jennifer Lukins

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Lukins Brothers Water Co.

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for fire protection systems and to private fire hydrants.

TERRITORY

This Schedule is applicable with the entire territory served by the utility.

RATES

	<u>Per Year</u>	
For each inch of diameter of service connection	\$267.52	(I)

SPECIAL CONDITIONS

1. The fire protection service connection will be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The maximum diameter for the fire protection services shall not be more than the diameter of the main to which service is connected.
3. If the 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, the a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed. The fire protection service connection shall be installed by the utility, according to specifications of the San Bernardino County Fire Department and the cost paid by the applicant. Such payment shall not be subject to refund. The utility may install a meter or the standard protection against theft, leakage, or waste of water. The cost of the facilities will be paid by the applicant and not subject to refund.
5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of the system.
6. A \$3.08 bill surcharge shall be applied to each customer's monthly water bill to amortize the Purchased Water Balancing Account of \$54,413.82. The surcharge shall be separately identified on each bill and in place for a period of 18 months, or until the full amount has been collected, from the effective date of Advice Letter 86-W.

(continued)

(To be inserted by utility)

Advice Letter No. 91-W

Decision No. D.92-03-093

Issued By

Jennifer Lukins

Manager

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

Date Filed _____

Effective _____

Resolution No. _____

Lukins Brothers Water Co.

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS_(continued)

- 7. In the event that a customer terminates service under this schedule and reinstates service at the same location, there will be a reconnection charge (see Rule No. 11, C. Restoration of Service, 1. Reconnection Charge). Any customer, prior to resuming service within twelve months after such service was discontinued, will be required to pay all service charges and surcharges that would have been billed if service had not been discontinued. (C)
- 8. As authorized by the Commission, pursuant to PU Code Section 792.5 and Commission Decision 10-10-018, all bills are subject to a surcharge to recover the Water Contamination Litigation Expense Balancing Account (WCLEBA) for the years 2017-2019, in the amount of \$102,604.07 amortized over three years. A surcharge in the amount of \$2.91 shall be applied to each customer's monthly water bill beginning with the effective date of Advice Letter 82-W and continue until the 12/31/2019 balancing account balance, with interest, is recovered. The surcharge shall be separately identified on each bill. (C)
- 9. As authorized by CPUC Resolution W-5209, a monthly surcharge of \$10.55 shall be applied to each customer's bill to collect the under collected revenues from February 19, 2019, the interim rate date, to the effective date of the new rates established by Res. W-5209. The monthly surcharge shall be applied for 60 months or until \$621,507 is recovered. (C)

(To be inserted by utility)

Advice Letter No. 91-W

Decision No. D.92-03-093

Issued By

Jennifer Lukins

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.

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(Continued)

(To be inserted by utility)

Advice Letter No. 91-W
Decision No. D.92-03-093

Issued By

Jennifer Lukins
Manager

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

Date Filed _____
Effective _____
Resolution No. _____

LUKINS BROTHERS WATER COMPANY, INC.

SERVICE LIST

(Per Section 4.3 of GENERAL ORDER NO. 96-B)

Advice Letter #91-W

Via First Class US Mail/email

Service List:

City of South Lake Tahoe
Administrative Center
1901 Airport Blvd.
So. Lake Tahoe, CA 96150

Alan Miller
P.O. Box 7526
South Lake Tahoe, CA 96158

Richard Munk
dasmunk@aol.com

El Dorado County
Development Services Dept.
924 Emerald Bay Rd., Ste. B
So. Lake Tahoe, CA 96150

Maureen Froyum
920 Patricia Lane
South Lake Tahoe, CA 96150

Robert Mann, Plumas Bank
robert.mann@plumasbank.com

South Tahoe PUD
1275 Meadow Crest Dr.
South Lake Tahoe, CA 96150

Lawrence Suydam
895 Secret Harbor Drive
South Lake Tahoe, CA 96150

Oscar Guerrero
Oscar.Guerrero@waterboards.ca.gov

Tahoe Keys POA
356 Ala Wai Blvd.
South Lake Tahoe, CA 96150

James Getz
597 Tahoe Island Drive
South Lake Tahoe, CA 96150

Danny Lukins, Manager
Lukins Brothers Water Co.
danny@lukinswater.com

Fern Erskine
786 Patricia Lane
South Lake Tahoe, CA 96150

James Cullen
shawncullen1@att.net

E. Viray
eviray88@gmail.com

Mike Mosca
P.O. Box 9136
South Lake Tahoe, CA 96158

Jerry Keyser
jkeyser@keysermarston.com

Earnings Test

Lukins Brothers Water Company 2018 Summary of Earnings

Category	Most Recent Adopted in Res. W-5209 Feb. 6, 2019 a	Actual 2021 b	CPI Increase @7% on Adopted Revenue Only c=a x 7%	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base (Revenues) d=b + c
Operatine Revenues:				
Flat Rate	984,546	938,384	68,918	1,007,302
Metered	265,000	349,801	18,550	368,351
Private Fire Protection	10,751	18,311	753	19,064
Other Water Revenue	-	-	-	0
TOTAL OPERATING REVENUES	1,260,297	1,306,496	88,221	1,394,717
Operating Expenses:				
Purchased Water	52,336	29,775		29,775
Purchased Power	34,688	50,157		50,157
Purchased Chemicals	-	-		-
Other Volume Related Exoenses	\$1,755	1,804		1,804
Employee Labor	191,332	184,131		184,131
Materials	12,045	2,715		2,715
Contract Work	34,242	49,199		49,199
Water Testing	-	-		-
Transportation Expense	14,492	21,147		21,147
Other Plant Maintenance	12,874	21,892		21,892
Office Salaries	99,521	171,041		171,041
Management Salaries	141,600	83,852		83,852
Employee Pension and Benefits	147,163	129,769		129,769
Uncollectibles	3,211	-		-
Office Service and Rentals	66,893	67,426		67,426
Office Supplies and Expenses	27,759	70,190		70,190
Professional Services	63,000	77,714		77,714
Insurance	55,461	149,776		149,776
Regulatory Commission Expense	2,102	-		-
General Expenses	17,853	21,186		21,186
SUBTOTAL	978,327	1,131,774		1,131,774
Depreciation	28,527	32,676		32,676
Taxes Other than Income	43,591	80,167		80,167
State and Federal Income Taxes	58,724	4,271		4,271
Interest	-	-		-
TOTAL DEDUCTIONS	1,109,169	1,248,888		1,248,888
NET REVENUE	151,128	57,608		145,829
RATE BASE				
Average Plant	1,010,596	6,185,472		6,185,472
Less: Average Accumulated Depreciation	(604,110)	(1,105,068)		(1,105,068)
NET PLANT	406,486	5,080,404		5,080,404
Less: Advances & Contributions	244,567	(2,354,292)		(2,354,292)
Plus: Working Cash	8,828	165,700		165,700
Materials & Supplies	3,635	7,115		7,115
RATE BASE	174,382	7,607,510		7,607,510
RATE OF MARGIN	12%	4.7%		10.8%
Earnings Test:	10.8%	<	12%	

Earnings Test

Lukins Brothers 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	1,018,931
2 Purchased Power and/or Purchased Commodity for Resale*	50,157
3 Two Months' Average Operating Expenses (1/6 x Line 1)	169,822
4 One Month's Average Purchased Power and/or Purchased Commodity* (1/12 x Line 2)	4,180
5 Average Tax Accruals Available	0
6 Working Cash Allowance (Line 3 - Line 4 - Line 5)	165,642
7 Use	165,700

* 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

Lukins Brothers Water Company Water Rates

CPI RATE 7.00%

METERED RATES:

Service Charge:	OLD	NEW	
	<u>Per Meter Per</u>	<u>Per Meter Per</u>	
	<u>Month</u>	<u>Month</u>	
<u>QR</u>	\$3.49	\$ 3.73	(I)
5/8 x 3/4-inch meter	\$24.07	\$ 25.75	(I)
3/4-inch meter	\$36.11	\$ 38.64	(I)
1-inch meter	\$60.18	\$ 64.39	(I)
1-1/2 inch meter	\$120.36	\$ 128.79	(I)
2-inch meter	\$192.58	\$ 206.06	(I)
3-inch meter	\$361.09	\$ 386.37	(I)
4-inch meter	\$601.82	\$ 643.95	(I)
6-inch meter	\$1,203.64	\$ 1,287.89	(I)
8-inch meter	\$1,925.83	\$ 2,060.64	(I)
10-inch meter	\$2,768.38	\$ 2,962.17	(I)

ANNUAL FLAT RATES:

	OLD	NEW	
	<u>Water Per Year</u>	<u>Water Per Year</u>	
For a single-family residential unit, Including premises	\$1,084.30	\$1,160.20	(I)
For each additional single-family residential unit on the same premises and served from the same service connection	\$650.57	\$696.11	(I)
Hotels, apartments, and motels: For first room or unit	\$1,084.30	\$1,160.20	(I)
For each additional room or unit on the same premises and served from the same service connection	\$542.16	\$580.11	(I)
For each market, store or office	\$1,084.30	\$1,160.20	(I)

PRIVATE FIRE PROTECTION:

	OLD	NEW	
	<u>Per Year</u>	<u>Per Year</u>	
For each inch of diameter of service connection	\$250.02	\$267.52	(I)