

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

Advice Letter Cover Sheet

Utility Name: CA Utilities (SWR) **Date Mailed to Service List:** 04/22/22
District: n/a
CPUC Utility #: SWR 418 **Protest Deadline (20th Day):** 05/12/22
Advice Letter #: 84 **Review Deadline (30th Day):** 05/23/22
Tier 1 2 3 Compliance **Requested Effective Date:** 04/23/22
Authorization Resolution W-4540 **Rate Impact:** \$130,703
Description: Increase monthly flat rates by 2021 CPI-U of 7.0% 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: Thomas R. Adcock
Phone: (831) 424-0441
Email: tom@alcowater.com

Utility Contact 2: Andrew Clarke
Phone 2: (831) 424-0441
Email 2: andy@alcowater.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WITHDRAWN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: _____

CALIFORNIA UTILITIES SERVICE, INC.

A California Corporation

Thomas R. Adcock
President
(831) 424 - 0442 Phone

P.O. Box 5100
Salinas, CA 93915
(831) 424 - 0611 Fax

April 22, 2022

ADVICE LETTER NO. 84

CALIFORNIA UTILITIES SERVICE, INC (U 418-S)

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California Utilities Service, Inc. (CUS) hereby transmits for filing the following tariff schedules, which are attached hereto:

<u>CPUC SHEET NO.</u>	<u>TITLE OF SHEET</u>	<u>CANCELING CPUC SHEET NO.</u>
378-SS	Schedule No. 1, General Flat Rate Service	373-SS
379-SS	Schedule No. 2, Inclusion Fees	374-SS
380-SS	Table of Contents	377-SS

The present rates of California Utilities Service, Inc. became effective on April 16, 2021, pursuant to Advice Letter No. 81, which adopted a CPI-U offset of \$25,780. The last general rate increase became effective on August 18, 2010 pursuant to Resolution No.W-4837, which authorized a general rate increase of \$723,777 or 88.4%, and a return based on a rate of margin of 21.7%.

These tariffs are submitted pursuant to Ordering Paragraph No. 1 of Decision No. 92-03-093, dated March 31, 1992, Ordering Paragraph No. 2 of Resolution W-4493, dated September 2, 2004, and Ordering Paragraph No. 1 of Resolution W-4540, dated June 16, 2005. This Decision and two Resolutions authorize Class B, Class C and Class D water and sewer utilities to file once each year by Advice Letter for an increase over the prior year's adopted revenue, based on the most recent year end increase in the Consumer Price Index (CPI). The increased cost is to be passed on to the utility's customers in their quantity as well as service charge rates. The above-referenced Decision and Resolutions authorize California Utilities Service, Inc. to file the attached rate schedules and to concurrently withdraw and cancel its present schedules for such service.

California Utilities Service, Inc. requests permission to increase its present monthly flat rates by \$130,703 or 7.0% annually, due to the 2021 CPI-U of 7.0% as authorized by the letter from Bruce DeBerry, Program Manager Water Division, dated February 1, 2022 and titled "Rate Adjustments due to CPI-U Increase for 2021." This increase of projected revenues will not

result in a rate of margin which exceeds the authorized rate of margin of 21.7%. Workpapers justifying this increase have been provided to the CPUC Water Division staff.

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

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

Requested Effective Date

This filing is a Tier 1 Advice Letter and may be effective the day it is filed, therefore, CUS respectfully requests that the effective date of this increase be April 23, 2022.

Notice

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been mailed to all parties listed on the enclosed service list. In conformance with Resolution W-4664, Ordering Paragraph 3, California Utilities Service, Inc. will provide notice to its customers of the increase in dollar and percentage terms with the first bill that includes the increase.

Protests and Responses:

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 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 the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

California Utilities Service, Inc.
249 Williams Road
Salinas, CA 93905
Fax: (831) 424-0611

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, 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 the Division of Water and Audits 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.

California Utilities Service, Inc.

By: /s/ Thomas R. Adcock
Thomas R. Adcock
President

Attachments

Schedule No. 1
GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all sewer service.

TERRITORY

An area midway between the cities of Salinas and Monterey. In the vicinity of and along State Highway 68, Monterey County.

RATES

Per Month

All sewer service rates per each Equivalent Dwelling Unit (EDUs),
except as follows..... \$ 148.58 (I)
Toro Park School..... 2,122.22 (I)
Corral de Tierra Country Club..... 1,440.63 (I)

SPECIAL CONDITIONS

1. Bills will be rendered in advance of the period for which service will be provided.
2. The above rates for individual-named customers are based upon an equivalent number of EDUs. Customers so classified may appeal the classification to the Commission under the provisions of Rule No. 10, Disputed Bills.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. A late charge will be imposed per Schedule No. LC.
5. In accordance with Section 2714 of the Public Utilities Code and PUC Resolution No. 3976, if a tenant in a rental unit leaves owing the utility, service to subsequent tenants in that unit will, at the Utilities option, be furnished on the account of the landlord or property owner.

(To be inserted by utility)
Advice Letter No. 84

Decision No. _____

Issued by
Thomas R. Adcock
NAME
President
TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 2

INCLUSION FEES

APPLICABILITY

All new sewer connections to the utility’s sewer system calculated in EDUs and any increased loading or potential increased loading to the utility’s sewer system from an existing sewer connection calculated in EDUs, served by California Utilities Service, Inc. in its service area located midway between the cities of Salinas and Monterey, Monterey County.

INCLUSION FEES

PER EQUIVALENT
DWELLING UNIT (EDU)

Real Estate Developers, Builders and Individuals \$ 9,598.80 (I)

Individuals owning a single lot within the service area that existed prior to May 13, 1987 and needing only a single residential sewer connection for Single Family Residential Service \$ 1,030.10 (I)

Real Estate Developer or Builder, for the purposes of these tariffs, shall include, but not be limited to, any person, firm, organization, corporation, company, association, sole proprietorship, partnership, limited liability partnership, limited liability company, trust, institution, municipality, other civic body, their lessees, trustees, receivers or trustees appointed by any court whatsoever that at any time divided a parcel of land within the service area of this utility into two or more portions or that develops property by preparing a site for residential or commercial use.

Each customer or applicant requesting connection to the utility’s sewer system shall pay the utility, California Utilities Service, Inc., an Inclusion Fee, as described above, per EDU and any fraction thereof greater than the required minimum of one EDU, as a pro rata share of the estimated cost of sewage treatment plant construction. The number of EDUs to be assessed for the Inclusion Fee per connection shall be determined by the utility using the definitions provided in Tariff Rule No.1 for each type of service to be rendered.

All connections to the utility’s sewer system shall be charged a minimum Inclusion Fee of at least one EDU.

(continued)

(To be inserted by Utility)
Advice Letter No. 84

Issued by
Thomas R. Adcock
NAME
President
TITLE

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

Decision No.

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. 6 Establishment and Re-establishment of Credit	230-SS – 231-SS	
No. 7 Deposits	232-SS – 233-SS	
No. 8 Notices	234-SS – 235-SS	
No. 9 Rendering and Payment of Bills	236-SS – 239-SS, 289-SS	
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No. 19 Service to Separate Premises and Multiple Units, and Resale of Sewer Service	39-SS	
No. 20 Limitation of Wastes Discharged into the Utility's Sewer System	272-SS – 274-SS	
No. 21 Commercial, Institutional and Industrial Wastes	275-SS – 276-SS	

(continued)

(To be inserted by Utility)
Advice Letter No. 84

Issued by
Thomas R. Adcock
 NAME
President
 TITLE

(To be inserted by Cal. P.U.C.)
Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy via first class United States mail and via E-mail of the following document, California Utilities Service, Inc. Advice Letter No. 84, upon the California Public Utilities Commission as shown on the Service List attached hereto, a copy thereof properly addressed to each party. Additionally, I hereby certify that I have this day served a true copy via United States mail of the following document, California Utilities Service, Inc. Advice Letter No. 84, upon all additional parties as shown on the Service List attached hereto, a copy thereof properly addressed to each party.

Executed in Salinas, California, on the 22nd day of December 2022.

/s/ Andrea Schmitz
Andrea Schmitz, Executive Assistant

CALIFORNIA UTILITIES SERVICE, INC.
ADVICE LETTER NO. 84
SERVICE LIST
(AS PER SECTION 7.2 OF GENERAL ORDER NO. 96-B)

Via First Class United States Mail and Via E-mail:

Bruce DeBerry
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
water_division@cpuc.ca.gov

Via United States Mail, w/out attachments:

California-American Water Company
4701 Beloit Drive
Sacramento, CA 95838-2434

County Clerk
County Administrative Office
168 West Alisal Street, 1st Floor
Salinas, CA 93901

California Utilities Service, Inc.
 Advice Letter No. 84
 Summary of Earnings
 Year 2021

	Adopted	CPI Increase 2011-2019* A.L.'s 48,49,51,53,58,6	Adopted Rate Base Offset	Total	Actual 2021	CPI Increase at 7.0%	Increased Revenue
	Res. 4837	1, 64, 70, 76, 81	Res. 4837				
<u>Operating Revenues:</u>							
Flat Rate	1,542,182	296,220	28,780	1,867,182	1,936,684	130,703	2,067,387
Metered	-	-	-	-	-	-	-
Private Fire Protection	-	-	-	-	-	-	-
Total	1,542,182	296,220	28,780	1,867,182	1,936,684	130,703	2,067,387
<u>Operating Expenses</u>							
Purchased Water	-			-	-		
Purchased Power	55,196			55,196	77,861		77,861
Less: PPEO Collections 2020					(22,665)		
Purchased Chemicals	-			-	-		-
Other Volume Related Expenses	6,617			6,617	3,625		3,625
Employee Labor	242,373			242,373	323,432		323,432
Materials	10,810			10,810	61,344		61,344
Contract Work	62,519			62,519	529,845		529,845
Transportation Expense	136,188			136,188	110,612		110,612
Other Plant Maintenance Expense	45,421			45,421	178,259		178,259
Office Salaries	80,311			80,311	198,542		198,542
Management Salaries	35,000			35,000	162,120		162,120
Employee Pension and Benefits	195,435			195,435	313,813		313,813
Uncollectibles	2,622			2,622	-		-
Office Service & Rentals	3,000			3,000	16,520		16,520
Office Supplies & Expenses	37,619			37,619	47,325		47,325
Professional Services	12,595			12,595	73,880		73,880
Insurance	104,746			104,746	112,761		112,761
Regulatory Commission Expense	600			600	-		-
General Expenses	4,424			4,424	14,445		14,445
Total Operating Expenses	1,035,476			1,035,476	2,201,722		2,224,387
<u>Deductions</u>							
Depreciation	43,424		16,670	60,094	109,370		109,370
Property Tax	21,900		6,368	28,268	20,069		20,069
Payroll Tax	22,907			22,907	41,610		41,610
Taxes Other Than Income	30,844		576	31,420	37,929		37,929
Total Deductions	119,075		23,614	142,689	208,978		208,978
Total Expenses including Deductions	1,154,551		23,614	1,178,165	2,410,700		2,433,365
Net income before taxes	387,631		5,166	392,797	(474,016)		(365,978)
State Income Taxes	34,266		320	34,586	800		800
Federal Income Taxes	120,144		1,230	121,374	-		-
Net Revenue	233,221		3,616	236,837	(474,816)		(366,778)
Achieved Rate of Margin	21.7%			21.7%	-20.5%		-15.7%
Operating Expenses and Depreciation	1,078,900			1,095,570	2,311,092		2,333,757
Net Income	233,221			236,837	(474,816)		(366,778)
Rate of Margin	21.7%			21.7%	-20.5%		-15.7%

Note: 2011 CPI increase was \$46,263, 2012 CPI increase was \$27,493, 2013 CPI increase was \$24,671, 2014 CPI Increase was \$13,355, 2015 CPI increase was \$11,779, 2016 CPI Increase was \$35,585, 2017 CPI Increase was \$36,332, 2018 CPI Increase was \$33,562, 2019 CPI Increase was \$41,400, 2020 CPI Increase was \$25,780 approved by AL's 48, 49, 51, 53, 58, 61, 64, 70, 76, 81 respectively.