

NACIMIENTO WATER COMPANY, INC.

2890 SADDLE WAY • BRADLEY, CA 93426 •

(805) 472-2540 •

ops@nacimientowater.com

August 7, 2024

Advice Letter No. 51-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Nacimiento Water Company, Inc. (NWC) 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>
356-W	Schedule No. 1A, Annual Metered Service	350-W
357-W	Schedule No. 4, Private Fire Protection Service	351-W
358-W	Schedule F, Facilities Fees	352-W
359-W	Table of Contents	355-W

REQUEST

By AL 51-W, NWC requests permission to increase its revenues (based on increase to the present monthly quantity rate and service charge) by 3.4%, the Consumer Price Index (CPI) for 2023. The projected revenue increase of \$27,658 will not result in a rate of margin which exceeds the authorized rate of margin of 20.21%. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on September 26, 2023, pursuant to Advice Letter No. 49-W, which authorized an offset (CPI) rate increase of \$49,649 or 6.5%.

The last general rate increase became effective on March 17, 2016, pursuant to Resolution W-5089, which authorized a general rate increase of \$245,630, or 52.46% and a rate of margin of 20.21%.

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AL #51-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.

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B. AL 51-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;

¹GO. 96-B, Water Industry Rule 7.3.1

² GO. 96-B, General Rule 4.2

³ GO. 96-B, Water Industry 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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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.

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 Water Division (DW) 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 DW, the respondent or protestant shall send a copy of the protest to NWC at:

Mailing Address:

Nacimiento Water Company, Inc.
Attn: Tim Bean
2890 Saddle Way
Bradley, CA 93426

Email Address:

ops@nacimientowater.com

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

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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 DW 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

SERVICE LIST

San Luis Obispo County
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

(There are no adjacent water utilities.)

I hereby certify that the service list from Advice Letter #51-W has been served a copy of this Advice Letter on August 7, 2024.

Executed in Bradley, California on August 7, 2024.

Nacimiento Water Company, Inc.

By: /S/ TIM BEAN
Nacimiento Water Company, Inc.
President

Enclosures

⁶ GO. 96-B, General Rule 7.4.3

AL #51

Earnings Test
2023 CPI Rate Adjustment
Nacimiento Water Company
Summary of Earnings

Category	Most Recent Adopted in Resolution W-5089 March 17, 2016 TY 2015 a	AL #45- 2021 CPI @7% b	AL #49- 2021 CPI @6.5% c	Total Adopted Rates (Revenues) d=a+b+c	Actual 2023	CPI	
						Increase @3.4% on Adopte d Revenu	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base
Operating Revenues:							
Flat Rate				\$ -	\$ 1,406	\$ -	\$ 1,406
Metered	\$ 592,991	\$ 41,509	\$ 41,243	\$ 675,743	\$ 476,826	\$ 22,975	\$ 499,801
Approved Total Surcharge Revenue(s)						\$ -	
Private Fire Protection	\$ 120,868	\$ 8,461	\$ 8,406	\$ 137,735	\$ 190,746	\$ 4,683	\$ 195,429
TOTAL OPERATING REVENUES	\$ 713,859	\$ 49,970	\$ 49,649	\$ 813,478	\$ 668,978	\$ 27,658	\$ 696,636
Operating Expenses:							
Purchased Water	\$ 12,458				\$ 12,639		\$ 12,639
Purchased Power	\$ 30,824				\$ 92,221		\$ 92,221
Other Volume Related Expenses	\$ 8,820				\$ 54,246		\$ 54,246
Employee Labor	\$ 137,758				\$ 74,936		\$ 74,936
Materials	\$ 37,150				\$ 31,818		\$ 31,818
Contract Work	\$ 4,000				\$ 13,470		\$ 13,470
Water Testing							\$ -
Transportation Expense	\$ 12,353				\$ 19,574		\$ 19,574
Other Plant Maintenance	\$ 5,100				\$ 17,695		\$ 17,695
Office Salaries	\$ -				\$ 32,876		\$ 32,876
Management Salaries	\$ 89,016				\$ 140,000		\$ 140,000
Employee Pension and Benefits	\$ 59,242				\$ 37,114		\$ 37,114
Uncollectibles	\$ 851				\$ 3,029		\$ 3,029
Office Service and Rentals	\$ 900				\$ 2,266		\$ 2,266
Office Supplies and Expenses	\$ 17,585				\$ 17,899		\$ 17,899
Professional Services	\$ 53,979				\$ 20,136		\$ 20,136
Insurance	\$ 24,294				\$ 68,283		\$ 68,283
Regulatory Compliance Expense	\$ 4,414				\$ 13,340		\$ 13,340
General Expenses	\$ 5,996				\$ 13,685		\$ 13,685
SUBTOTAL	\$ 504,740				\$ 665,227		\$ 665,227
Depreciation	\$ 30,431				\$ 29,727		\$ 29,727
Taxes Other Than Income	\$ 14,307				\$ 25,439		\$ 25,439
State and Federal Income Taxes	\$ 56,222				\$ 800		\$ 800
Interest	\$ -				\$ 725		\$ 725
TOTAL DEDUCTIONS	\$ 605,700				\$ 721,918		\$ 721,918
NET REVENUE	\$ 108,159				\$ (52,940)		\$ (25,282)
RATE BASE							
Average Plant	\$ 3,015,276				\$ 3,336,714		\$ 3,336,714
Less: Average Accumulated Depreciation	\$ 1,612,950				\$ 2,188,261		\$ 2,188,261
NET PLANT	\$ 1,402,326				\$ 1,148,454		\$ 1,148,454
Less: Advances	\$ -				\$ -		\$ -
Contributions	\$ 1,079,006				\$ 704,640		\$ 704,640
Plus: Working Cash	\$ 38,334				\$ 55,436		\$ 55,436
Materials & Supplies	\$ -				\$ -		\$ -
CWIP	\$ 95,141				\$ 266,309		\$ 266,309
							\$ -
RATE BASE	\$ 456,795				\$ 765,558		\$ 765,558
RATE OF MARGIN	20.21%				-7.35%		-3.51%

Earnings Test: -3.51% < 20.21%

NACIMIENTO WATER COMPANY
Schedule No. 1A
ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Tract Nos. 378, 379, 380, and 381, and Phase I of Tract 2162, and Cantinas Campground, all in the Oak Shores area of San Luis Obispo County.

RATES

Quantity Rate:

All water used per 100 cubic feet \$ 11.25 (I)

Service Charge:

Per meter per year

For 5/8x3/4-inch meter	\$ 493.85	(I)
For 1-inch meter	\$ 1,234.64	(I)
For 1 1/2-inch meter	\$ 2,469.25	(I)
For 2-inch meter	\$ 3,950.82	(I)
For 3-inch meter	\$ 7,407.78	(I)

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

SPECIAL CONDITIONS

1. The annual service charge applied to service during the 12-month period commencing on January 1 is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, they may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year (monthly, bimonthly, or quarterly) in accordance with the utility's established billing periods, except the meters may be read and quantity charges billed during the winter season at intervals greater than three months.

(To be inserted by utility)

Advice Letter No. 51-W

Decision No. D92-03-093

Issued By

Tim Bean

President

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

Date Filed _____

Effective _____

Resolution No. _____

NACIMIENTO WATER COMPANY
Schedule No. 4
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all fire hydrant service rendered from hydrants on private property connected to utility owned mains.

TERRITORY

Tract Nos. 378, 379, 380, and 381, and Phase I of Tract 2162, and Cantinas Campground, all in the Oak Shores area of San Luis Obispo County.

RATES

	<u>Per Month</u>
For each fire hydrant	\$230.57
For each fire hydrant not located within the Oak Shores Community Association	\$15.58

SPECIAL CONDITIONS

1. The fire hydrant will be installed by the utility at the cost of the applicant.
2. The cost of relocation of any hydrant shall be paid by the party requesting the relocation.
3. Water delivered for purposes other than fire protection shall be charged for at the quantity rates in Schedule No. 1A, Annual Metered Service.
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF

(To be inserted by utility)

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NACIMIENTO WATER COMPANY
Schedule F
FACILITIES FEES

APPLICABILITY

Applicable to all customers applying for service from the Utility in the territory served for premises services not previously connected to its distribution mains, for additional service connections to existing premises, and for increases in size of service connections to existing premises.

TERRITORY

This schedule is applicable within the territory served by the utility.

RATES

Initial Fee for each Service Connection

For	5/8 x 3/4 -inch meter	\$	2,457	(I)
For	3/4-inch meter	\$	3,684	(I)
For	1-inch meter	\$	6,141	(I)
For	1 1/2 -inch meter	\$	12,283	(I)
For	2-inch meter	\$	19,651	(I)
For	3-inch meter	\$	36,848	(I)

SPECIAL CONDITIONS

1. Facilities are payable in addition to and do not limit any charges for extensions of mains that may be applicable under Rule 15, Main Extensions.
2. These fees **are not** subject to the Public Utilities Commission Reimbursement Fee surcharge set forth in Schedule UF.
3. Facilities fees authorized herein shall be deposited within five days of receipt in a separate bank account paying interest.
4. Facilities fees shall be treated as Contributions-in-Aid-of-Construction and follow the requirements as specified in the Internal Revenue Code Section I 18 to qualify as such.
5. Facilities fees shall be accounted for as Contributions-in-Aid-Construction in accordance with the Commission's prescribed Uniform System of Accounts. In addition, the balance of the facilities fees collected, including interest, shall be reported in the utility's annual report to the Commission.
6. The plant constructed with facilities fees shall be reduced from rate base for rate-making.

(To be inserted by utility)

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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>	
Title Page	264-W	
Table of Contents	359-W , 260-W	(T)
Preliminary Statement	265-W, 7-W, 269-W, 270-W	
Service Area Map	266-W, 9-W	
 Rate Schedules:		
Schedule No. 1A, Annual Metered Service	356-W , 272-W	(I)
Schedule No. 4, Private Fire Protection Service	357-W	(I)
Schedule LC, Late Payment Charge	348-W	
Schedule UF, Surcharge to Fund PUC Reimbursement Fee	354-W	
Schedule F, Facilities Fees	358-W	(I)
Lists of Contracts and Deviations	267-W	
 Rules:		
No. 1 Definitions	327-W, 328-W	
No. 2 Description of Service	12-W	
No. 3 Application for Service	13-W, 224-W	
No. 4 Contracts	14-W	
No. 5 Special Information Required on Forms	329-W – 331-W	
No. 6 Establishment and Re-establishment of Credit	17-W	
No. 7 Deposits	241-W, 242-W	
No. 8 Notices	332-W - 334-W	
No. 9 Rendering and Payment of Bills	243-W – 245-W	
No. 10 Disputed Bills	335-W, 336-W	
No. 11 Discontinuance and Restoration of Service	337-W – 346-W	
No. 12 Information Available to Public	28-W, 29-W	
No. 13 Temporary Service	30-W, 31-W	
No. 14 Continuity of Service	32-W	
No. 15 Main Extensions	183-W – 195-W, 220-W	
No. 16 Service Connections, Meters, and Customer Facilities	196-W – 202-W	
No. 17 Standards for Measurement of Service	105-W	
No. 18 Meter Tests and Adjustment of Bills for Meter Error	52-W – 54-W	
No. 19 Service to Separate Premises and Multiple Units, and Resale of Water	135-W, 136-W	
No. 20 Water Conservation	256-W	
No. 21 Fire Protection	257-W	

(continued)

(To be inserted by utility)

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