

**THE SEA RANCH WATER
COMPANY, INC.**

PO Box 16
The Sea Ranch, CA 95468
Telephone (707) 785-2444
Email: bmurphy@tsra.org

March 31, 2024

Advice Letter No. 116

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The Sea Ranch Water Company, Inc. (TSRWC) hereby transmits for filing one original and one copy of this adviceletter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
509-W	Schedule No. 1	504-W
510-W	Schedule No. 3	505-W
511-W	Schedule No. 1-A	506-W
512-W	Schedule No. 3-A	507-W
513-W	Table of Contents	508-W

REQUEST

By AL 116, The Sea Ranch Water Company, Inc. 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 \$95,128 will not result in a rate of return which exceeds the authorized rate of return of 11.5%. Workpapers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on May 17, 2023, which authorized an offset (CPI) rate increase of \$170,764, or 6.5%.

The last general rate increase became effective on October 11, 2012 pursuant to Resolution W-4931, which authorized a general rate increase of \$697,677, or 57.08%, and a rate of return of 11.50%.

AL 116 is filed pursuant to Ordering Paragraphs No. 1 of **Decision 92-03-093** and **Resolution W- 4493**, which authorized 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.

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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. AL 116 is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.⁶

NOTICE

This AL does not require notice;⁷ 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.⁸ A copy of this AL has been served to all parties listed on the service list⁹ 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 PROTEST¹⁰

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.

⁶ GO. 96-B, Water Industry Rule 7.3.1

⁷ GO. 96-B, General Rule 4.2

⁸ GO. 96-B, Water Industry Rule 3.2

⁹ GO. 96-B, Water Industry Rule 4.1

¹⁰ GO. 96-B, General Rule 7.4.1

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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 (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 the Water Division, the respondent or protestant shall send a copy of the protest to The Sea Ranch Water Company, Inc. at:

Email Address:

bmurphy@tsra.org

Mailing Address:

PO Box 16
The Sea Ranch, CA 95468

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.¹¹

¹¹ GO. 96-B, General Rule 7.4.3

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SERVICE LIST


California Public Utilities Commission
Division of Water and Audits
Water.Division@cpuc.ca.gov

North Gualala Water Company
P.O. Box 1000
Gualala, CA 95445

Point Arena Water Works, Inc.
P.O. Box 205
Point Arena, CA 95468

I hereby certify that the above service list has been served a copy of AL 116 on March 31,
2024. Executed in The Sea Ranch, California on the March 31, 2024.

The Sea Ranch Water Company

By: 

Brian Murphy

Director of Works

Enclosures

Category	Most Recent Adopted in Resolution W-4931	Advice Letter No. 95 CPI	Advice Letter No. 101 CPI	Advice Letter No. 106 CPI	Advice Letter No. 111 CPI	Advice Letter No. 113 CPI	Total Adopted Rates	Actual 2023	CPI Adjustment @ 6.5% on Recent Adopted Revenue Only	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base
	a	b	c	d	e	f	g = (a+b+c+d+e+f)	h	i=g * 3.4%	(Revenues) j = h + i
		2.10%	1.90%	2.30%	1.40%	6.50%				
Operating Revenues:		2016	2018	2019	2020	2022			[C]	
Flat Rate	0	0	0	0	0	0	0	5,889	-	5,889
Metered	2,431,485	51,061	47,168	58,183	36,231	170,568	2,794,697	2,593,001	95,020	2,688,021
Other unmetered revenues	2,782	58	54	67	41	195	3,198	4,123	109	4,232
TOTAL OPERATING REVENUES	2,434,267	51,120	47,222	58,250	36,272	170,764	2,797,895	2,603,013	95,128	2,698,141
Operating Expenses:										
Purchased Water	-							-		-
Purchased Power	46,719							50,277		50,277
Purchased Chemicals	-							-		-
Other Volume Related Expenses	15,571							-		-
Employee Labor	290,018							279,723		279,723
Materials	4,385							-		-
Contract Work	57,280							-		-
Water Testing	-							-		-
Transportation Expense	23,231							40,738		40,738
Other Plant Maintenance	52,266							302,230		302,230
Office Salaries	37,643							97,578		97,578
Management Salaries	91,258							273,217		273,217
Employee Pension and Benefits	84,638							106,579		106,579
Uncollectibles	1,552							-		-
Office Service and Rentals	12,170							20,760		20,760
Office Supplies and Expenses	28,886							118,107		118,107
Professional Services	23,047							47,357		47,357
Insurance	122,934							205,904		205,904
Regulatory Commission Expense	10,000							-		-
General Expenses	39,897							65,741		65,741
SUBTOTAL	941,495							1,608,211		1,608,211
Depreciation	195,622							262,273		262,273
Taxes Other than Income	143,032							192,187		192,187
State and Federal Income Taxes	280,242							185,000		185,000
Interest	-							128,300		128,300
TOTAL DEDUCTIONS	1,560,391							2,375,971		2,375,971
NET REVENUE	873,876							227,042		322,170
RATE BASE										
Average Plant	16,186,457							19,689,856		19,910,871
Less Average Accumulated Depreciation	4,471,039							7,402,027		7,841,704
NET PLANT	11,715,418							12,287,829		12,069,167
Less Advances & Contributions	4,590,566							4,066,049		3,983,454
Less: Acc. Deferred Income Taxes	109,448							-		-
Plus Materials & Supplies	0							-		-
Plus: CIP and working cash	582,053							-		-
RATE BASE	7,597,457							8,221,780		8,085,713
RATE OF RETURN	11.50%							2.76%		3.98%

Net Revenue divided by Rate Base = ROR

Schedule No. 1 GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service

TERRITORY

The area known as The Sea Ranch, and vicinity, located approximately 7 miles southeast of Gualala, Sonoma County.

RATES

Quantity Rates

All water, per 100 gallons	\$ 2.17
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Per Meter Rates

Service charge per Bi-Monthly Period	
5/8 X 3/4 inch meter	\$138.47
For 1-inch meter for fire sprinkler	\$173.10
For 3/4-inch meter	\$207.70
For 1-inch meter	\$346.17
For 2-inch meter for fire suppression	\$433.41
For 1.5-inch meter	\$692.36
For 2-inch meter	\$1,107.76
For 4-inch meter for fire suppression	\$1,384.70
For 3-inch meter	\$2,077.06
For 4-inch meter	\$3,461.77

The Service Charge is 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 Rates.

SPECIAL CONDITIONS

1. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all service charges that would have been billed if service had not been discontinued.
2. All bills shall be subject to the Plant Replacement Fee set forth in Schedule R.
3. Any service to a residential customer who requires a 1-inch meter only because of fire flow requirements for a fire sprinkler system will be billed at the above 5/8 x 3/4 inch meter service charge plus a 25% surcharge.
4. Any service to a residential customer who requires a 2-inch meter only because of fire flow requirements for fire suppression will be billed at the above 1-inch meter service charge plus a 25% surcharge.

Schedule No. 3 IRRIGATION SERVICE

APPLICABILITY

Applicable to all irrigation service **except for use beyond the service area.**

TERRITORY

The area known as The Sea Ranch, and vicinity, located approximately 7 miles southeast of Gualala, Sonoma County.

RATES

Quantity Rate:

For each 100 gallons	\$ 1.532
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SPECIAL CONDITIONS

1. Irrigation service is interruptible at the discretion of the utility.
2. The customer shall bear all costs for the irrigation service and meter installation, including backflow prevention devices if required. The service and equipment shall become the property of the utility upon commencement of deliveries.
3. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all minimum charges which would have been billed if service had not been discontinued.
4. The established billing cycle is bi-monthly.
5. All bills are subject to the reimbursement fee set forth in Schedule No. UF and Plant Replacement fee set forth in Schedule R.
6. Service under this Schedule will not be provided for water use beyond the service area of the Utility. Customers using water beyond the service area must take service under Schedule No. 3-A "Irrigation Service-Outside Users".

Schedule No. 1-A GENERAL METERED SERVICE - OUTSIDE USERS

APPLICABILITY

Applicable to all metered water service for use beyond the service area.

TERRITORY

The area known as The Sea Ranch, and vicinity, located approximately 7 miles southeast of Gualala, Sonoma County.

RATES

Quantity Rates

For each 100 gallons	\$ 2.17
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Per Meter

Service charge per Bi-Monthly Period	
For 5/8 x 3/4 inch meter	\$138.47
For 1-inch meter for fire sprinkler	\$173.10
For 3/4-inch meter	\$207.70
For 1-inch meter	\$346.17
For 2-inch meter for fire suppression	\$433.41
For 1.5-inch meter	\$692.36
For 2-inch meter	\$1,107.77
For 4-inch meter for fire suppression	\$1,384.70
For 3-inch meter	\$2,077.06
For 4-inch meter	\$3,461.77

The Service Charge is 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 Rates.

SPECIAL CONDITIONS

1. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all service charges that would have been billed if service had not been discontinued.
2. All bills shall be subject to the Plant Replacement Fee set forth in Schedule R.
3. Any service to a residential customer who requires a 1-inch meter only because of fire flow requirements for a fire sprinkler system will be billed at the above 5/8 x 3/4 inch meter service charge plus a 25% surcharge.
4. Any service to a residential customer who requires a 2-inch meter only because of fire flow requirements for fire suppression will be billed at the above 1-inch meter service charge plus a 25% surcharge.

Schedule No. 3-A IRRIGATION SERVICE - OUTSIDE USERS

APPLICABILITY

Applicable to all irrigation service for use beyond the service area.

TERRITORY

The area known as The Sea Ranch, and vicinity, located approximately 7 miles southeast of Gualala, Sonoma County.

RATES

Quantity Rate:

For each 100 gallons	\$ 1.532
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SPECIAL CONDITIONS

1. Irrigation service is interruptible at the discretion of the utility.
2. The customer shall bear all costs for the irrigation service and meter installation, including backflow prevention devices if required. The service and equipment shall become the property of the utility upon commencement of deliveries.
3. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all minimum charges which would have been billed if service had not been discontinued.
4. The established billing cycle is bi-monthly.
5. All bills are subject to the reimbursement fee set forth in Schedule No. UF and Plant Replacement fee set forth in Schedule R.
6. The Utility, in its sole discretion, may discontinue service under this Schedule by providing the customer with 180 days' notice.
7. The Utility may discontinue service under this Schedule to any customer who materially increases its water usage by providing the customer with 90 days' notice.
8. This Schedule is closed to new applicants effective February 10, 2010.