

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## Water Division

### Advice Letter Cover Sheet

**Utility Name:** KENWOOD VILLAGE WATER COMPANY  
**District:** KENWOOD VILLAGE  
**CPUC Utility #:** WTD 118  
**Advice Letter #:** 113-W  
**Tier:**  1  2  3  Compliance  
**Authorization:** D.92-03-093  
**Description:** 2023 CPI Adjustment

**Date Mailed to Service List:** July 31, 2024  
**Protest Deadline (20<sup>th</sup> Day):** Aug. 20, 2024  
**Review Deadline (30<sup>th</sup> Day):** Aug. 30, 2024  
**Requested Effective Date:** July 31, 2024  
**Rate Impact:** \$14,009  
3.4%

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:** Jack Downey  
**Phone:** 707-539-6397  
**Email:** jack@pkh2o.com

**Utility Contact 2:** Julie Cavaz  
**Phone 2:** 707-539-6397  
**Email 2:** julie@pkh2o.com

**DWA Contact:** Tariff Unit  
**Phone:** (415) 703-1133  
**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

DWA USE ONLY		
<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>
8/7/2024	JHO	Passed earnings test; values computed correctly; will not exceed authorized ROR; recommend approval

APPROVED

WITHDRAWN

REJECTED

**Signature:** /s/Wilson Tsai

**Comments:** Approved with effective date of July 31, 2024.

**Date:** 8/23/24

# KENWOOD VILLAGE WATER COMPANY

4982 Sonoma Hwy. Santa Rosa, CA 95409  
707-539-6397

July 31, 2024

Advice Letter No. 113-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Kenwood Village Water Company (KWC) 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>
520-W	Schedule No. 1, General Metered Service	479-W
521-W	Schedule No. 2, Cost to Serve Agreement	464-W
522-W	Schedule No. 4 Private Fire Protection	465-W
523-W	Schedule F, Facilities Fees	466-W
524-W	Table of Contents	519-W

## REQUEST

By AL 113-W, KWC requests permission to increase its revenues (based on increase to the present monthly rate and service charge) by 3.4%, the Consumer Price Index (CPI) for 2023. The projected revenue increase of \$14,009 will not result in a rate of return which exceeds the authorized rate of return of 10.6%. Workpapers justifying this increase are enclosed.

KWC also requests authority to delete the LRMA #1 surcharge of \$0.265 and LRMA #2 surcharge of \$0.333 from Schedule No. 2, Cost to Serve Agreement since the full balance have been collected.

## BACKGROUND

The present rates became effective on April 25, 2018, by approval of Resolution W-5173, which granted a rate base offset increase in revenues of \$14,286 or 3.59%.

The last general rate increase became effective on October 13, 2016, pursuant to Resolution W-5117, which authorized a general rate increase of \$46,708, or 13.57% and

# KENWOOD VILLAGE WATER COMPANY

4982 Sonoma Hwy. Santa Rosa, CA 95409

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a rate of return of 10.6%.

AL #113-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 113-W is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.<sup>1</sup>

## **NOTICE**

This AL does not require notice;<sup>2</sup> 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.<sup>3</sup> A copy of this AL has been served to all parties listed on the service list<sup>4</sup> 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 PROTEST<sup>5</sup>**

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

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<sup>1</sup>GO. 96-B, Water Industry Rule 7.3.1

<sup>2</sup> GO. 96-B, General Rule 4.2

<sup>3</sup> GO. 96-B, Water Industry Rule 3.2

<sup>4</sup> GO. 96-B, Water Industry Rule 4.1

<sup>5</sup> GO. 96-B, General Rule 7.4.1

## KENWOOD VILLAGE WATER COMPANY

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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](mailto: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 KWC at:

**Mailing Address:**

Kenwood Village Water Company  
Attn: Julie Cavaz  
4982 Sonoma Highway  
Santa Rosa, CA 95409

**Email Address:**

[julie@pkh2o.com](mailto:julie@pkh2o.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 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

**KENWOOD VILLAGE WATER COMPANY**

4982 Sonoma Hwy. Santa Rosa, CA 95409  
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served on the same day on each person who filed the protest or response to the AL.<sup>6</sup>

**SERVICE LIST**

City of Santa Rosa  
PO Box 1658  
Santa Rosa, CA 95402

Valley of the Moon Water District  
PO Box 280  
El Verano, CA 95433-0280

Kinneybrook Mutual  
PO Box 1234  
Kenwood, CA 95452

I hereby certify that the service list from Advice Letter #113-W has been served a copy of this advice letter on July 31, 2024.

Executed in Santa Rosa, California on July 31, 2024.

Kenwood Village Water  
Company

By: \_\_\_\_\_  
Kenwood Village Water  
Company  
Manager

Enclosures

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<sup>6</sup> GO. 96-B, General Rule 7.4.3

**Earnings Test**  
**Kenwood Water Company**  
**Summary of Earnings**

Category	Most Recent Adopted in Resolution W- 5117 Oct. 13, 2016	AL #97 CPI 2016	AL #103-W RBO Res. W- 5173 Apr. 25, 2018	Total Adopted Revenue d=a+b+c	Actual 2023 e	CPI Increase @3.4% on Adopted Revenue f=d*3.4%	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base (Revenues) g=f + e
	TY2016 a	b	c				
<b>Operating Revenues:</b>							
Metered	376,354				450,129	-	
Commercial	12,326						
Private Fire Protection	1,398				1,666	-	
Other Revenue	1,030						
<b>TOTAL OPERATING REVENUES</b>	<b>391,108</b>	<b>6,634</b>	<b>14,286</b>	<b>412,028</b>	<b>451,795</b>	<b>14,009</b>	<b>465,804</b>
<b>Operating Expenses:</b>							
Purchased Water	5,718				19,895		19,895
Purchased Power	13,813				21,637		21,637
Other Volume Related Expenses	866				1,269		1,269
Employee Labor	32,616				59,948		59,948
Materials	18,556				1,128		1,128
Contract Work	6,612				4,081		4,081
Water Testing							-
Transportation Expense	5,838				5,757		5,757
Other Plant Maintenance	960				1,548		1,548
Office Salaries	28,500				36,351		36,351
Management Salaries	56,250				59,532		59,532
Employee Pension and Benefits	36,679				37,320		37,320
Uncollectibles	389						
Office Service and Rentals	6,345				9,279		9,279
Office Supplies and Expenses	8,535				17,288		17,288
Professional Services	5,137				15,889		15,889
Insurance	7,392				7,000		7,000
Regulatory Compliance Expense	-						
General Expenses	915				9,740		9,740
<b>SUBTOTAL</b>	<b>235,121</b>				<b>307,660</b>		<b>307,660</b>
Depreciation	21,037				36,711		36,711
Taxes Other than Income	17,315				31,627		31,627
State and Federal Income Taxes	48,254				26,376		26,376
Interest	-						
<b>TOTAL DEDUCTIONS</b>	<b>321,727</b>				<b>402,374</b>		<b>402,374</b>
<b>NET REVENUE</b>	<b>69,381</b>				<b>49,421</b>		<b>63,429</b>
<b>RATE BASE</b>							
Average Plant	1,638,044				2,203,187	-	2,203,187
Less: Average Accumulated Depreciation	311,107				609,127	-	609,127
<b>NET PLANT</b>	<b>1,326,937</b>				<b>1,594,060</b>	-	<b>1,594,060</b>
Less: Advances					0	-	0
Contributions	269,328				202,492	-	202,492
SDWBA	426,091				424,091	-	424,091
Plus: Working Cash	19,593				25,638	-	25,638
Materials & Supplies	3,426				3,970	-	3,970
<b>RATE BASE</b>	<b>654,537</b>				<b>997,085</b>	-	<b>997,085</b>
<b>RATE OF RETURN</b>	<b>10.60%</b>				<b>4.96%</b>		<b>6.36%</b>
<b>Earnings Test:</b>	<b>6.36%</b>	<b>&lt;</b>	<b>10.60%</b>				

**Schedule No. 1**

**GENERAL METERED SERVICE**

**APPLICABILITY**

Applicable to all metered water service

**TERRITORY**

Kenwood Village, Sonoma County

**RATES**

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Charge:		
First 600 cu ft per 100 cubic feet (Ccf)	\$ 2.97	(I)
Over 600 cu ft per 100 cubic feet (Ccf)	\$ 3.55	(I)
Monthly Service Charge:		
For 5/8 x 3/4 -inch meter	\$ 61.60	(I)
For 3/4-inch meter	\$ 92.40	(I)
For 1-inch meter	\$ 153.98	(I)
For 1 1/2 -inch meter	\$ 307.98	(I)
For 2-inch meter	\$ 492.78	(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.

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. **A late charge will be imposed per Schedule No. LC.** (N)

(To be inserted by utility)

Advice Letter No. 113-W

Decision No. 92-03-093

*Issued By*

**Julie Cavaz**

**Manager**

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**Schedule No. 2**

**Cost To Serve Agreement**

**APPLICABILITY**

Kenwood Inn

**TERRITORY**

1040 Sonoma Highway, Kenwood, Calif. 95452 Sonoma County

**RATES**

<b>Quantity Rates:</b>	<u>Per Meter</u>	
	<u>Per Month</u>	
All water per 100 cubic feet (Ccf)	\$ 5.44	(I)
		(D)
		(D)

**Monthly Service Charge:**

For 4 -inch meter	\$ 224.07	(I)
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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.

Private Fire Protection

For each inch of diameter	\$ 5.15	(I)
For one 8-inch line	\$ 41.19	(I)

**SPECIAL CONDITIONS**

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
2. **A late charge will be imposed per Schedule No. LC.** (N)

(To be inserted by utility)

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**Manager**

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**Schedule No. 4**

**PRIVATE FIRE PROTECTION**

**APPLICABILITY**

Applicable to all metered water service furnished to privately owned fire protection service.

**TERRITORY**

The unincorporated area known as Kenwood Village, immediately north of Kenwood, Sonoma County

**RATES**

	<u>Per Meter</u>	
	<u>Per Month</u>	
For each inch of diameter	\$ 3.41	(I)

**SPECIAL CONDITIONS**

1. The fire protection service connection shall be installed by the utility with the cost thereof paid by the applicant, not subject to refund.
2. A service main from the nearest main of adequate capacity shall be installed by the utility and the cost paid by the applicant, not subject to refund.
3. Service for private fire protection systems to which no connection other than fire protection purposes are allowed and maintained to the satisfaction of the utility. The utility may install standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water, and the cost paid by the applicant.
4. The utility undertakes to supply only such water at the pressure that may be available at any time through the normal operation of the system.
5. Any unauthorized use of water, other than for fire extinguishing purposes, shall be charged at the regular established rates as set forth in Schedule No. 1 and/or be the grounds for the immediate disconnection of the service without liability to the company.
6. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Advice Letter No. 113-W

Decision No. 92-03-093

*Issued By*

***Julie Cavaz***

***Manager***

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

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

**Schedule F**

**FACILITIES FEES**

**APPLICABILITY**

Applicable to all customers applying for service from the Utility in the territory served for premises not previously connected to its distribution main, or for additional service connection to existing premises, and for increases in size of service connections to existing premises, and for increases in size of service due to a change in size.

**TERRITORY**

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

**RATES**

Initial Fee for each Service Connection

For	5/8 x 3/4 -inch meter	\$ 2,641	(I)
For	3/4-inch meter	\$ 4,008	(I)
For	1-inch meter	\$ 6,680	(I)
For	1 1/2 -inch meter	\$ 13,360	(I)
For	2-inch meter	\$ 21,375	(I)
For	3-inch meter	\$ 32,066	(I)
For	4-inch meter	\$ 47,325	(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. Payments made under this schedule are not subject to the reimbursement fee set forth in Schedule No. UF.
3. Facilities Fees authorized herein shall be deposited within ten days of receipt in a separate interest-bearing account.
4. Facilities Fees shall be treated as Contributions-in-aid of Construction as specified in the Internal Revenue Code Section 118 to qualify as such.
5. Facilities fees shall be accounted for as Contributions- in aid of Construction in accordance with the Commission's prescribed Uniform System of Accounts. In addition the balance of facilities fees collected, including interest, shall be reported in the utility's annual report to the Commission. The plant construction with facilities fees shall be removed from rate base.
6. The utility shall annually report facilities fees collected, utilized and the remaining account balance, including interest. This report shall accompany the submission of the annual report.

(To be inserted by utility)

Advice Letter No. 113-W

Decision No. 92-03-093

*Issued By*

**Julie Cavaz**

**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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<b>Rate Schedules:</b>		
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Schedule No. 2 – Cost to Serve Agreement	<b>521-W</b>	(I)
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(To be inserted by utility)

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