





# Lake Alpine Water Company

February 13, 2024

LAKE ALPINE WATER COMPANY  
Bear Valley, Alpine County

Advice Letter No. 142

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Water.division@cpuc.ca.gov

LAKE ALPINE WATER COMPANY (LAKE ALPINE) hereby transmits for filing the following changes in its tariff schedules which are attached hereto:

<u>C.P.U.C.</u> <u>Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling</u> <u>Sheet No.</u>
625-W	Sched. #1, Annual Metered Service (Continued)	615-W
626-W	Table of Contents	624-W

## Request

By Advice Letter (AL) 142-W, LAKE ALPINE seeks authority under General Order 96-B, Rule 1.7 and Rule 7.6.2, Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its rates for water service to recover increased operating expenses and earn an adequate rate of return on capital improvements. The requested rates will provide an increase of \$114,806 (12.1%) in gross annual revenue from LAWC's present rates which will provide a rate of return (ROR) of 9.05% in test year 2024.

## Background:

The present rates and last general rate increase were approved by Resolution W-5175 and became effective on October 11, 2018. That resolution authorized a general rate increase of \$103,200 or 18.8% and a rate of margin of 24%. There have been three Consumer Price Index (CPI) adjustments to rates since the last general rate case (GRC).

The following changes in LAWC system operations and costs justify the need for a rate review.

1. Various labor and non-labor costs have increased over the years at a rate higher than the CPI such that expenses for 2024 are anticipated to be \$31,000 higher than the last 3-year average.
2. Changes in our treatment process have increased expenses under account 618: Volume related expenses because we replace the granular activated carbon media annually.
3. With investments in rate base totaling over \$310,000 in the last two years, LAWC has not earned either the approved rate of return or rate of margin since 2021.



# Lake Alpine Water Company

Work papers and receipts justifying this increase have been provided to the CPUC Water Branch Staff.

## **TIER DESIGNATION AND REQUESTED EFFECTIVE DATE**

These AL and enclosed tariffs are submitted pursuant to Water Industry Rule 7.3.3(5) of General Order (GO.) 96-B and this advice letter is designated as a Tier 3 filing. This advice letter will become effective upon approval through a Commission Resolution. <sup>1</sup>

## **NOTICE**

A copy of this AL has been served to all parties listed on the service list <sup>2</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>3</sup>**

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 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. DWA 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:

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<sup>1</sup> GO. 96-B, Water Industry Rule 7.3.3

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

<sup>3</sup> GO. 96-B, General Rule 7.4.1



## Lake Alpine Water Company

**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](mailto: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 LAKE ALPINE at:

**Mailing Address:**

Lake Alpine Water Company

Attn: Kimi Johnson

P.O. Box 5013

Bear Valley, CA 95223

**Email Address:**

[info@lakealpinewater.com](mailto:info@lakealpinewater.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. Each 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 to the person who filed the protest or response.

Schedule No. 1A

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Bear Valley tracts, and vicinity located about three miles west of  
Lake Alpine, adjacent to State Highway 4, Alpine County.

RATES

Quantity Rate:

All water, per 100 cu. ft..... \$ 10.90 (I)

Service Charge:

	<u>Per Year</u>	
For 5/8 x 3/4-inch meter.....	\$ 1,328.26	(I)
For condo unit service.....	\$ 1,328.26	(I)
For 3/4-inch meter.....	\$ 1,992.39	(I)
For 1-inch meter.....	\$ 3,320.65	(I)
For 1 1/2-inch meter.....	\$ 6,641.30	(I)
For 2-inch meter.....	\$ 10,626.08	(I)
For 3-inch meter.....	\$ 19,923.90	(I)
For 4-inch meter.....	\$ 33,206.50	(I)

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

SPECIAL CONDITIONS

1. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he 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.

2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by the multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If a service is not continued for a least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(continued)

Issued by

Advice Letter No. 142

Kimi Johnson

Date filed: \_\_\_\_\_

Decision No. \_\_\_\_\_

General Manager

Effective: \_\_\_\_\_

Resolution: \_\_\_\_\_

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	592-W	
Table of Contents	626-W, 513-W	(T)
Preliminary Statement	7-W, 8-W, 491-W, 492-W, 501-W	
Service Area Map	299-W	
 Rate Schedules:		
Schedule No. 1A, Annual Metered Service	625-W, 543-W	(C)
Schedule No. 1B, SDWSRF Loan Surcharge Metered Service	609-W	
Schedule No. 1C, SDWSRF Loan Surcharge Undeveloped Lots	451-W	
Schedule No. 1S, Snow Making Water	620-W	
Schedule No. 4, Private fire Protection Service	616-W, 504-W	
Schedule No. F, Facilities Fees	617-W	
Schedule No. LC, Late Payment Charge	590-W	
Schedule No. UF, Surcharge to Fund Public Utilities		
Commission Reimbursement Fee	623-W	
List of Contracts & Deviations	621-W	
 Rules:		
No. 1 Definitions	560-W, 561-W	
No. 2 Description of Service	86-W	
No. 3 Application for Service	13-W, 301-W	
No. 4 Contracts	14-W	
No. 5 Special Information Required on Forms	562-W - 564-W	
No. 6 Establishment & Re-establishment of Credit	17-W	
No. 7 Deposits	384-W, 385-W	
No. 8 Notices	565-W - 567-W	
No. 9 Rendering and Payment of Bills	333-W - 334-W	
No. 10 Disputed Bills	568-W, 569-W	
No. 11 Discontinuance & Restoration of Service	570-W - 579-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. 14.1 Water Conservation & Rationing Plan	596-W-603-W	
No. 15 Main Extensions	241-W - 253-W, 611-W	
No. 16 Service Connections, Meters, and Customer's Facilities	254-W - 260-W	
No. 17 Standards for Measurement of Service	144-W	
No. 18 Meter Tests and Adjustment of Bills for Meter Error	51-W - 53-W	
No. 19 Service to Separate Premises and Multiple Units, and Resale of Water	173-W, 174-W	
No. 20 Water Conservation	294-W	
No. 21 Fire Protection	295-W	
No. 22 Customer Information Sharing	510-W	

(Continued)

Advice Letter No. <u>142</u>	Issued by <u>Kimi Johnson</u>	Date Filed _____
Decision No. _____	<u>General Manager</u>	Effective _____
		Resolution No: ____

**NOTICE OF REQUEST FOR A RATE INCREASE**

**Proposal**

Lake Alpine Water Company (LAWC) is requesting authorization from the California Public Utilities Commission (Commission) through Advice Letter 142 to increase its water revenues by \$114,806 or 12.1% in 2024. The last general rate increase became effective October 11, 2018, by Resolution W-5175. The rates were subsequently adjusted in 2020, 2022, and 2023 by the Consumer Price Index. After reviewing LAWC's expenses and investments in treatment plant improvements, LAWC requests a rate increase to maintain operating revenues and to fund continued investments in the system infrastructure.

**Customer Impact**

<u>Quantity Rate:</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
All usage per 100 cu.ft.	\$ 9.08	\$ 10.90
<u>Service Charge:</u>	<u>Per Meter per Month</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
For 5/8x3/4-inch meter	\$ 99.63	\$ 110.69
For condo unit service	99.63	110.69
For 3/4-inch meter	149.44	166.03
For 1-inch meter	249.06	276.72
For 1-1/2-inch meter	498.13	553.44
For 2-inch meter	797.01	885.51
For 3-inch meter	1403.18	1660.33
For 4-inch meter	2490.65	2767.21

**Summary**

The Annual Service Charge is applicable to all metered services regardless of water use. The metered quantity rate is multiplied by water used and added to the service charge. All customers also pay the Safe Drinking Water State Fund surcharge, currently \$24.07 per month per residence. This surcharge will expire in 2028. The Commission regulatory oversight fee is 0.07% of all these charges. The average bill for a metered residential customer consuming 2.0 CCF per month would increase from \$142.85 to \$157.65, or 10.4%.

**Commission Process**

The Commission staff will make a thorough investigation of LAWC's request. Following the investigation, the Commission may grant LAWC's request in whole, in part, or may deny it. It may also order the utility to charge rates different from those shown in this notice.

California law requires the company to show to the Commission's satisfaction that an increase is justified before it raises its rates. Customers who would like to call the Commission's attention to any problems concerning their water service, or who would like to provide any other information or comments regarding this requested increase should do so at the public meeting and/or should write to the Commission.

There are two ways to respond to this notice. You may send a protest to the Commission and, if you do, you must send a copy of the protest to LAWC, or you can send a response to the Commission.

## **Protests and Responses**

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter filing. A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the Commission in acting on the request.

A protest must be mailed within 20 days of the date of this notice. A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant and the reasons the protestant believes the advice letter or part of it is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter.

All protests or responses to this filing should be sent to both of the following addresses and should mention that they pertain to **Lake Alpine Water Company 2024 General Rate Case**

California Public Utilities Commission  
Water Utilities Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
E-mail: [water.division@cpuc.ca.gov](mailto:water.division@cpuc.ca.gov)

AND

Lake Alpine Water Company, Inc.  
PO Box 5013  
Bear Valley, CA 95223  
E-mail: [info@lakealpinewater.com](mailto:info@lakealpinewater.com)

Comments must be sent no later than twenty (20) days after the date this notice was sent.

If you have not received a reply to your protest from the utility within 10 business days, contact Kimi Johnson at (209) 753-2409.

A copy of the Lake Alpine Water Company filing may be inspected in the utility's business office at 3 Bear Valley Road, Suite 109 Bear Valley, CA 95223; by calling (209) 753-2409 or emailing [info@lakealpinewater.com](mailto:info@lakealpinewater.com), you may request a copy to be mailed to you.



Lake Alpine Water Company  
Affordability of Proposed Rates

At Lake Alpine Water Company's proposed rates, the average bill for a 5/8 x 3/4-inch metered residential customer consuming 2.0 CCF per month would increase from \$117.79 to \$132.47, or 12.5% in TY 2024. This excludes the SDWSRF surcharge of \$24.07 per month.

LAWC is in the zip code of 95223 in western Alpine County. To be representative, we are presenting both data points (zip code and county) for the annual median household income (MHI). According to United States Census data from the website <https://data.census.gov/> the MHI for the zip code is \$97,574 and the MHI for the county is \$101,125. The proposed rate, accordingly, would be 1.63% and 1.57% of the respective MHIs.

It should be noted that no affordability criteria have been developed and adopted in any Commission Decision or Resolution. However, in October 2017, the Health and Safety Code in the California Code of Regulations (Sec. 116760.50) was amended to establish an affordability threshold of 1.5% of MHI for average water bills in Severely Disadvantaged Communities, as defined (60% of California Statewide MHI of \$91,551, or \$43,737)<sup>[2]</sup>. The EPA's stated view on potable water is that it is affordable if it costs less than 2.5% of the small community MHI. While the Commission adheres to cost-of-service regulatory principles in developing rates for its jurisdictional utilities, and the requested rates are at the minimum required to satisfy the utility's technical, managerial, and financial capacity, and operational capability. The discussion regarding affordability is presented, nonetheless, to indicate to the Commission the relationship between the proposed rates and the local economic circumstances.

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<sup>[2]</sup> See Assembly Bill 560 (Salas); Chaptered by Secretary of State on October 7, 2017 – Chapter 552, Statutes of 2017.

## Lake Alpine Water Company

### Safety Narrative for General Rate Case 2024

Lake Alpine Water Company (LAWC) meets all applicable drinking water quality standards as required by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW). The latest inspection report from July 2023 has been sent to the CPUC staff.

LAWC also meets all applicable standards from the Division of Safety of Dams (DSOD). The Reba Dam which holds Bear Lake which is LAWC's source is inspected annually by DSOD. The most recent inspection report from June 2023 has been sent to the CPUC staff.

LAWC's service area has 50 hydrants. Hydrants are flushed and inspected by the LAWC at least once a year. The Bear Valley Fire Department is a volunteer department that is not staffed to maintain the hydrants. All hydrants are draining dry barrel hydrants because of winter temperatures.

The water treatment plant is digitally monitored daily through remote SCADA log in. The plant is manually monitored at least 4 days a week and an operator is on call through SCADA alarms at all times.

LAWC has an annual training budget to allow operators to maintain their certifications and participate in local training including safety related topics such as confined space entry and chemical handling.

Lake Alpine Water Company W-148 Service List

Creekside Condo Association 1A  
Amber Watts, Manager  
[ambercreeksidecondos@gmail.com](mailto:ambercreeksidecondos@gmail.com)

Bear Valley Homeowners Association  
[paulnordic@sbcglobal.net](mailto:paulnordic@sbcglobal.net)

Alpine County Public Works  
[ichevallier@alpinecountyca.gov](mailto:ichevallier@alpinecountyca.gov)

Kayley Steinhauer, Tamarack Condo  
Association  
[hc.management@outlook.com](mailto:hc.management@outlook.com)

Bear Valley Water District  
[Jeff.Gouveia@bvwd.ca.gov](mailto:Jeff.Gouveia@bvwd.ca.gov)

Jill Wegenstein, Bear Valley Resident,  
Inc.  
[jwegenstein@gmail.com](mailto:jwegenstein@gmail.com)

Anita Taff-Rice, Attorney  
[anita@icommlaw.com](mailto:anita@icommlaw.com)

Tom MacBride, Attorney  
[tmacbride@DowneyBrand.com](mailto:tmacbride@DowneyBrand.com)

Gloria Dralla, Customer  
[gdralla@pacbell.net](mailto:gdralla@pacbell.net)

Condo Bear and Creekside Condo  
Associations  
The Management Alternative  
[dfinley@hoapro.com](mailto:dfinley@hoapro.com)

Terry Woodrow, County Supervisor  
[twoodrow@alpinecountyca.gov](mailto:twoodrow@alpinecountyca.gov)

Eric Jung, BV Real Estate and Cub  
Reporter  
[eric@bearvalleyrealestate.com](mailto:eric@bearvalleyrealestate.com)

Joel Barnett, Bear Valley Business  
Association  
[joel@bearvalleyrealestate.com](mailto:joel@bearvalleyrealestate.com)


Bruce Orvis, LAWC Co-owner  
[bporvis@juno.com](mailto:bporvis@juno.com)

Tim Schimke, Bear Valley Mountain  
Resort  
[tims@bearvalley.com](mailto:tims@bearvalley.com)

Don Schulz, LAWC Board Member  
[don@mgib.net](mailto:don@mgib.net)

I hereby certify that I have this day, February 13, 2024, served a copy of Advice  
Letter 142-W on the parties listed on the above Service List by email.

Lake Alpine Water Company, Inc.

By:   
Kimi Johnson, General Manager