



September 30, 2024

Advice Letter No. 26-W

McMor Chlorination Inc. (MCI) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW</u> <u>SHEET #</u>	<u>TITLE</u>	<u>CANCELLING</u> <u>SHEET #</u>
227-W	Schedule No. 1, General Metered Service	218-W
228-W	Schedule No. F, Facilities Fees	
229-W	Table of Contents	226-W

REQUEST

By AL 26-W, MCI 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 \$ 1,933 will not result in a rate of return which exceeds the authorized rate of return of 12.5%. Workpapers justifying this increase are enclosed.

BACKGROUND

MCI's present rates became effective January 1, 2016, through Advice Letter No. 23-W, authorized by Decision 16-08-004.

The last general rate increase became effective on October 16, 2003, pursuant to Resolution W-4431, which authorized a general rate increase of \$ 14,068, or 32.9%, and a rate of return of 12.5%.



AL #26-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 #26 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.

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

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;
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.

⁵ GO. 96-B, General Rule 7.4.1



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

On the same day the response or protest is submitted to DW, the respondent or protestant shall send a copy of the protest to McMor Chlorination Inc. at:

Mailing Address:
McMor Chlorination Inc.
Attn: Dennis Gatson
4700 District Blvd.
Bakersfield, CA 93313

Email Address:
dgatson@mmorchlor.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 served on the same day on each person who filed the protest or response to the AL.⁶

SERVICE LIST

State Water Resource Control Board
Drinking Water Division
265 W. Bullard, Ste. 101
Fresno, CA 93704

Kern County Environmental Health Services Department
2700 M Street, Ste. 300
Bakersfield, CA 93301

CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter #26-W has been served a copy of this Advice Letter on September 30, 2024.

Executed in Bakersfield, California on September 30, 2024.

By: /s/ DENNIS GATSON
Dennis Gatson
General Manager

Enclosures

⁶ GO. 96-B, General Rule 7.4.3
McMor Chlorination Inc.
Advice Letter No. 26-W

Earnings Test

McMor Chlorination, Inc. Summary of Earnings

Category	Adopted Revenue in Resolution W-4431.		Actual 2023 d	CPI Increase @3.4% on Adopted Revenue e=c*3.4%	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base
	Oct. 16, 2003 a	TY2002			(Revenues) e=a+c
Operating Revenues:					
Flat Rate					
Metered		56,844	61,312	1,933	63,245
Private Fire Protection					-
TOTAL OPERATING REVENUES		56,844	61,312	1,933	63,245
Operating Expenses:					
Purchased Water		-	32,242		32,242
Purchased Power		20,159			-
Other Volume Related Expenses		0			-
Employee Labor		-			-
Materials		0	-		-
Contract Work		10,948	22,825		22,825
Water Testing					-
Transportation Expense		0	-		-
Other Plant Maintenance		6,689			-
Office Salaries		0			-
Management Salaries		1,363	-		-
Employee Pension and Benefits					-
Uncollectibles		154			-
Office Service and Rentals		7,560	-		-
Office Supplies and Expenses		0	50		50
Professional Services		3,224	875		875
Insurance		1,728	-		-
Regulatory Compliance Expense		0	192		192
General Expenses		436	-		-
SUBTOTAL		52,261	56,184		56,184
Depreciation		462	5,554		5,554
Taxes Other than Income		837	821		821
State and Federal Income Taxes		1,173	-		-
Interest		-	2,372		2,372
TOTAL DEDUCTIONS		54,733	64,931		64,931
NET REVENUE		2,111	(3,619)		(1,686)
RATE BASE					
Average Plant		154,098	277,679		277,679
Less: Average Accumulated Depreciation		117,956	200,655		200,655
NET PLANT		36,142	77,024		77,024
Less: Advances			-		-
Contributions		23,610	-		-
Plus: Working Cash		4,355	4,682		4,682
Materials & Supplies			-		-
RATE BASE		16,887	81,706		81,706
RATE OF RETURN		12.50%	-4.43%		-2.06%
Earnings Test:		-2.06%	<	12.50%	

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 1 -inch meter	\$ 5,000	(N)
For 2-inch meter	\$ 16,000	(N)
For 3-inch meter	\$ 30,000	(N)

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. These fees shall be used only for the repair and replacement or the installation of new infrastructure.
4. These fees shall be deposited in a separate trustee account and used only upon permission of the Water Division or its successors.

(To be inserted by utility)

Advice Letter No. 26-W

Decision No. 92-03-093

Issued By

Dennis Gatson

General 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.

SUBJECT MATTER OF SHEET	P.U.C. SHEET NO.	
Title Page	219-W	
Table of Contents	229-W , 195-W	(T)
Preliminary Statements	205-W, 206-W	
Service Area Map	4-W	
Rate Schedules:		
Schedule No. 1, General Metered Service	227-W	(I)
Schedule No. 2, Flat Rate Sewer Service	39-SS	
Schedule No. LC – Late Payment Charge	176-W	
Schedule F, Facilities Fees	228-W	(N)
Schedule No. UF – PUC Reimbursement Fee	217-W	
Rules:		
No. 1 – Definitions	68-W, 69-W	
No. 2 – Description of Service	58-W	
No. 3 – Application for Service	177-W	
No. 4 – Contracts	9-W	
No. 5 – Special Information Required on Forms	178-W, 180-W	
No. 6 – Establishment and Re-establishment of Credit	12-W	
No. 7 – Deposits	181-W, 182-W	
No. 8 – Notices	150-W, 151-W	
No. 9 – Rendering and Payment of Bills	183-W, 184-W	
No. 10 – Disputed Bills	152-W, 153-W	
No. 11 – Discontinuance and Restoration of Service	185-W - 192-W	
No. 12 – Information Available to Public	23-W, 24-W	
No. 13 – Temporary Service	25-W, 26-W	
No. 14 – Continuity of Service	27-W	
No. 15 – Main Extensions	113-W - 125-W	
No. 16 – Service Connections, Meters, & Customer’s Facilities	126-W - 132-W	
No. 17 – Standards for Measurements of Service	44-W	
No. 18 – Meter Tests & Adjustment of Bills for Meter Error	45-W - 47-W	
No. 19 – Service to Separate Premises & Multiple Units and Resale of Water	86-W, 87-W	
No. 20 – Water Conservation	162-W	
No. 21 – Fire Protection	163-W	

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