

**Attachment 3**  
**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**WATER DIVISION**  
**Advice Letter Cover Sheet**

<b>Utility Name:</b>	Sonoma Springs Water Company / Morton's Warm Springs PUC	<b>Date Mailed to Service List:</b>	N/A
<b>District:</b>	Sonoma	<b>Protest Deadline (20th Day):</b>	N/A
<b>CPUC Utility #:</b>	4900533	<b>Review Deadline (30th Day):</b>	N/A
<b>Advice Letter #:</b>	20W	<b>Requested Effective Date:</b>	4/1/23
<b>Tier:</b>	<b>X1</b> <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Rate Impact (Annual):</b>	\$755 3.4%
<b>Authorization:</b>	D.92-03-093		
<b>Description:</b>	2023 CPI Adjustment		

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:** Sean Wadsworth  
**Phone:** 805-459-9121  
**Email:** sean@mortonswarmsprings.com

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

<b>DWA USE ONLY</b>		
<u>DATE</u>	<u>STAFF</u>	<u>COMMENTS</u>

**Attachment 2**  
**SONOMA SPRINGS WATER COMPANY /**  
**MORTON'S WARM SPRINGS PUC**

1651 Warm Springs Road, Glen Ellen, CA 95442

805-459-9121

sean@mortonswarmsprings.com

February 20, 2023

Advice Letter No. 20W Tier 1

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Sonoma Springs Water Company / Morton's Warm Springs PUC (4900533) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheet which is enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
160-W	Schedule No. 1	156-W
159-W	Table of Contents	158-W

**REQUEST**

By AL 20W, Sonoma Springs Water Company / Morton's Warm Springs PUC 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 annual revenue increase of \$755 would increase the current rate of margin from -11% to -5% and thus will not result in a rate that exceeds the authorized rate of margin of 24%. Work papers justifying this increase are enclosed.

**BACKGROUND**

The present rates became effective on July 30, 2009, pursuant to Decision 92-03-093, which authorized an offset (CPI) rate increase of 3.4%.

As stated, the last general rate increase became effective on July 30, 2009, pursuant to Resolution W-4777, which authorized a general rate increase of 100.1%, and a rate of margin of 24%.

AL 20W 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 20W is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.<sup>6</sup>

**NOTICE**

This AL does not require notice;<sup>7</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>8</sup> A copy of this AL has been served to all parties listed on the service list<sup>9</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>10</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 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.

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<sup>6</sup>GO. 96-B, Water Industry Rule 7.3.1 <sup>7</sup>GO. 96-B, General Rule 4.2 <sup>8</sup>GO. 96-B, General Rule 3.2 <sup>9</sup>GO. 96-B, Water Industry Rule 4.1 <sup>10</sup>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 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 the Water Division, the respondent or protestant shall send a copy of the protest to Sean Wadsworth at:

**Email Address:**

sean@mortonswarmsprings.com

**Mailing Address:**

1651 Warm Springs Road, Glen Ellen, CA 95442

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. Any 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 on each person who filed the protest or response to the AL.<sup>11</sup>

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<sup>11</sup> GO. 96-B, General Rule 7.4.3

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**SERVICE LIST**

Metered residences (21)

I hereby certify that the above service list will be informed of the increase in dollar and percentage terms by bill insert, in the first bill that includes the increase, as required by Resolution W-4664, Ordering Paragraph 3. Executed in Glen Ellen, California on the 20<sup>th</sup> of February, 2023.

Sonoma Springs Water Company /  
Morton's Warm Springs PUC

By: \_\_\_\_\_



Sean Wadsworth

Owner/Operator

## **Attachment 4**

### ***Excerpt from Standard Practice U-27-W***

#### **I – EARNINGS TESTS**

65. Class B, C and D utilities requesting a CPI offset must pass an earnings test. This test involves the following:
- a. If the last General Rate Case authorized a rate of return, create a recorded Summary of Earnings and compare the adopted rate of return to the recorded rate of return. Using the Summary of Earnings increase the most recent adopted revenues by the CPI percentage and recalculate the rate of return. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase.
  - b. If the last General Rate Case authorized a return on margin, calculate the recorded return on margin by taking  $1 - \text{Operating Ratio}$ , where Operating Ratio is equal to Recorded Operating Expenses (operations and maintenance expenses, annual depreciation on non-contributed facilities, amortization of multiyear expenses and applicable taxes: income taxes, property taxes, taxes other than income, payroll taxes) divided by the most recent adopted Operating Revenues increased by the CPI. Compare this percentage to the authorized return on margin percentage. If the new return exceeds authorized, the utility will only be eligible for part or none of the increase.
66. If the earnings test shows that the utility is over-earning, adjust the requested amount by the over-earning amount.

## **Attachment 1**

**Sonoma Springs Water Company / Morton's Warm Springs PUC**

**Summary of Earnings**

**Earnings Test Calculation**

Category	Most Recent Adopted in Resolution W-4777,	Actual 2023	CPI Adjustment @ 3.4% on Recent Adopted Revenue Only	Revenue After CPI Increase, Actual Expenses, & Actual Rate Base
	a	b	c = a * 3.4%	(Revenues) d = b + c
<b>Operating Revenues:</b>				
Flat Rate	7,729	7,729	263	7,992
Metered	14,475	7,262	492	7,754
<b>TOTAL OPERATING REVENUES</b>	<b>22,204</b>	<b>14,991</b>		<b>15,746</b>
<b>Operating Expenses:</b>				
Purchased Power	850	3,600		3,600
Other Volume Related Expenses	0	0		0
Employee Labor	2,400	0		0
Materials	500	458		458
Contract Work	4,524	7,401		7,401
Transportation Expense	400	0		0
Other Plant Maintenance	300	0		0
Office Salaries	0	0		0
Management Salaries	2,400	0		0
Employee Pensions and Benefits	0	0		0
Uncollectable Expense	0	0		0
Office Supplies Expense	784	66		66
Professional Services	1,000	1,800		1,800
Insurance	1,500	0		0
Regulatory Commission Expense	0	940		940
General Expense	300	826		826
<b>SUBTOTAL</b>	<b>14,958</b>	<b>15,091</b>		<b>15,091</b>
Depreciation Expense	1,007	1517		1517
Taxes Other Than Income Taxes	726	0		0
Income Taxes	1,507	0		0
<b>TOTAL DEDUCTIONS</b>	<b>18,198</b>	<b>16,608</b>		<b>16,608</b>
<b>NET REVENUE</b>	<b>4,006</b>	<b>-1,617</b>		<b>-862</b>
<b>RATE OF MARGIN PERCENT</b>				
Actual ROM % = 1-(Operating Expenses/Operating Revenues) * 100	24%	-11%		-5%



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:

Subject Matter of Sheet	Cal. P.U.C. Sheet No.
Title Page	95-W
Table of Contents	155-W, 149-W (T)
Preliminary Statement	4-W, 5-W, 151-W, 152-W (N)
Service Area Map	6-W
Rate Schedules:	
Schedule 1. Metered Service	160-W
Schedule UF, Surcharge to Fund PUC Reimbursement Fee	154-W
Schedule LC, Late Payment Charge	147-W
Rules:	
No. 1 Definitions	8-W, 9-W
No. 2 Description of Service	10-W
No. 3 Application for Service	104-W
No. 4 Contracts	11-W
No. 5 Special Information Required on Forms	105-W – 107-W
No. 6 Establishment and Re-establishment of Credit	16-W
No. 7 Deposits	108-W, 109-W
No. 8 Notices	110-W, 111-W
No. 9 Rendering and Payment of Bills	112-W, 113-W
No. 10 Disputed Bills	114-W, 115-W
No. 11 Discontinuance and Restoration of Service	116-W – 123-W
No. 12 Information Available to Public	34-W, 35-W
No. 13 Temporary Service	36-W, 37-W
No. 14 Continuity of Service	38-W
No. 14.1 Water Conservation and Rationing Plan	
No. 15 Main Extensions	124-W – 136-W
No. 16 Service Connections, Meters, and Customer Facilities	137-W – 143-W
No. 17 Standards for Measurement of Service	59-W
No. 18 Meter Tests and Adjustment of Bills for Meter Error	60W – 62-W
No. 19 Service to Separate Premises and Multiple Units, And Resale of Water	63-W, 64-W
No. 20 Water Conservation	65-W
No. 21 Fire Protection	144-W

(To be inserted by utility)

*Issued By*

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

Advice Letter No. AL 20W

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

Decision No. M-4841

**SEAN WADSWORTH**

Effective \_\_\_\_\_

**(OWNER/OPERATOR)**

Resolution No. M-4841

**Schedule No. 1**

**METERED SERVICE**

APPLICABILITY

Applicable to all metered service.

TERRITORY

In the subdivision known as Morton's Warm Springs Resort, located 2-1/2 miles south of Kenwood, Sonoma County, California.

RATES

Quantity Rates:

All water, per 1000 gallons	\$7.185	(I)
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Service Charge:

	<u>Per Meter</u>	
	<u>Per Month</u>	(C)
For 5/8 x 3/4-inch meter	\$31.71	(I)
For 3/4-inch meter	\$46.02	(I)
For 1-inch meter	\$76.69	(I)
For 1-1/2-inch meter	\$153.37	(I)
For 2-inch meter	\$245.39	(I)

The service charge is a readiness-to-serve charge, which is applicable to all metered service and to which is added the charge for water computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule UF.

(To be inserted by utility)

*Issued By*

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

Advice Letter No. AL 20W

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

Decision No. 92-03-093

**SEAN WADSWORTH**

Effective \_\_\_\_\_

**(OWNER/OPERATOR)**

Resolution No. W-4493