



# CALIFORNIA UTILITIES SERVICE, INC.

A California Corporation

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April 29, 2024

ADVICE LETTER NO. 90

CALIFORNIA UTILITIES SERVICE, INC (U 418-S)

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California Utilities Service, Inc. (CUS) hereby transmits for filing the following tariff schedules, which are attached hereto:

<u>CPUC SHEET NO.</u>	<u>TITLE OF SHEET</u>	<u>CANCELING CPUC SHEET NO.</u>
392-SS	Schedule No. 1, General Flat Rate Service	385-SS
393-SS	Schedule No. 2, Inclusion Fees	386-SS
394-SS	Table of Contents	391-SS

The present rates of California Utilities Service, Inc. became effective on April 1, 2023, pursuant to Advice Letter No. 87, which adopted a CPI-U offset of \$129,863. The last general rate increase became effective on August 18, 2010 pursuant to Resolution No.W-4837, which authorized a general rate increase of \$723,777 or 88.4%, and a return based on a rate of margin of 21.7%.

These tariffs are submitted pursuant to Ordering Paragraph No. 1 of Decision No. 92-03-093, dated March 31, 1992, Ordering Paragraph No. 2 of Resolution W-4493, dated September 2, 2004, and Ordering Paragraph No. 1 of Resolution W-4540, dated June 16, 2005. This Decision and two Resolutions authorize Class B, Class C and Class D water and sewer utilities to file once each year by Advice Letter for an increase over the prior year's adopted revenue, based on the most recent year end increase in the Consumer Price Index (CPI). The increased cost is to be passed on to the utility's customers in their quantity as well as service charge rates. The above-referenced Decision and Resolutions authorize California Utilities Service, Inc. to file the attached rate schedules and to concurrently withdraw and cancel its present schedules for such service.

By Advice Letter No. 90, California Utilities Service, Inc. requests permission to increase its present monthly flat rates by \$72,343 or 3.4% annually and inclusion fees by 3.4%, due to the 2023 CPI-U of 3.4% as authorized by the letter from Bruce DeBerry, Program Manager Water Division, dated February 1, 2024 and titled "Rate Adjustments due to CPI-U for 2023." This

increase of projected revenues will not result in a rate of margin which exceeds the authorized rate of margin of 21.7%. Workpapers justifying this increase have been provided to the CPUC Water Division staff.

This filing is made under the provisions of General Order No. 96-B.

This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

### **Requested Effective Date**

This filing is a Tier 1 Advice Letter and may be effective the day it is filed, therefore, CUS respectfully requests that the effective date of this increase be April 30, 2024.

### **Notice**

In compliance with Section 4.3 of General Order No. 96-B, a copy of this advice letter has been mailed to all parties listed on the enclosed service list. In conformance with Resolution W-4664, Ordering Paragraph 3, California Utilities Service, Inc. will provide notice to its customers of the increase in dollar and percentage terms with the first bill that includes the increase.

### **Protests and Responses:**

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 shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Water Division within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Water Division, 3rd floor  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

On the same date the response or protest is submitted to the Water Division, the respondent or protestant shall send a copy of the protest by mail or e-mail to us, addressed to:

California Utilities Service, Inc.  
249 Williams Road  
Salinas, CA 93905  
Fax: (831) 424-0611

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Water Division, 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 the Division of Water and Audits 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.

California Utilities Service, Inc.

By:           /s/ Thomas R. Adcock            
Thomas R. Adcock  
President

Attachments

Schedule No. 1  
GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all sewer service.

TERRITORY

An area midway between the cities of Salinas and Monterey. In the vicinity of and along State Highway 68, Monterey County.

RATES

Per Month

All sewer service rates per each Equivalent Dwelling Unit (EDUs),		
except as follows.....	\$ 163.62	(I)
Toro Park School.....	2,337.01	(I)
Corral de Tierra Country Club.....	1,586.44	(I)

SPECIAL CONDITIONS

1. Bills will be rendered in advance of the period for which service will be provided.
2. The above rates for individual-named customers are based upon an equivalent number of EDUs. Customers so classified may appeal the classification to the Commission under the provisions of Rule No. 10, Disputed Bills.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. A late charge will be imposed per Schedule No. LC.
5. In accordance with Section 2714 of the Public Utilities Code and PUC Resolution No. 3976, if a tenant in a rental unit leaves owing the utility, service to subsequent tenants in that unit will, at the Utilities option, be furnished on the account of the landlord or property owner.

(To be inserted by utility)  
 Advice Letter No. 90

*Issued by*  
 Thomas R. Adcock  
 NAME  
 President  
 TITLE

(To be inserted by Cal. P.U.C.)  
 Date Filed \_\_\_\_\_

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

Effective \_\_\_\_\_

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

Schedule No. 2

**INCLUSION FEES**

APPLICABILITY

All new sewer connections to the utility’s sewer system calculated in EDUs and any increased loading or potential increased loading to the utility’s sewer system from an existing sewer connection calculated in EDUs, served by California Utilities Service, Inc. in its service area located midway between the cities of Salinas and Monterey, Monterey County.

INCLUSION FEES

PER EQUIVALENT  
DWELLING UNIT (EDU)

Real Estate Developers, Builders and Individuals \$10,570.29 (I)

Individuals owning a single lot within the service area that existed prior to May 13, 1987 and needing only a single residential sewer connection for Single Family Residential Service \$ 1,134.36 (I)

Real Estate Developer or Builder, for the purposes of these tariffs, shall include, but not be limited to, any person, firm, organization, corporation, company, association, sole proprietorship, partnership, limited liability partnership, limited liability company, trust, institution, municipality, other civic body, their lessees, trustees, receivers or trustees appointed by any court whatsoever that at any time divided a parcel of land within the service area of this utility into two or more portions or that develops property by preparing a site for residential or commercial use.

Each customer or applicant requesting connection to the utility’s sewer system shall pay the utility, California Utilities Service, Inc., an Inclusion Fee, as described above, per EDU and any fraction thereof greater than the required minimum of one EDU, as a pro rata share of the estimated cost of sewage treatment plant construction. The number of EDUs to be assessed for the Inclusion Fee per connection shall be determined by the utility using the definitions provided in Tariff Rule No.1 for each type of service to be rendered.

All connections to the utility’s sewer system shall be charged a minimum Inclusion Fee of at least one EDU.

(continued)

(To be inserted by Utility)  
Advice Letter No. 90

*Issued by*  
Thomas R. Adcock  
NAME  
President  
TITLE

(To be inserted by Cal. P.U.C.)  
Date Filed                     

Decision No.                     

Effective                     

Resolution No.







CALIFORNIA UTILITIES SERVICE, INC.  
ADVICE LETTER NO. 90  
SERVICE LIST  
(AS PER SECTION 7.2 OF GENERAL ORDER NO. 96-B)

Via First Class United States Mail and Via E-mail:

Bruce DeBerry  
Water Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
[water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov)

Via United States Mail, w/out attachments:

California-American Water Company  
4701 Beloit Drive  
Sacramento, CA 95838-2434

County Clerk  
County Administrative Office  
168 West Alisal Street, 1st Floor  
Salinas, CA 93901

California Utilities Service, Inc.  
Advice Letter No. 90  
Summary of Earnings  
Year 2023

	Adopted	CPI Increase 2011-2022* A.L.'s 48, 49, 51, 53, 58, 61, 64, 70, 76, 81, 84, 87	Adopted Rate Base Offset		Actual	CPI Increase	Increased
	Res. 4837	84, 87	Res. 4837	Total	2023	at 3.4%	Revenue
<b>Operating Revenues:</b>							
Flat Rate	1,542,182	556,786	28,780	2,127,748	2,216,955	72,343	2,289,298
Metered	-	-	-	-	-	-	-
Other Water Revenue - CPUC Reim Acct	-	-	-	-	18,115	-	18,115
	<u>1,542,182</u>	<u>556,786</u>	<u>28,780</u>	<u>2,127,748</u>	<u>2,235,070</u>	<u>72,343</u>	<u>2,307,413</u>
<b>Operating Expenses</b>							
Purchased Water	-			-	-		
Purchased Power	55,196			55,196	114,089		114,089
Purchased Chemicals	-			-	-		-
Other Volume Related Expenses	6,617			6,617	2,360		2,360
Employee Labor	242,373			242,373	244,614		244,614
Materials	10,810			10,810	29,423		29,423
Contract Work	62,519			62,519	242,484		242,484
Transportation Expense	136,188			136,188	119,911		119,911
Other Plant Maintenance Expense	45,421			45,421	76,354		76,354
Office Salaries	80,311			80,311	225,310		225,310
Management Salaries	35,000			35,000	184,744		184,744
Employee Pension and Benefits	195,435			195,435	307,791		307,791
Uncollectibles	2,622			2,622	-		-
Office Service & Rentals	3,000			3,000	20,929		20,929
Office Supplies & Expenses	37,619			37,619	40,989		40,989
Professional Services	12,595			12,595	170,470		170,470
Insurance	104,746			104,746	108,286		108,286
Regulatory Commission Expense	600			600	18,115		18,115
General Expenses	4,424			4,424	16,113		16,113
Total Operating Expenses	<u>1,035,476</u>			<u>1,035,476</u>	<u>1,921,982</u>		<u>1,921,982</u>
<b>Deductions</b>							
Depreciation	43,424		16,670	60,094	36,806		36,806
Property Tax	21,900		6,368	28,268	20,401		20,401
Payroll Tax	22,907			22,907	38,066		38,066
Taxes Other Than Income	30,844		576	31,420	40,623		40,623
Total Deductions	<u>119,075</u>		<u>23,614</u>	<u>142,689</u>	<u>135,895</u>		<u>135,895</u>
<b>Total Expenses including Deductions</b>	<b>1,154,551</b>		<b>23,614</b>	<b>1,178,165</b>	<b>2,057,877</b>		<b>2,057,877</b>
<b>Net income before taxes</b>	<b>387,631</b>		<b>5,166</b>	<b>392,797</b>	<b>177,193</b>		<b>249,536</b>
State Income Taxes	34,266		320	34,586	16,937		16,937
Federal Income Taxes	120,144		1,230	121,374	36,679		36,679
<b>Net Revenue</b>	<u>233,221</u>		<u>3,616</u>	<u>236,837</u>	<u>123,577</u>		<u>195,920</u>
<b>Achieved Rate of Margin</b>	<u>21.7%</u>			<u>21.7%</u>	<u>6.3%</u>		<u>10.0%</u>
Operating Expenses and Depreciation	1,078,900			1,095,570	1,958,788		1,958,788
Net Income	233,221			236,837	123,577		195,920
Rate of Margin	<u>21.7%</u>			<u>21.7%</u>	<u>6.3%</u>		<u>10.0%</u>

**Note:** 2011 CPI increase was \$46,263, 2012 CPI increase was \$27,493, 2013 CPI increase was \$24,671, 2014 CPI Increase was \$13,355, 2015 CPI increase was \$11,779, 2016 CPI Increase was \$35,585, 2017 CPI Increase was \$36,332, 2018 CPI Increase was \$33,562, 2019 CPI Increase was \$41,400, 2020 CPI Increase was \$25,780, 2021 CPI Increase was \$130,703, 2022 CPI Increase was \$129,863. CPI increase was approved by AL's 48, 49, 51, 53, 58, 61, 64, 70, 76, 81, 84, 87 respectively.