CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS

Advice Letter Cover Sheet

Utility Name:	Cypress Ridge Sewer Company	Date Mailed to Service List:	June 19, 2024
CPUC Utility #:	SWR 311	Protest Deadline (20 th Day):	July 8, 2024
Advice Letter #:	44-S	Review Deadline (30 th Day):	July 18, 2024
Tier	⊠1 □2 □3 □ Compliance	Requested Effective Date:	June 19, 2024
Authorization	D.92-03-093		
Description:	2023 CPI Adjustment	Rate Impact:	\$19,230 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:	Eric Sweeney	Utility Contact 2:
Phone:	805-473-3661	Phone 2:
Email:	cypressridgewwtp@gmail.com	Email 2:

DWA Contact: Tariff Unit

Phone: (415) 703-1133

Email: Water.Division@cpuc.ca.gov

		DWA USE ONLY
DATE	<u>STAFF</u>	COMMENTS
7/15/2024	Evan Chang	Recommend approval of AL 44-S. Earning test confirms 9.57 %
		rate margin after 3.4% rate increase.
X APPROVEI)	[]WITHDRAWN []REJECTED
Signature	/s/Wilson Tsai	Comments: Approved with effective date of June 19, 2024
Dates	7/17/24	

P.O. Box 745, Grover Beach, CA 93483 805-473-3661

June 19, 2024

Advice Letter No. 44-S

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Cypress Ridge Sewer Company (CRSC) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

NEW SHEET #	TITLE	CANCELLING SHEET #
252-SS	Schedule No. 1, Residential Flat Rate Service	242-SS
253-SS	Schedule No. 2, Commercial Flat Rate Service	243-SS
254-SS	Table of Contents	251-SS

REQUEST

By AL 44-S, CRSC 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. This projected revenue increase of \$ 19,230 will not result in a rate of margin which exceeds the authorized rate of margin of 18.69%. Work papers justifying this increase are enclosed.

BACKGROUND

The present rates became effective on August 15, 2022, by approval of AL No. 40-S, which implemented a Consumer Price Index increase of \$37,001 or 7%.

The last general rate increase became effective on April 5, 2019, pursuant to Resolution W-5187, which authorized a general rate increase of \$46,657, or 9.12%, and a rate of margin of 24% for test year 2018. The resolution was subsequently modified in Decision 20-07-036 on July 17, 2020. Ordering Paragraph No. 3 of the Decision required CRSC to file AL 39-S to vacate the income taxes which resulted in a general rate decrease of \$36,447 or -6.53% and a new rate of margin of 18.69%.

AL 44-S 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.

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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 44-S is designated as a Tier 1 AL and the enclosed tariff sheets will become effective upon filing.¹

<u>NOTICE</u>

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.

RESPONSE OR PROTEST⁵

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 GO. 96-B, Water Industry Rule 7.3.1

² GO. 96-B, General Rule 4.2

³ GO. 96-B, General Rule 3.2

⁴GO. 96-B, Water Industry Rule 4.1

⁵ GO. 96-B, General Rule 7.4.1

P.O. Box 745, Grover Beach, CA 93483 805-473-3661

- 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 (<u>or</u> postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

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

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to CYPRESS RIDGE at:

Mailing Address: Cypress Ridge Sewer Company Email Address: cypressridgewwtp@gmail.com

P.O. Box 745, Grover Beach, CA 93483 805-473-3661

Attn: Eric Sweeney P.O. Box 745 Grover Beach, CA 93483

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.

SERVICE LIST

Recipient 1 Thomas J. MacBride Jr.* tmacbride@downeybrand.com

Recipient 2 Ron Green* rgreen2275@charter.net

Recipient 3 David Rodgers* dorodgers79@gmail.com

Recipient 3 Rick Ellison* rick.ellison1@gmail.com

Recipient 4 Cypress Ridge Sewer Co* cypressridgewwtp@gmail.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of Advice Letter 44-S on the parties listed on the above Service List by mailing a properly addressed copy by first class mail with postage prepaid or by email to those marked with an asterisk (*).

Cypress Ridge Sewer Company P.O. Box 745, Grover Beach, CA 93483 805-473-3661

Executed in Arroyo Grande, California on June 19, 2024.

Cypress Ridge Sewer Company

By: <u>/s/ ERIC SWEENEY</u> Eric Sweeney General Manager

Earnings Test

2023 CPI Rate Adjustment

Cypress Ridge Sewer Company

Summary of Earnings

Category	AL 39A-S 20-07-036 a		AL 40-S b	т	otal Adopted Rates c=a+b	Ac	tual 2023 d	@ A Rev	l Increase 93.4% on adopted enue Only =c*3.4%	CF Actu	venue After Pl Increase, Ial Expenses, Actual Rate Base f=d+e
Operating Revenues:											
Flat Rate	521,953		37,001	Ş	558,954	\$	589,907	Ş	19,004	Ş	608,911
Metered											
Private Fire Protection											
TOTAL OPERATING REVENUES	\$ 521,953	Ş	37,001	Ş	558,954	\$	589,907	Ş	19,004	Ş	608,911
Operating Expenses:											
Purchased Water											
Purchased Power	\$ 32,086					\$	38,454			\$	38,454
Other Volume Related Expenses	\$ 10,374					\$	14,477			\$	14,477
Employee Labor	\$ 167,997					\$	226,458			\$	226,458
Materials	\$ 13,089					\$	43,407			\$	43,407
Contract Work	\$ 54,255					\$	70,854			\$	70,854
Transportation Expense	\$ 2,500					\$	7,046			\$	7,046
Other Plant Maintenance	\$ 1,355					\$	2,113			\$	2,113
Office Salaries	\$ -									\$	-
Management Salaries	\$ 10,000					\$	10,000			\$	10,000
Employee Pension and Benefits	\$ 14,564					\$	21,284			\$	21,284
Uncollectibles	\$ 1,000					\$	950			\$	950
Office Services and Rentals	\$ 5,529					\$	10,178			\$	10,178
Office Supplies and Expenses	\$ 3,675					\$	4,317			\$	4,317
Professional Services	\$ 35,000					\$	9,985			\$	9,985
Insurance	\$ 17,964					\$	23,853			\$	23,853
Regulatory Compliance Expense	\$ 7,500					\$	4,613			\$	4,613
General Expenses	\$ 17,000					\$	26,785			\$	26,785
SUBTOTAL	\$ 393,888					\$	514,774			\$	514,774
Depreciation	12,703					\$	20,137			\$	20,137
Taxes Other Than Income	\$ 16,338					\$	22,006			\$	22,006
State and Federal Income Taxes	\$ 1,463					\$	800			\$	800
Interest	\$ -										
TOTAL DEDUCTIONS	\$ 424,392					\$	557,717			\$	557,717
NET REVENUE	\$ 97,561					\$	32,190			\$	51,194
RATE BASE											
Average Plant	\$ 5,179,323					Ś	5,372,491			\$	5,372,491
Less: Average Accumulated Depreciation	\$ 2,284,979						3,149,058			\$	3,149,058
NET PLANT	\$ 2,894,344						2,223,433			\$	2,223,433
Less: Advances	\$ _,,					\$	-,,			\$	_,,
Contributions	\$ 2,606,738						1,748,007			\$	1,748,007
Plus: Working Cash	\$ -					\$	42,898			\$	42,898
Materials & Supplies	\$ 13,925					\$	27,545			\$	27,545
CWIP	\$ -					\$	-			\$	-
RATE BASE	\$ 301,531					\$	545,869			\$	545,869
RATE OF MARGIN	18.69%						5.78%				9.57%

 Earnings Test:
 9.57%
 <</th>
 18.69%

Schedule No. 1

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential sewer service.

TERRITORY

Cypress Ridge, within Tract # 1933, and including Golf Course Complex, San Luis Obispo County.

RATES

	Per Connection Per Month	<u>n</u>
For all residential sewer service	\$129.15	(I)

SPECIAL CONDITIONS

- 1. A late charge will apply per Schedule No. LC.
- 2. Bills will be rendered in advance of the period for which service will be provided.
- 3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

(D)

(To be inserted by utility)	Issued By	(To be inserted by P.U.C.)
Advice Letter No. 44-S	Kathy Baker	Date Filed
Decision No. <u>92-03-093</u>	President	Effective
		Resolution No.

Schedule No. 2

COMMERCIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential sewer service.

TERRITORY

Cypress Ridge, within Tract # 1933, and including Golf Course Complex, San Luis Obispo County.

RATES:

	Per Connection Per Month	
For Golf Pro Shop	\$129.15	(I)
For Golf Maintenance Facility		(I)
For Commercial/Office Facility	\$129.15	(I)
For Pavilion	\$129.15	(I)

SPECIAL CONDITIONS

1.	A late charge will apply per Schedule No. LC.	(T)
2.	Bills will be rendered in advance of the period for which service will be provided.	(T)
3.	All bills are subject to the reimbursement fee set forth on Schedule No. UF.	(T)
		(D)

(To be inserted by utility	(To	be	inserted	by	utility)
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Advice Letter No. <u>44-S</u>

Decision No. <u>92-03-093</u>

Issued By Kathy Baker President (To be inserted by P.U.C.)

Date Filed	
Effective	
Resolution No.	

San Luis Obispo County

P.U.C. Sheet No. 254-SS

Cancelling 251-SS

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(To be inserted by utility)

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