STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Dear Class D Water Company Representative:

Enclosed you will find the newest version of the **Informal Rate Change Workbook** for Class D water companies. It has been simplified and streamlined to make the informal general rate case (I-GRC) process easier on the small company. Its primary focus is to make an *estimate* of revenues necessary to run the water company. This workbook replaces the former Class D workbook. You may use either version to apply for a general rate increase.

For the purposes of this filing, use 13.40% for the requested return on Line 20 of page 2 of the workpapers.

In order to be eligible to file a GRC, you must be up-to-date in submitting your Annual Reports (as required by State law). Use your latest annual report to fill out the workpapers.

Once you have completed and submitted your workpaper packet, Water Branch will review your filing and assign staff to work with you. At the time staff is assigned, you will be contacted by that staffperson to arrange for a public meeting and a field investigation of your system.

If you have any questions about the forms or general rate increase filings, please call me at (415) 703-1739.

Sincerely,

FRED L. CURRY, Chief
Water Branch
Water Division

Enclosures

(Rev: 04/05)

CALIFORNIA PUBLIC UTILITIES COMMISSION

INFORMAL RATE CHANGE WORKPAPERS
For Class D Water Utilities
Regulated by the CPUC

Workpapers for rate increases (decreases)

WATER UTILITY NAME:_____

Name of Contact Person:_____

ADDRESS OF UTILITY: _____
Street, P.O. Box and/or suite number

_____
City and Zip Code

PHONE NUMBER
of Contact Person: ( ) _____

Requested:

Increase (decrease) _____ (May not be more than Worksheet Page 1, Line 33)
dollar amount

_____ (May not be more than Worksheet Page 1, Line 34)
percent

INSTRUCTIONS:

1. Have your latest annual report available.
2. Obtain a copy of your utility's latest GRC resolution or decision. (Water Branch will provide you a copy upon request)
3. Collect the information requested on the Standard Data Request Form.
4. Complete the entries in column A of page 1, using Schedule F of your latest annual report.
5. **Do not include SDWBA surcharge funds or PUC reimbursement funds collected under Schedule UF.**
6. Complete page 2 using adopted quantities from the last GRC and the dollar value of investments made since the last GRC as recorded in your annual reports since the last GRC.
7. Using the proposed net revenue from page 2, estimate income tax using page 3
8. Complete the remainder of page 1. **In choosing a Test Year, use the current calendar year if you file between January and June or the following year if you file between July and December.** If any test year estimate differs sharply from the last recorded value, please include an explanation on a separate sheet.

STANDARD DATA REQUEST

This is the standard data request enclosed with the informal rate change workbook. The information requested herein is necessary for the staff to evaluate a rate increase request, so we are requesting it at the outset of the process. Please provide the filled-in forms and the following information if applicable. Call the Water Division at (415) 703-1739 if you have any questions.

1. Copies of electric bills for the last twelve months;
2. Copies of purchased water bills for the last twelve months;
3. Employee salary records (or wage rates and hours worked) and job descriptions for all employees;
4. A copy of the latest liability, auto, and worker's compensation insurance premium bills;
5. A summary of property, payroll, and franchise taxes with copies of the latest tax statements;
6. A statement of whether the utility expects to require major changes in operating expense or plant investment due to water quality regulation and what those changes will consist of;
7. A statement of needed or completed major repairs; and
8. Any changes to rate structures you wish to propose in this rate case.

Line	Acct	Column / Operating Revenue	A 20__ annual report	B Is this a typical value? (If no, please attach explanation)	C 20__ Test Year Estimate (present rates)
1	460	Unmetered water revenue		yes☐ no☐	
2	462	Fire protection revenue		yes☐ no☐	
3	465	Irrigation revenue		yes☐ no☐	
4	470	Metered water revenue		yes☐ no☐	
5	480	Other water revenue		yes☐ no☐	
6		Total Revenue			
7		**Operating Expenses**			
8	610	Purchased Water		yes☐ no☐	
9	615	Power		yes☐ no☐	
10	618	Other volume related expenses		yes☐ no☐	
11	630	Employee labor		yes☐ no☐	
12	640	Materials		yes☐ no☐	
13	650	Contract work (excluding water testing)		yes☐ no☐	
14		Water testing portion of contract work		yes☐ no☐	
15	660	Transportation expenses		yes☐ no☐	
16	664	Other plant maintenance		yes☐ no☐	
17	670	Office salaries		yes☐ no☐	
18	671	Management salaries		yes☐ no☐	
19	674	Employee pensions & benefits		yes☐ no☐	
20	676	Uncollectibles expense		yes☐ no☐	
21	678	Office services and rentals		yes☐ no☐	
22	681	Office supplies and expenses		yes☐ no☐	
23	682	Professional services		yes☐ no☐	
24	684	Insurance		yes☐ no☐	
25	688	Regulatory Commission expense		yes☐ no☐	
26	689	General expenses		yes☐ no☐	
27		Total Operating Expenses (sum of Lines 8 thru 26)			
28	403	Depreciation expense		yes☐ no☐	
29	408	Taxes other than income taxes		yes☐ no☐	
30	409	Income tax on proposed net income (From Page 3, Line 4 **OR** Line 6 **OR** Line 8)			
31		Total Expenses at proposed rates (Lines 27 +28 + 29 + 30)			
32		Net Income (From Page 2, Line 21)			
33		Total Revenue Requirement (Line 31 + Line 32)			
34		Net Change in Revenue (Column C, Line 33 **minus** Column C, Line 6)			
35		Percent Change in Revenue (Column C, Line 34 divided by Column C, Line 6)			

	Column	A	B	C	D
line					Amount
1	Last Approved Rate Base	Authorized By Res._____ or Dec. _____.			
2	Changes to ratebase by Year				
3	Year	New Plant Investment	Contributed or Advanced Portion	OPTIONAL: Depreciation Accrual *	Net Rate Base Change (Col A-Col B - Col C)
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	Test Year Proposed				

19	Test Year Estimated Ratebase (Sum of entries in Column D)	
20	Requested Rate of Return (use rate provided in cover letter)	
21	Net Income (Line 19, Col. D multiplied by Line 20, Col. D)	

Copy to Page 1, Line 32

* **NOTE: The ratebase you are calculating is an approximation. Unless you have accurate records of depreciation accrual since the last GRC, you should enter -0- in Column C. This omission is made to simplify filing. The Commission's staff will calculate actual depreciation reserve and rate base during its investigation.**

Facilities Fees. A Facilities Fee is a connection charge for new customers that can be used to build new infrastructure or replace or repair existing infrastructure. Franchise fee revenues are not to be used for O&M expenses and cannot be booked to retained earnings.

Do your want a Franchise Fee? Yes ____ No ____. If so, how much? $_____.

Income Tax Calculations

(USE EITHER A, B, or C, DEPENDING ON YOUR NET INCOME, PAGE 2, LINE 21)

METHOD A

TO BE USED IF NET INCOME (PAGE 2, LINE 21) IS LESS THAN $6,630

1	Net Income (Page 2, Line 21)		
2	Federal Tax (=Net Income X 0.177)		
3	State Tax	800	
4	Total Tax (= Federal Tax + State Tax)		Transcribe to Page 1, Line 30

OR

METHOD B

TO BE USED IF NET INCOME (PAGE 2, LINE 21) IS BETWEEN $6,630 and $38,500

5	Net Income (Page 2, Line 21)		
6	Total Tax (= Net Income X 0.291)		Transcribe to Page 1, Line 30

OR

METHOD C

TO BE USED IF NET INCOME (PAGE 2, LINE 21) IS ABOVE $38,500

7	Net Income (Page 2, Line 21)		
8	Total Tax (= Net Income X 0.313)		Transcribe to Page 1, Line 30