

PROPOSED RESOLUTION

RES. W-4967
DWA/RSK/BMD/KCB/ds4

AGENDA ID #12697
ITEM #7
(Rev. 2) 2/20/2014 10:00 A.M.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION W-4967
February 27, 2014

RESOLUTION

**(RES. W-4967) DEL ORO WATER COMPANY,
TULARE DISTRICT (FORMERLY EAST PLANO
AND GRANDVIEW DISTRICTS) ORDER
AUTHORIZING AN INTERIM GENERAL RATE
INCREASE, SUBJECT TO REFUND, OF \$3,705 OR
5.70% IN TEST YEAR 2013.**

SUMMARY

Del Oro Water Company (DOWC) filed Advice Letters 333 and 335 on April 24, 2012 for its East Plano and Grandview Districts seeking to increase its rates for water service to recover increased operating expenses. DOWC also requests to consolidate the two districts and place them under the same rate schedule. DOWC simultaneously filed Advice Letters 332 and 334 which sought interim rate increases of 3.0%, subject to refund.

DOWC's requested additional revenues of \$16,099, or an increase of 24.8%, in Test Year 2012 to yield a 22.56% rate of margin, or ROM. This resolution grants an interim increase in revenue, subject to refund, of \$3,705 or 5.70%, for a 10.80% rate of return for Test Year 2013.

BACKGROUND

DOWC is a Class B multi-district water utility providing water service to 16 districts throughout the state, including the East Plano District (East Plano) and Grandview District (Grandview). DOWC's main office is located in Chico, Butte County; East Plano is located just south of the City of Porterville in Tulare County and Grandview is located immediately north of Porterville. The combined districts serve approximately 112 flat-rate customers, with 98 served by Grandview and 14 by East Plano. The Grandview system consists of two wells, two steel pressure/ storage tanks and

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distribution system; the East Plano system consists of one well, a steel pressure/ storage tank and accompanying distribution system.

For approximately 40 years both districts were operated as part of a family business by the Alley family; in 2002 transfer of ownership of the East Plano from the Alley Family Trust to Raymond Smith was granted in Decision (D.) 02-02-034. Raymond Smith operated under the name Watertek. D. 02-02-034 ordered Watertek to file a General Rate Case (GRC) within six months of the acquisition; there is no record that the GRC for East Plano was ever submitted. D. 02-02-034 also noted that the Alley family had operated East Plano as a public utility for over 40 years without notifying the Public Utilities Commission (Commission). On January 8, 2004, D. 04-01-006 authorized the sale of East Plano and Grandview from Raymond Smith to Mr. & Mrs. Douglass Elliot; the Elliot's continued to operate the districts under the name Watertek.

DOWC purchased Grandview and East Plano from the Elliot's in 2011. The purchase was authorized in D. 11-03-016, issued on March 15, 2011. The Decision ordered DOWC to file GRC's for each district within one year of issuance. DOWC filed their GRC requests on April 24, 2012.

The last GRC for Grandview was granted on October 24, 2002 pursuant to Resolution (Res.) W-4355, when the utility was owned by Raymond Smith, which authorized an increase in revenue of \$31,230, or 128.1%, which provided a rate of margin (ROM) of 20.0%.

The present rates for Grandview became effective on April 24, 2012 by approval of Advice Letter (AL) 334 which authorized an interim increase of 3.00% subject to refund if the rates of this GRC do not increase by at least 3.00%. The present rates for East Plano became effective on April 24, 2012, by approval of AL 332, which also authorized a conditional interim rate increase of 3.00%.

DOWC requests authority under Section VI of General Order (GO) 96-B and Section 454 of the Public Utilities Code to increase rates for water service to produce additional revenues of \$16,099 or 24.8% in Test Year (TY) 2012. DOWC's request, which was based upon nine months of operations, was prorated out to a full year and shows a gross revenue of \$64,936 at present rates, which would increase to \$81,035 in TY 2012 to yield a 22.56% ROM.

NOTICE AND PROTESTS

A notice of a public meeting and the proposed rate increase was mailed to the customers on April 25, 2012. The Division of Water and Audits (Division) conducted the public meeting on May 30, 2012 at 7:00 PM at the Vandalia Elementary School in

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Porterville, California. Ten customers attended. The Division and DOWC received two protest letters, both protesting the rate increase with one asserting that full notification did not occur in the Grandview district. To ensure that the ratepayers were aware of the proposed rate increase, a second notice was sent out on June 15, 2012. One additional letter protesting the rate increase was received.

DISCUSSION

The Division conducted an independent analysis of Grandview and East Plano's operations and associated expenses to verify and adjust the proposed operating expenses. Since DOWC had not operated the Districts for an entire year, the requests utilized partial-year data prorated over a full year. The Division deferred processing the requests until the 2012 annual reports were filed, so that the GRC analysis could be based upon a full year's operating data under DOWC. As such, the Division used a 2013 test year (TY). 2012 expenses were escalated per the Office of Ratepayer Advocates¹ (ORA) November 8, 2013 escalation memorandum. The Division's recommended revenue requirement and rates for TY 2013 are shown in Appendix A, and Appendix B, respectively.

DOWC filed separate ALs requesting rate increases for East Plano and Grandview operations which will henceforth be combined and referred to as the Tulare District (Tulare).

Expenses

The Division reviewed operating revenues and expenses, including purchased power, employee labor, materials, water testing, plant maintenance, office salaries, office services and rentals, office supplies and expenses, professional services, insurance, regulatory and general expenses, depreciation, and property taxes. The Division verified the operating expenses by reviewing supporting documents for substantiation and accuracy and included the amounts that were deemed reasonable and prudent. DOWC's request included the salaries of two un-filled positions: an engineer and a public relations position. The Division denies funding for these un-filled positions since it is inappropriate for DOWC to collect funds that are not needed for its payroll. The expenses requested for employee, superintendent, and office salaries range from 5% to 10% greater than the recorded payroll costs; the Division used recorded costs since recorded costs better reflect ongoing costs for this expense.

¹ Formerly known as the Division of Ratepayer Advocates (DRA).

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Rate Base

The average plant recorded for East Plano in 2012 was \$7,175, and Grandview recorded \$54,319 in 2012, for a total average plant of \$61,494. The plant for both districts is based upon the purchase price of the systems as specified in D.11-03-016. During the Division's review of this GRC, errors in the accumulated depreciation in the 2012 annual reports for both Districts were discovered. For both cases, DOWC did not carry over the accumulated depreciation from 2011 to their 2012 reports. The reports were updated and re-filed on August 15, 2013. The Division recommends an additional \$500 for materials and supplies used in day-today operations.

Allocation of Corporate Expenses

DOWC proportionally allocates the following expenses for its corporate operations among its 16 districts, based on the percentage of customers in each district relative to the total number of customers in all of its districts:

- Management, superintendent, and office salaries and benefits;
- Office rental and supplies;
- Professional services; and
- Property insurance.

DOWC has approximately 8,081 total customers in its 16 districts, and approximately 112 or 1.40% of these customers are in Tulare. Based on this percentage, DOWC allocates 1.40% of its shared expenses to Tulare. The Division finds the cost allocation proposed by DOWC for Tulare reasonable for ratemaking purposes.

Affiliate Transactions

Res. W-4954, which provided a rate increase for DOWC's California Pines District (California Pines) discussed DOWC's non-compliance with the affiliate transaction requirements adopted in D. 10-10-019. DOWC operates under a parent company structure. Utility Management Services (UMS) is DOWC's parent company. The Safor Corporation (Safor) is a "C" Corporation incorporated in 1957 and a real estate holdings company. DOWC leases and shares office space in a building owned by Safor. UMS has no employees of its own; Safor and UMS utilize DOWC personnel and assets to fulfill management, office, accounting and financial duties.

In its GRC requests for Tulare, DOWC did not include an apportionment for the salaries of office staff that provided services to DOWC affiliates, nor had they filed the required 2011 annual affiliate transaction report by the March 31, 2012 deadline, or the 2012 annual affiliate transaction report by the March 31, 2013 deadline. DOWC subsequently

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provided an apportionment for resources shared with their affiliates, and filed their 2011 and 2012 annual affiliate transaction reports on April 2, 2013. The Division utilizes this apportionment for office staff provided by DOWC to make its salary estimates for TY 2013.

As discussed in Res. W-4954, we directed DOWC to file an application for review of its general office, affiliate transactions and non-tariffed goods and service within 60 days of the effective date of Res. W-4954. Furthermore, we directed that the rates in any future general rate case, including this general rate case for Tulare, will be considered “interim rates” and subject to refund based on the findings of the application. Accordingly, the rates authorized in this resolution are considered interim rates subject to refund based on the findings of the application. The application has been filed by DOWC.

Consolidation

In 1992, the DRA and the Class A water utilities jointly developed a set of policy guidelines to be considered in district rate consolidations. Those guidelines established four criteria: proximity, rate compatibility, water supply and operation as detailed in D. 05-09-004.

1. **Proximity:** The districts must be within close proximity to each other. It would not be a requirement that the districts be contiguous as it is recognized that the present ratemaking districts consist of separate systems which are not connected, it was suggested that districts within 10 miles of each other would meet the criteria. East Plano and Grandview are six miles apart.
2. **Rate Compatibility:** Present and projected future rates should be relatively close with rates of one district no more than 25% greater than the rates in the other district or districts. To lessen the rate of impact of combining districts it may be necessary to phase in the new rates over several years. Current monthly flat rates for a single family home in Grandview is \$46.82, and \$42.41 for East Plano; a difference of 10.39%.
3. **Water Supply:** Sources of supply should be similar. If one district is virtually dependent upon purchased water, while another district has its own source of supply, future costs could change by a greater percent for one district versus the other. This could result in significantly different rates in the future even if present rates were quite similar. Both East Plano and Grandview have their own on-site wells.
4. **Operation:** The districts should be operated in a similar manner. For example, if a single district manager presently operates two or more districts and the billing

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system is common to the same districts, such an operation would support the combination of the districts. Both districts have nearly identical operations.

In D. 05-09-004, the Commission stated that the 1992 guidelines were intended to set criteria for single tariff pricing that, when met, would establish prima facie reasonableness of the proposed consolidation. The Commission concluded that, while not determinative, the criteria were helpful in evaluating rate consolidation proposals.

DOWC has requested consolidation of the East Plano and Grandview Districts. The districts generally meet the criteria described above. The Division recommends consolidation into one district to be named Tulare District. This GRC proceeds with the unified statistics of East Plano and Grandview and determines the appropriate unified rates for the new Tulare District.

Rate of Return

DOWC has requested a 22.56% ROM for TY 2012. A ROM generally provides a greater return to utilities that have a low rate base, and is an option provided to Class C and D utilities.

As DOWC is a Class B utility, ROM is not available to the utility. The Division's March 22, 2013 Memorandum² provides guidance for determining an appropriate ROR for a Class B utility such as DOWC. This Memorandum determined that the average ROR for a Class B utility is 10.10% for 2013. In recognition of the ROR adopted for the Metropolitan District in Res. W-4946, the Division recommends a 10.80% ROR. This is also the same ROR granted by the Commission in Res. W-4954 for DOWC's California Pines District, and in Res. W-4958 for DOWC's Johnson Park District.

Revenues and Rate Design

The Utility Audit, Finance and Compliance Branch (UAFCB) reviewed DOWC's requests for an interim rate increase. UAFCB considered that DOWC a) generated positive income in 2011, b) has an exemplary current ratio of assets to liability, and c) has a positive cash flow from operations activities in 2011; therefore it did not recommend an interim increase.

Based on the adjusted operating expenses, the Division recommends an increase in revenue by \$3,705, or 5.70%, for TY 2013, which provides a ROR of 10.80% at the Division's proposed rates. This, and all other increased amounts and percentages refer to the rates prior to the filing of the GRC AL's, and not the interim rates implemented

² March 22, 2013 Memorandum, "Rates of Return and Rates of Margins for Class C and D Water Utilities."

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by the filing of AL 332 and AL 334. The recommended increase in revenue is \$12,394 lower than the increase which DOWC requested but will provide a ROR of 10.80%, based upon the Division's recommended expenses.

The decrease in the Division's recommended revenue compared to DOWC's requested revenue is due to the use of a ROR methodology rather than DOWC's ROM methodology, using the actual wages of DOWC employees to calculate the allocation of shared corporate expenses, and including allocations for the time DOWC employees spend working for affiliated companies. Since Tulare currently is billed on a flat-rate basis, it is not entitled to any working cash.

Tulare's rate structure consists of two schedules: T-1, General Metered Service; and T-2, Residential Flat Rate Service. At the present time there is no metered service in Tulare, however DOWC intends to install meters in the near future and will file an Advice Letter requesting metered rates for the Tulare District. DOWC will also file an advice letter to request a rate base offset to reflect the costs incurred for installing the meters, once the meters become used and useful. The Division concurs with this approach.

The rates proposed by the Division are shown in Appendix B. At the recommended ROR, the increase in revenue will be \$3,705 or 5.70% for TY 2013. DOWC agrees with the interim revenue requirement and recommended rates as proposed by Division.

At the Division's recommended rates shown in Appendix B, the bill for an unmetered single-family residential customer in East Plano will increase from \$ 42.41 to \$ 48.76 or 14.97%; the bill for an unmetered single-family residential customer in Grandview will increase from \$ 46.82 to \$ 48.76 or 4.14%. The adopted quantities, a comparison of rates and tax calculations are shown in Appendix C.

COMPLIANCE

DOWC has no outstanding compliance orders. The utility has been filing annual reports as required. The California Department of Public Health reported that there are no water quality or testing issues with Tulare.

COMMENTS

Public Utilities Code Section 311(g) (1) provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

Accordingly, this proposed resolution is being mailed to all parties and made available for public comment on January 27, 2014. No comments were received.

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FINDINGS

1. DOWC has requested authority under General Order (GO) 96-B, Rule 7.6.2 and Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase the revenues for its combined East Plano and Grandview Districts by \$16,099, or 24.8%, for TY 2012.
2. This resolution grants an interim increase in revenue, subject to refund, of \$3,705 or 5.70%, for a 10.80% rate of return for Test Year 2013.
3. The last general rate case (GRC) for Grandview was granted on October 24, 2002 pursuant to Resolution (Res.) W-4355 which granted an increase of revenues of \$31,230 or 128.1% for Test Year (TY) 2002.
4. The present rates became effective on April 24, 2012 by approval of AL's 332 and 334, which authorized an interim rate increase of 3.0%, subject to refund if the rates established in this GRC are lower than the interim rates.
5. DOWC is a Class B multi-district water utility providing water service to 16 districts throughout the state including East Plano and Grandview.
6. On April 25, 2012, DOWC mailed a notice of the proposed rate increase to all of its customers and to persons on the general service list.
7. A second notice was sent out on June 15, 2012.
8. Three protest letters were received.
9. The Division of Water and Audits (Division) made an independent analysis of East Plano and Grandview's operations.
10. The Division excluded charges in Office Salaries for the salaries of un-filled engineering and public relations positions.
11. The Division recalculated the charges for Office Salaries and Management Salaries to include apportionment for resources shared with DOWC affiliates.
12. 2012 expenses were escalated per the Office of Ratepayer Advocates (ORA) November 8, 2013 escalation memorandum, for test year 2013.

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13. The Division recommends approval of the recommended revenue requirement contained in Appendix A and the resulting rates included in Appendix B.
14. DOWC agrees with the interim revenue requirement and recommended rates as proposed by Division.
15. DOWC proportionally allocates the following expenses for its corporate operations among its 16 districts, based on the percentage of customers in each district relative to the total number of customers in all of its districts.
16. DOWC has approximately 8,081 total customers in its 16 districts, and approximately 112, or 1.40%, of these customers are in Tulare.
17. Based on this percentage, DOWC allocates 1.40% of its shared expenses to Tulare.
18. The Division finds the cost allocation proposed by DOWC for Tulare reasonable for ratemaking purposes.
19. Consistent with its Affiliated Transaction Report, DOWC allocates 2.88% of management salaries to affiliated costs and therefore these costs are not included in adopted rates.
20. Pending the findings of the application ordered in Res. W-4954, rates authorized in this resolution should be considered interim rates subject to refund.
21. DOWC requested to consolidate the two districts and to place them under the same rate schedule.
22. The districts generally meet the criteria for consolidation described in D. 05-09-004 and should be combined.
23. ROM is provided as an option for Class C and D utilities.
24. ROM is not available to DOWC, a Class B water utility.
25. The Division recommends a rate of return (ROR) of 10.80%, consistent with DOWC's previous general rate cases.
26. Tulare's rate structure consists of two schedules: T-1, General Metered Service; and T-2, Residential Flat Rate Service.

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27. At the Division's recommended rates shown in Appendix B, the bill for an unmetered single-family residential customer in East Plano will increase from \$42.41 to \$ 48.76, or 14.97%.
28. At the Division's recommended rates shown in Appendix B The bill for an unmetered single-family residential customer in Grandview will increase from \$46.82 to \$ 48.76, or 4.14%.
29. DOWC should be allowed to file a Tier 2 advice letter within 30 days from the effective date of this Resolution to collect the under-collected revenues from the interim rate date to the effective date of the new rates.
30. DOWC should be allowed to file an advice letter to implement metered rates for the Tulare District once the meters are installed and in operation.
31. DOWC should be allowed to file a rate base offset advice letter to reflect the costs incurred for installing water meters, once the meters become used and useful.
32. The Division's recommended Summary of Earnings shown in Appendix A is reasonable and should be adopted.
33. The rates recommended by the Division in Appendix B are reasonable and should be adopted.
34. The quantities in Appendix C used to develop the Division's recommendations are reasonable and should be adopted.

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THEREFORE IT IS ORDERED THAT:

1. Del Oro Water Company's East Plano and Grandview Districts are consolidated into a single district named Tulare District.
2. Authority is granted under Public Utilities Code Section 454 to Del Oro Water Company, Tulare District, to file a supplemental advice letter with the revised interim rate schedules attached to this resolution as Appendices B, and concurrently cancel its presently effective East Plano Schedule No. EP-1 and Grandview Schedule GV-1 General Metered Service, and GV-2, Residential Flat Rate Service. The effective date of the revised schedules shall be five days after the date of filing.
3. DOWC is authorized to file a Tier 2 advice letter within 30 days from the effective date of this Resolution to collect the under-collected revenues from April 24, 2012, the interim rate date, to the effective date of the new rates established in this Resolution.
4. Rates authorized in this resolution shall be interim rates subject to the findings of the application ordered in Resolution W-4954 and subject to refund.
5. Del Oro Water Company is authorized to file an advice letter to implement metered tariff rates once meters are installed and in operation.
6. Del Oro Water Company is authorized to file a rate base offset for water meters when they become used and useful.
7. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of California held on February 27, 2014; the following Commissioners voted favorably thereon:

PAUL CLANON
Executive Director

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APPENDIX A

DE LO RO WATER COMPANY – TULARE DISTRICT

SUMMARY OF EARNINGS

TEST YEAR 2013

ITEM	Utility Estimated		Division Estimated		Division
	Present Rates	Requested Rates	Present Rates	Requested Rates	Recommended Rates
<u>OPERATING REVENUES</u>					
Unmetered Revenue	\$64,936	\$81,035	\$64,936	\$68,641	\$68,641
Metered Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$64,936	\$81,035	\$64,936	\$68,641	\$68,641
<u>OPERATING EXPENSES</u>					
Purchased Power	\$7,273	\$7,273	\$7,241	\$7,241	\$7,241
Other Volume Related Expenses	\$1,097	\$1,097	\$939	\$939	\$939
Employee Labor	\$15,271	\$15,271	\$16,187	\$16,187	\$16,187
Materials	\$2,568	\$2,568	\$1,901	\$1,901	\$1,901
Contract Work	\$1,012	\$1,012	\$1,424	\$1,424	\$1,424
Water Testing					
Transportation	\$3,469	\$3,469	\$2,982	\$2,982	\$2,982
Office Salaries	\$9,471	\$9,471	\$6,963	\$6,963	\$6,963
Management Salaries	\$1,786	\$1,786	\$1,764	\$1,764	\$1,764
Employee Benefits	\$5,896	\$5,896	\$6,774	\$6,774	\$6,774
Uncollectibles	\$200	\$200	\$615	\$615	\$615
Office Services & Rental	\$1,617	\$1,617	\$1,665	\$1,665	\$1,665
Office Supplies and Exp	\$3,582	\$3,582	\$4,826	\$4,826	\$4,826
Professional Services	\$267	\$267	\$293	\$293	\$293
Insurance	\$2,671	\$2,671	\$1,982	\$1,982	\$1,982
Regulatory Comm Exp					
General Expenses	\$2,522	\$2,522	\$2,528	\$2,528	\$2,528
Subtotal	\$58,702	\$58,702	\$58,084	\$58,084	\$58,084
Depreciation Expense	\$288	\$288	\$248	\$248	\$248
Taxes other than income	\$2,830	\$2,830	\$1,696	\$1,696	\$1,696
State Income Tax	\$800	\$1,699	\$800	\$800	\$800
Federal Income Tax	\$3,667	\$2,627	\$496	\$1,172	\$1,172
Total Deductions	\$7,585	\$7,444	\$3,240	\$3,916	\$3,916
NET REVENUE	(\$1,351)	\$14,889	\$3612	\$6,641	\$6,641
<u>RATE BASE</u>					
Average Plant	\$61,494	\$61,494	\$61,494	\$61,494	\$61,494
Average Depreciation Reserve	\$288	\$288	\$514	\$514	\$514
Net Plant	\$61,206	\$61,206	\$60,980	\$60,980	\$60,980
Working Cash	\$0	\$0	\$0	\$0	\$0
Materials and Supplies	\$0	\$0	\$500	\$500	\$500
Rate Base	\$61,206	\$61,206	\$61,480	\$61,480	\$61,480
Rate of Return	-2.21%	24.33%	5.88%	10.80%	10.80%

END OF APPENDIX A

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APPENDIX B

DEL ORO WATER COMPANY – TULARE DISTRICT

SCHEDULE NO. T-2

MONTHLY FLAT-RATE SERVICE

APPLICABILITY

Applicable to all water service.

TERRITORY

All territory served by Del Oro Company in two tracts: one located one mile south of Porterville and the other located one-half mile northwest of Porterville, both in the unincorporated area of Tulare County.

RATES

	<u>Per Service Connection Per Month</u>	
For a single-family residential unit including premises.....	\$48.76	(I)
For a duplex unit.....	\$78.02	
For a triplex unit.....	\$112.15	
For a fourplex unit.....	\$136.53	(I)

Special Conditions

1. The annual service charge applies to service during the 12 month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, the resident may elect, as the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year in accordance with the utility's established billing periods.
2. The established billing cycle for water used is monthly.
3. The opening bill for metered service, except upon conversion from flat rate service, shall be established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth (1/ 365) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customers.
4. All bills are subject to reimbursement fee set forth on Schedule No. UF.
5. A late fee will be imposed per Schedule No. LC.
6. In accordance with section 2714 of the California Public Utilities Code, if a tenant in a rental unit leaves owing the company, service to subsequent tenants in that unit will, at the company's option, be furnished on the account of the landlord or owner.

END OF APPENDIX B

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APPENDIX C

DELORO WATER COMPANY – TULARE DISTRICT

ADOPTED QUANTITIES

TEST YEAR 2013

1	Purchased Power	\$7,241
2	KWh	40,200
3	Uncollectible	\$615
4	Taxes other than Income	\$1,696
5	# of Flat Rate Customers	112

Tax Calculation:

<u>Line No.</u>	<u>Item</u>	<u>State Tax</u>	<u>Federal Tax</u>
1	Operating Revenue	\$68,641	
2	O&M Expenses	\$58,084	
3	Taxes Other Than Income	\$1,696	
4	Depreciation	\$248	
5	Interest Expense	\$0	
6	Taxable Income for State Tax	\$8,613	
7	State Tax	\$800	
8	Taxable Income for FIT		\$7,813
9	Federal Income Tax		\$1,172
10	Total Income Tax		\$1,972

(CONT.)

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APPENDIX C (CONT.)

DEL ORO WATER COMPANY – TULARE DISTRICT

Comparison of Rates Monthly Flat Rates Test Year 2013

<u>Tariff Description</u>	<u>Current</u>	<u>Recommended</u>	<u>Amount Increase</u>	<u>Percent Increase</u>
Grandview Single Unit	\$46.82	\$48.76	\$1.94	4.1%
Grandview Additional Unit	\$23.41	\$24.37	\$0.96	4.1%
East Plano Single Unit	\$42.41	\$48.76	\$6.35	15.0%
East Plano Duplex Unit	\$68.05	\$78.02	\$9.97	14.7%
East Plano Triplex Unit	\$97.64	\$112.15	\$14.51	14.9%
East Plano Fourplex Unit	\$118.34	\$136.53	\$18.19	15.4%

END OF APPENDIX C

Del Oro Water Company

ADVICE LETTER 333 & 335

SERVICE LIST

Vavrinek, Trine, Day & Co.
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California Department of Public Health
Tricia Wathen, Visalia District Engineer
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