



June 14, 2016

Proposed Resolution W-5094

Agenda ID: 14942

To: All Interested Persons

Enclosed is Proposed Resolution W-5094 of the Division of Water and Audits, which authorizes Rogina Water Company a general rate increase to produce additional annual revenue of \$87,071, or 11.88%, for Test Year 2016. Proposed Resolution W-5094 is scheduled to appear on the **July 14, 2016** Commission Meeting Agenda (ID#14942).

The Commission may act on this resolution or it may postpone action until later. When the Commission acts on a proposed resolution, the Commission may adopt all or part of the proposed resolution, as written, or amend or modify the proposed resolution; or the Commission may set the proposed resolution aside and prepare a different resolution. Only when the Commission acts does the resolution become binding.

Interested persons may submit comments on Proposed Resolution W-5094 via email to [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov) on or before **July 5, 2016**. Please reference **"Proposed Resolution W-5094"** in the subject line.

Interested persons must also serve a copy of their comments on the utility on the same date that the comments are submitted to the Division of Water and Audits. If email is unavailable, please submit comments to:

California Public Utilities Commission  
Division of Water and Audits  
505 Van Ness Avenue  
San Francisco, CA 94102

Comments should focus on factual, legal, technical errors, or policy issues in the proposed resolution.

Persons interested in receiving comments submitted may contact the Division of Water and Audits at [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov) or (415) 703-1133. Please reference "Proposed Resolution W-5094."

/s/RAMI S. KAHLON

Rami S. Kahlon, Director  
Division of Water and Audits

Enclosures: Proposed Resolution W-5094  
Certificate of Service  
Service List

# PROPOSED RESOLUTION

AGENDA ID #14942

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS  
Water and Sewer Advisory Branch

RESOLUTION W-5094  
July 14, 2016

### RESOLUTION

**(RES. W-5094) ROGINA WATER COMPANY. ORDER  
AUTHORIZING A GENERAL RATE INCREASE,  
PRODUCING ADDITIONAL ANNUAL REVENUE OF  
\$87,071, OR 11.88%, FOR TEST YEAR 2016.**

---

### SUMMARY

By Advice Letter 69 filed on November 25, 2015, Rogina Water Company (Rogina) seeks to increase its rates for water service to recover increased operating expenses and earn an adequate return on its plant investment for Test Year (TY) 2016. Rogina requests to increase its water revenues by \$136,696, or 18.65%.

This resolution grants Rogina an increase in gross annual revenues of \$87,071 or 11.88% for TY 2016. The gross annual revenues will provide a Rate of Return of 10.57%.

### BACKGROUND

Rogina has requested authority under General Order 96-B, Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its revenues by \$136,696. Rogina is a Class C California water utility currently providing service to 990 metered connections.<sup>1</sup> Rogina's service area includes the town of Talmage and vicinity, three miles east of the city of Ukiah, in Mendocino County.

Rogina's last general rate increase was granted on December 5, 2013 by Resolution W-4960, which authorized a rate increase of \$133,938, or 19.6%, based on a Rate of Return (ROR) of 10.6%. The present rates became effective on January 1, 2016, by approval of AL 68,<sup>2</sup> which authorized an interim rate increase of \$5,816, or 0.8%, subject to increase or decrease.

---

<sup>1</sup> Comprised of 977 residential connections, 10 irrigation connections and 3 private fire protection connections.

<sup>2</sup> AL 68 was filed on November 25, 2015.

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

## NOTICE AND PUBLIC MEETING

Notice of the proposed rate increase was mailed to customers on January 8, 2016. The Division of Water and Audits (DWA) received three letters from customers protesting the rate increase. Rogina responded to all the complaints.

A public meeting was held on February 4, 2016 at the County Office of Education, located at 2240 Old River Road in Ukiah, with 10 customers in attendance. DWA's Staff explained the process of the rate increase for Class C water utilities and Rogina's representatives explained the reasons for the rate increase. Customer concerns included the following: the requested rate increase was excessive, the increase should be limited to a cost of living adjustment, and the increase in rates should be limited to recovery of revenues lost as a result of conservation efforts by the customers. These concerns have been addressed in this Resolution.

## DISCUSSION

In AL 69, Rogina requested to increase its rates using the recorded amounts for 2014 escalated to 2015 amounts, which was further escalated by 1.3% to arrive at the amounts for Test Year (TY) 2016. DWA's recommendations are based on Rogina's recorded expenses for 2015 escalated to 2016 by using Commission recommended escalation factors.<sup>3</sup> The ratebase and the adopted quantities for TY 2016 are shown in Appendix D.

## SUMMARY OF EARNINGS

DWA made an independent analysis of Rogina's operations. Appendix A shows Rogina's and DWA's estimated summary of earnings at present and proposed rates for TY 2016. Rogina has indicated that it agrees with DWA's Summary of Earnings.

DWA reviewed Rogina's operating revenues and expenses including: purchased power and purchased water, materials, contract work, laboratory services (water testing), other plant maintenance, employee and management salaries and benefits, office service and rentals, office supplies and expenses, professional services, insurance, regulatory commission expenses, depreciation, and taxes. DWA verified the operating expenses

---

<sup>3</sup> "Office of Ratepayer Advocates: Estimate of Non-labor and wage escalation rates for 2016 through 2020 from the February 2016 HIS Global Insight US Economic Outlook", Memo to D. Sanchez, Program manager, ORA; R. Kahlon, Director, Water Division, Dated March 10, 2016.

# PROPOSED RESOLUTION

**Resolution W-5094  
DWA**

**July 14, 2016**

by reviewing supporting documents and recommended the amounts that were deemed reasonable and prudent. Where DWA's reviews agreed with Rogina's requests they have been accepted by the DWA. Significant differences between the DWA and Rogina are discussed below:

## ***REVENUE***

Rogina estimates that at current and proposed rates, its total revenues from water sales will be \$732,929 and \$869,625 with Rates of Return (ROR) at 5.00% and 11.30%, respectively. The proposed rates will result in an increase of \$136,696, or 18.65%, over present revenues. Rogina's last rate case used a ROR of 10.80% in Res.W-4960 dated December 5, 2013.

DWA estimated revenues for TY 2016 at present and proposed rates at \$715,436 and \$820,000 with a ROR of 5.91% and 10.57%, respectively.<sup>4</sup> The proposed revenues translate to an increase of \$87,071 or 11.88% over Rogina's revenues at current rates. The net revenue at proposed rates will be \$135,139 for Rogina.

## ***OPERATING EXPENSES***

### **Purchased Power**

Rogina proposes TY 2016 purchased power expenses of \$96,626 (subsequently revised to \$89,518). Utility's actual purchased power, based on power bills for 2014 and 2015 were \$91,176 and \$75,411 (for eleven months) respectively. DWA estimates \$85,280 for this account based on a forecast of the total 2016 water production.<sup>5</sup>

### **Other Volume Related Expense**

Rogina estimates \$10,477 (subsequently revised to \$7,584) for this expense. This account includes expenses related to the volume of water used such as ground water replenishment charges, chemicals used in water treatment, and water rights leases based on volume. The utility used the actual expenses for 2014 and escalated them by

---

<sup>4</sup> DWA's revenues for TY 2016 at current rates are different from Rogina's because they are based on actual water sales for 2015 projected for 2016 and rates approved in AL 68. Rogina's revenues are based on water sales for 2014 extrapolated to 2016 using rates prior to the AL 68 rate increase. The utility's revised its projected TY 2016 revenues at pre AL 68 rates to \$715,950. There was also an error in total sales for irrigation recorded by the utility.

<sup>5</sup> Rogina estimated total production for 2016 was of 210,317 CCF which was subsequently revised to 205,549 CCF. DWA determined that the total production should be 195,817 because of an error in estimates used for irrigation production as well as a lower percentage for unaccounted for water.

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

1.3% for 2015 and TY 2016. DWA recommends \$7,289 for this account using the actual 2015 expense escalated by Commission recommended escalation factors.

## Employee Labor

Rogina proposes employee labor expenses of \$84,869 for TY 2016. This account includes the wages for all employees, except management, who are associated with operation, repairs, and maintenance of the system

Rogina employs three part-time employees who operate the water utility, read meters, and perform specialized office functions like fulfilling water quality related recording requirements and taking care of customer complaints. Rogina states that during 2015, it converted one employee position from part-time to full time thereby increasing employee labor by \$19,000. For other staff salaries, it escalated the 2015 salaries by 3%.

In response to DWA's inquiry, Rogina submitted recorded employee labor charges and hours worked for 2012 through 2015. This information indicates that recorded Employee labor expenses ranged from \$59,615 in 2012 to \$61,769 in 2015. <sup>6</sup> The corresponding labor hours were 3,261 and 2,893 respectively. <sup>7</sup> The lower hours in 2015 were because of an employee who was not available during part of the year. However, Rogina hired a part-time employee to "fill in" for the unavailable employee. The average wages paid for 2013 through 2015 were \$65,815 for 3,309 hours. Rogina estimates that for TY 2016, Employee Labor should be 3,309 hours which is an increase of 7.6% over the average for the period 2013 through 2015. DWA believes this is a reasonable request to maintain the quality of service for the system and recommends an amount for this expense of \$70,231 for TY 2016.

Regarding conversion of the status of the employee from part-time to full time, Rogina projects that it will increase the number of hours worked by the affected employee by 90 hours during 2016.<sup>8</sup> This extra time can easily be accommodated by the increase in the hours recommended by DWA. Rogina has not adequately justified the need to convert the part time to full time position. DWA recommends disallowance of this proposal.

DWA's recommendation will result in a TY 2016 employee labor expense of \$70,231 versus the \$84,869 originally requested by Rogina.

---

<sup>6</sup> Employee labor for 2012 through 2015 were: \$59,615, \$62,858, \$72,808 and \$61,769 respectively.

<sup>7</sup> Total hours charged for 2012 through 2015 were: 3,162; 3,358; 3,676; and 2,893 respectively.

<sup>8</sup> Estimated hours worked by the affected employee are 1,710 and 1,800 for 2015 and 2016 respectively.

# PROPOSED RESOLUTION

**Resolution W-5094**  
**DWA**

**July 14, 2016**

## **Office Salaries**

For Office Salaries, Rogina requests \$28,644 for office staff for TY 2016. Office staff consists of two part-time employees who do general office work. The salaries were derived by escalating actual 2015 staff salaries by 3%. DWA recommends salaries of \$27,837 based on actual 2015 salaries escalated by Commission recommended escalation factors.

## **Employee Pension and Benefits**

For Employee Pension and Benefits, Rogina requests \$33,943 (subsequently revised to \$45,272) for TY 2016. The utility provides contributions to employee's retirement plans, health benefits and life insurance for two directors. DWA recommends \$45,045 for this item based on actual 2015 employee salaries escalated by Commission recommended escalation factors.

## **Materials**

Rogina proposes \$23,638 (subsequently revised to \$21,280) for this expense. Materials expense includes the cost of maintenance and repair materials such as pipes, valves, clamps, sand, gravel, electrical parts, pumping equipment, water treatment equipment, etc. Rogina estimates its TY 2016 amount by using its 2014 costs escalated to 2016. DWA recommends \$17,382 for TY 2016 based on an average of 2013 through 2015 actual recorded amounts and escalated by Commission recommended escalation factors to arrive at the TY 2016 amount.

## **Contract Work**

Rogina estimates \$32,042 (subsequently revised to \$27,813) for TY 2016 for this expense. This account includes the cost of services from outside contractors for maintenance, repairs, water quality testing fees, and other services not performed by Rogina employees. Rogina used the three year average of years 2012 to 2014 for their estimate and escalated for 2015 and 2016 to arrive at its TY estimate. DWA recommends \$28,334 for this item based on an average of 2013 through 2015 recorded amounts escalated by Commission recommended escalation factors to arrive at the TY 2016 amount.

## **Transportation**

Rogina proposes \$25,208 (subsequently revised to \$23,129) for this expense for TY 2016. Transportation expense includes the cost of vehicle expenses to keep company vehicles in good operating condition plus gasoline and DMV renewal fees. The company

## PROPOSED RESOLUTION

**Resolution W-5094**  
**DWA**

**July 14, 2016**

operates two utility trucks. Rogina's estimate is based on averaging costs for 2013 and 2014 escalated to 2016. DWA recommends \$22,239 for this item based on an average of recorded expenses for 2013 through 2015 escalated by Commission recommended factors to arrive at the TY 2016 expense.

### **Office Supplies and Expenses**

Rogina proposes \$30,689 (subsequently revised to \$29,758) for this expense. Office Supplies and Expenses include office rent, communications, utility bills for the office, postage, office supplies, and a security system. These are necessary to administratively operate the water system on a daily basis. For this expense, Rogina used the average costs for 2012 through 2014 escalated to 2016. DWA recommends \$28,524 for this item based on an average of recorded expenses for 2013 through 2015 escalated by Commission recommended factors to arrive at the TY 2016 expense.

### **Professional Services**

Rogina proposes \$14,704 for this expense (subsequently revised to \$17,002). Professional services consist of accounting fees, mapping fees and miscellaneous fees. DWA recommends \$17,002 for this expense based on average of recorded expenses for 2013 through 2015 adjusted for pro-ration of non-recurring mapping fees for 2015 escalated by Commission recommended factors to arrive at TY 2016 expense for this item. DWA's recommendation is the same as the subsequently revised amount by the utility.

### **General Expenses**

Rogina proposes \$19,090 for this expense (subsequently revised to \$16,127). General expenses include memberships to professional associations, service alert fees, educational expenses, fees paid to financial institutions, and other miscellaneous expenses. DWA proposes \$16,127 for this expense based on an average of recorded expenses for 2013 through 2015 escalated by Commission recommended factors to arrive at the TY 2016 expense. DWA's recommendation is the same as the subsequently revised amount by the utility.

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

## Rate Base

Rogina estimates a Rate Base of \$1,265,704 (subsequently revised to \$1,279,538) for TY 2016. DWA estimates a Rate Base of \$1,278,659, which is \$879 lower than Rogina's revised estimate. The difference is due to a lower working cash, a lower rate of depreciation on average depreciable utility plant balance, and a lower test year depreciation.

## Rate Design

Rogina's interim rates became effective on January 1, 2016 by approval of AL 68, which authorized an interim rate increase of 0.8%, subject to refund or increase, based on the final rates authorized in this resolution. The rates authorized by this resolution are higher than the interim rates; therefore, Rogina 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.

Rogina's current rate structure consists of three schedules: Schedule No. 1, General Metered Service; Schedule No. 3M, Irrigation Service; and Schedule No. 4 Private Fire Protection Service.

The bill for a 5/8 x 3/4-inch metered residential customer using 10 ccf (hundred cubic feet) of water per month would increase from \$41.64 to \$47.89, or 15.01%. See Appendix C for a comparison of rates.

## Rate of Return

In accordance with Commission ratemaking policies adopted for Class C and D water utilities by Decision (D.) 92-03-09, two methods can be used for ratemaking, the ROR and ROM methods.<sup>9</sup> D. 92-03-09 directs the DWA to calculate the company's rates and revenue requirement using both of these methods and to recommend the ratemaking method resulting in the greater revenue requirement.<sup>10</sup> Rogina's rate increase request was based on a ROR of 11.30%. In this instance, the DWA determined that the ROR method produced the higher revenue requirement. The Division's current

---

<sup>9</sup> The revenue requirement and rates under the ROR method are based on company's rate base and under the ROM method the revenue requirement is based on the company's operating expenses excluding income taxes but including operating and maintenance and depreciation expenses and other than income taxes, and an operating margin percentage.

<sup>10</sup> D. 92-03-093, Ordering Paragraph 8.

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

recommended range of ROR for Class C water utilities is between 9.60% and 10.60%.<sup>11</sup> For Rogina's TY 2016 GRC, the DWA recommends a ROR of 10.57%, based on the quality of service provided and the management of the company's operations. Using a ROR of 10.57%, the DWA calculates a revenue requirement of \$820,000 for TY 2016. By comparison, the revenue requirement would be \$788,736 using the recommended ROM of 20.47% for Class C water utilities. Therefore, the DWA recommends that the ROR method be used for Rogina's TY 2016 GRC.

## COMPLIANCE & SAFETY

There are no outstanding Commission orders requiring system improvements. Rogina has been filing annual reports as required. According to the State Water Resources Control Board, Division of Drinking Water, Rogina currently meets all applicable water quality standards. The rates approved in this Resolution will provide the utility with the financial resources to safely operate and maintain its operations for the benefit of its customers, employees, and members of the general public.

## 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 was mailed to the utility and service list, and made available for public comment on June 14, 2016.

## FINDINGS

1. Rogina Water Company (Rogina) has requested authority under Section 7.6.2 of General Order (GO) 96-B and Section 454 of the Public Utilities Code to increase its water rates by \$136,696 or 18.65%, in Test Year (TY) 2016.
2. The purpose of the rate increase is to recover increased operating expenses and to provide an adequate return.
3. The present rates became effective on January 1, 2016 by approval of Advice Letter (AL) 68, which authorized an interim rate increase of \$5,816, or 0.8%, subject to increase or decrease.

---

<sup>11</sup> Division of Water and Audits' March 28, 2016 memorandum on the recommended Rates of Return and Rates of Margin for Class C and D Water Utilities: <http://www.cpuc.ca.gov/General.aspx?id=1404>

## PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

4. Rogina Water Company should be ordered to file a Tier 2 advice letter within 30 days from the effective date of this resolution to collect the under-collected revenues from January 1, 2016, the interim rate date, to the effective date of the new rates established in this resolution.
5. The Division of Water and Audits' recommended summary of earnings (Appendix A) is reasonable and should be adopted.
6. The rates proposed by the Division of Water and Audits (Appendix B) are reasonable and should be adopted.
7. The quantities (Appendix D) used in preparation of this resolution are reasonable and should be adopted.
8. Rogina Water Company is in compliance with the State Water Resources Control Board water quality standards for safe drinking water.
9. The water rate increase authorized herein is justified and the resulting rates are just and reasonable.

## PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

### THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 to Rogina Water Company to file a supplemental Advice Letter with the revised Rate Schedules attached to this Resolution as Appendix B, and concurrently cancel its presently effective Schedule No. 1, General Metered Service; Schedule No. 3M, Irrigation Service; and Schedule No. 4 Private Fire Protection Service. The effective date of the revised schedules shall be five days after the date of filing.
2. Rogina Water Company 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 January 1, 2016, the interim rate date, to the effective date of the new rates established in this Resolution. The advice letter shall become effective upon approval by the Division of Water and Audits.
3. 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 the State of California held on July 14, 2016; the following Commissioners voting favorably thereon:

---

TIMOTHY J. SULLIVAN  
Executive Director

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

APPENDIX A							
ROGINA WATER COMPANY, INC.							
SUMMARY OF EARNINGS - 2016							
				<i>Rogina</i>		<i>DWA</i>	
				<i>From AL 69</i>			
Line No.				<i>Present Rates</i>	<i>Proposed Rates</i>	<i>Present Rates</i>	<i>Proposed Rates</i>
1	<b>Operating Revenues</b>						
2	460	Irrigation rates		15,437	18,316	15,560	17,834
3	470	Metered rates		716,333	849,934	698,095	800,125
4	462	Private Fire Protection		1,159	1,375	1,781	2,041
5	<b>Total Revenue</b>			<b>732,929</b>	<b>869,625</b>	<b>715,436</b>	<b>820,000</b>
6	<b>Operating Expenses</b>						
7	610	Purchased water		23,500	23,500	23,500	23,500
8	615	Purchased power		96,626	96,626	85,280	85,280
9	618	Other volume related expenses		10,477	10,477	7,289	7,289
10	630	Employee labor		84,869	84,869	70,231	70,231
11	640	Materials		23,638	23,638	17,382	17,382
12	650	Contract work		32,042	32,042	28,334	28,334
13	660	Transportation expense		25,208	25,208	22,239	22,239
14	664	Other plant maintenance		6,127	6,127	5,844	5,844
15	670	Office salaries		28,644	28,644	27,837	27,837
16	671	Management salaries		72,625	72,625	72,625	72,625
17	674	Employee pensions and benefits		33,943	33,943	45,045	45,045
18	676	Uncollectible		660	783	644	738
19	678	Office services and rentals		5,104	5,104	5,277	5,277
20	681	Office supplies and expenses		30,689	30,689	28,524	28,524
21	682	Professional services		14,704	14,704	17,002	17,002
22	684	Insurance		19,378	19,378	19,378	19,378
23	688	Regulatory Commission expenses		9,600	9,600	9,600	9,600
24	689	General expenses		19,090	19,090	16,127	16,127
25	<b>Subtotal</b>			<b>536,924</b>	<b>537,047</b>	<b>502,157</b>	<b>502,251</b>
26	403	Depreciation		84,243	84,243	84,752	84,752
27	408	Taxes other than income		33,549	33,549	32,391	32,391
28	409/10	Income taxes		14,869	71,763	20,537	65,467
29	<b>Total Deductions</b>			<b>669,585</b>	<b>726,602</b>	<b>639,837</b>	<b>684,861</b>
30	<b>Net Revenue</b>			<b>63,344</b>	<b>143,022</b>	<b>75,599</b>	<b>135,139</b>
31	<b>Rate Base</b>						
32	Average Plant			2,920,633	2,920,633	2,937,624	2,937,624
33	Average Depreciation Reserve			1,359,524	1,359,524	1,360,926	1,360,926
34	<b>Net Plant</b>			<b>1,561,109</b>	<b>1,561,109</b>	<b>1,576,698</b>	<b>1,576,698</b>
35	<b>Less:</b>						
36	Advances			60,384	60,384	60,384	60,384
37	Contribution in aid of construction			212,453	212,453	212,188	212,188
38	Deferred income taxes			76,822	76,822	76,822	76,822
39	<b>Plus:</b>						
40	Construction work in progress						
41	Working Cash			44,754	44,754	41,854	41,854
42	Materials and supplies			9,500	9,500	9,500	9,500
43	<b>Rate Base</b>			<b>1,265,704</b>	<b>1,265,704</b>	<b>1,278,659</b>	<b>1,278,659</b>
44	<b>Rate of Return</b>			<b>5.00%</b>	<b>11.30%</b>	<b>5.91%</b>	<b>10.57%</b>

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

## APPENDIX B

Rogina Water Company

Schedule No. 1

### GENERAL METERED SERVICE

Test Year 2016

#### APPLICABILITY

Applicable to all metered water service.

#### TERRITORY

Talmage and vicinity, near Ukiah, Mendocino County.

#### RATES

Quantity Rates:	<u>Per Month</u>	
Water used per 100 cubic feet	\$ 2.451	(I)
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 23.38	(I)
For 3/4-inch meter	\$ 35.07	(I)
For 1-inch meter	\$ 58.46	(I)
For 1-1/2-inch meter	\$ 116.91	(I)
For 2-inch meter	\$ 187.06	(I)
For 3-inch meter	\$ 350.74	(I)
For 4-inch meter	\$ 584.57	(I)
For 6-inch meter	\$ 1,169.14	(I)

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

#### SPECIAL CONDITIONS

1. A late charge will be imposed by Schedule No. LC.
2. In accordance with Section 2714 of the 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 property owner.
3. All bills are subject to Reimbursement Fee set forth in Schedule No. UF.

**PROPOSED RESOLUTION**

**Resolution W-5094  
DWA**

**July 14, 2016**

**APPENDIX B (cont.)**

**Rogina Water Company**

**Schedule No. 3M**

**IRRIGATION SERVICE**

**APPLICABILITY**

Applicable to all metered irrigation service

**TERRITORY**

Talmage and vicinity, near Ukiah, Mendocino County

**RATES**

	Per Meter	
Quantity Rates:		Per Year
All water used per 100 cubic feet .....	\$ 1.937(I)	
Service Charge:		
For 1-1/2-inch meter .....	\$ 662.88	(I)
For 2-inch meter .....	\$ 1,060.61	(I)
For 3-inch meter .....	\$ 1,988.64	(I)
For 4-inch meter .....	\$ 3,314.39	(I)
For 6-inch meter .....	\$ 6,628.78	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service, and to which is to be added the monthly charge computed at the Quantity Rate.

**SPECIAL CONDITIONS**

1. The annual service charge shall be payable prior to commencement of each irrigation year.
2. This service charge is secondary to domestic service and the utility must be given 24 hours' notice before each irrigation. In the event that insufficient water is available for all irrigation users to be served at the same time, rotation of use may be required
3. All bills are subject to the Reimbursement Fee set forth in Schedule No. UF.

(continued)

**PROPOSED RESOLUTION**

**Resolution W-5094  
DWA**

**July 14, 2016**

**APPENDIX B (cont.)**

**Rogina Water Company**

**Schedule No. 4**

**PRIVATE FIRE PROTECTION SERVICE**

**APPLICABILITY**

Applicable to all water service furnished for privately-owned fire protection systems

**TERRITORY**

Talmage and vicinity, near Ukiah, Mendocino County

**RATES**

Quantity Rates:

All water used per 100 cubic feet ..... \$ 1.974 (I)

Service Charge: Per Service Per Month

For each inch in diameter of service connection ..... \$ 6.075 (I)

**SPECIAL CONDITIONS**

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more that the main to which the service connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all the other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connection for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for the protection against theft, leakage, or waste of water, and the cost paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.
6. All bills are subject to the Reimbursement Fee set forth in Schedule No. UF.

**END OF APPENDIX B**

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

APPENDIX C						
Rogina Water Company						
Comparison of Rates						
Test Year 2016						
			Tariff Rates		Recommended Increase	
			Current	Recommended	\$	%
<b>Service Charge:</b>						
	5/8 x 3/4 inch meter	\$	22.44	\$	23.38	\$ 0.94 4.20%
	3/4 inch meter	\$	33.65	\$	35.07	\$ 1.42 4.23%
	1 inch meter	\$	56.09	\$	58.46	\$ 2.37 4.22%
	1 1/2 inch meter	\$	112.18	\$	116.91	\$ 4.73 4.22%
	2 inch meter	\$	179.48	\$	187.06	\$ 7.58 4.22%
	3 inch meter	\$	336.54	\$	350.74	\$ 14.20 4.22%
	4 inch meter	\$	560.90	\$	584.57	\$ 23.67 4.22%
	6 inch meter	\$	1,121.80	\$	1,169.14	\$ 47.34 4.22%
<b>Quantity Charge:</b>						
	All use per 100 cubic feet	\$	1.92	\$	2.45	\$ 0.53 27.64%
<b>Monthly bill comparison for customer with 5/8 x 3/4 inch meter is shown below:</b>						
			Tariff Rates		Recommended Increase	
			Current	Recommended	\$	%
	Usage 100 cu ft					
		0	\$ 22.44	\$ 23.38	\$ 0.94	4.20%
		5	\$ 32.04	\$ 35.64	\$ 3.60	11.23%
		10	\$ 41.64	\$ 47.89	\$ 6.25	15.01%
		15	\$ 51.24	\$ 60.14	\$ 8.90	17.38%
		20	\$ 60.84	\$ 72.40	\$ 11.56	19.00%
<b>END OF APPENDIX C</b>						

# PROPOSED RESOLUTION

Resolution W-5094  
DWA

July 14, 2016

<b>APPENDIX D</b>			
<b>ROGINA WATER COMPANY, INC.</b>			
<b>ADOPTED QUANTITIES</b>			
<b>TEST YEAR 2016</b>			
	<b>Purchased Power</b>		
	Total KWh		461,740
	Total Cost		\$ 85,280
	<b>Property Taxes</b>		
			\$ 16,657
	<b>Service Connections</b>		
	5/8 - inch X 3/4 - inch	711	
	1 - inch	247	
	1 1/2 - inch	13	
	2 - inch	6	
	Sub-Total		977
	Irrigation customers		10
	Private Fire Protection		3
	Total		990
	<b>Water Consumption (Ccf)</b>		
			165,992
	<b>Operating Revenues</b>		
			\$ 820,000
	<b>Expenses</b>		
			\$ 502,252
	<b>Depreciation</b>		
			\$ 84,752
	<b>Taxes other than income</b>		
			\$ 32,391
	<b>Taxable Income for State</b>		
			\$ 185,205
	<b>State Tax</b>		
			\$ 16,372
	<b>Taxable Income for Federal</b>		
			\$ 168,833
	<b>Federal Tax</b>		
			\$ 49,095
	<b>Rate Base</b>		
			\$ 1,278,659
	<b>END OF APPENDIX D</b>		



**ROGINA WATER COMPANY**

**ADVICE LETTER NO. 69  
SERVICE LIST**

Millview County Water District  
3081 North State Street  
Ukiah, CA 95482

Willow County Water District  
151 Laws Avenue  
Ukiah, CA 95482

City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482