



October 30, 2018

Proposed Resolution W-5177

Agenda ID: 16957

To: All Interested Persons

Enclosed is Proposed Resolution W-5177 of the Water Division, which authorizes Big Basin Water Company a general rate increase to produce additional annual revenues of \$218,068, or 51.5%, for Test Year 2018, to be paid by the Ratepayers. Proposed Resolution W-5177 is scheduled to appear on the November 29, 2018 Commission Meeting Agenda (ID #16957).

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-5177 via email to Water.Division@cpuc.ca.gov on or before **November 19, 2018**. Please reference **"Proposed Resolution W-5177"** 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 Water Division. If email is unavailable, please submit comments to:

California Public Utilities Commission
Water Division
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 Water Division at Water.Division@cpuc.ca.gov or (415) 703-1133. Please reference "Proposed Resolution W-5177."

/s/RAMI S. KAHLON

Rami S. Kahlon, Director
Water Division

Enclosures: Proposed Resolution W-5177
Certificate of Service
Service List

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION W-5177
November 29, 2018

RESOLUTION

(RES. W-5177) BIG BASIN WATER COMPANY. ORDER AUTHORIZING A GENERAL RATE INCREASE TO PRODUCE ADDITIONAL ANNUAL REVENUES OF \$218,068, OR 51.5%, FOR TEST YEAR 2018, TO BE PAID BY THE RATEPAYERS.

SUMMARY

By Advice Letter 68-W, filed on May 2, 2018, Big Basin Water Company seeks to increase its gross annual revenues by \$218,068, or 51.5%, for Test Year 2018. Big Basin Water Company's rate increase request is based upon an increase in operating expenses.

For Test Year 2018, this resolution grants Big Basin Water Company an increase in gross annual revenues of \$218,068, or 51.5%, which is estimated to provide total annual revenues of \$641,109 based on a Rate of Margin (ROM) of 22.91%. The monthly bill for an average customer with a 5/8 x 3/4-inch metered residential customer using 6.85 CCF per month would increase from \$54.95 to \$82.28, or 49.8%.

BACKGROUND

Big Basin Water Company (Big Basin) is a Class C water utility that has requested authority under General Order 96-B, General Rule 7.6.2, Water Industry Rule 7.3.3(5), and Public Utilities Code Section No. 454 to increase its water rates by \$218,068 or 51.5%, for Test Year (TY) 2018.

The last general rate increase (GRC) was granted on June 12, 2014, pursuant to Resolution (Res.) W-4985, which authorized a rate increase of \$82,117, or 22.7%, resulting in a Rate of Return of 10.80% for TY 2013. The present rates became effective on April 9, 2018, pursuant to the approval of Advice Letter (AL) 67-W, which granted a Consumer Price Index (CPI) increase of \$9,256, or 2.1%.

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Big Basin's water system is supplied by three surface water intakes (Jamison Springs 1 and 2, and Corvin Creek) and one groundwater well (Well No. 4). The three surface water intakes, each with a discharge capacity of 200 gallons per minute (gpm) are the primary sources of supply. Big Basin has eleven above ground storage tanks in the water system with a total storage capacity of 780,000 gallons. The water distribution system has five pressure zones, and the water pressure throughout the system is maintained by the elevation head provided by the water level in the storage tanks and by booster pumps located throughout the system.

Big Basin serves 604 service connections consisting of 596 metered, five (5) flat rate, and three (3) private fire protection service customers in Santa Cruz County. Big Basin's service area is located along Big Basin Highway between Boulder Creek and Big Basin. The number of customers is not expected to change in the upcoming years, so Big Basin estimates no additional customers for TY 2018.

NOTICE AND PROTESTS

A notice of the proposed rate increase was mailed to all customers. In this public notice, all customers were informed of the 51.5% increase in revenues and the new rates. A copy of the notice was mailed to each customer on July 20, 2018. Four protests were received which generally opposed the proposed increase and the nature of the advice letter filing. Accordingly, Big Basin responded timely to each in writing.

DISCUSSION

The Water Division (Division) made an independent analysis of Big Basin's rate increase request. Appendix A shows Big Basin's and the Division's estimates of the summary of earnings at present, requested, and recommended rates. Division is in concurrence with Big Basin's estimates in operating revenues, expenses, and rate base. Division reviewed operating revenues and expenses including employee labor, materials, contract work, water testing, transportation expenses, other plant maintenance, office salaries, office supplies and expenses, insurance, general expenses, depreciation, and taxes other than income. Division verified the operating expenses by reviewing supporting documents for substantiation and accuracy, and included the amounts that were deemed reasonable and prudent. The ratebase and the adopted quantities contained in Appendix D are also updated to reflect TY 2018.

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Operating Revenues

Big Basin's operating revenues consist of general metered, flat rate, and private fire sales. There are currently 604 active service connections. Division concurs with the utility's estimate of customers and revenues at present rates.

Operating Expenses

Division's estimates of Big Basin's operating expenses are based upon substantiated data from 2015-2017 and estimates from Big Basin. Division examined invoices to reconcile the reported values in the annual reports, removed all non-utility expenses, averaged 2015-2017 expenses to reach an estimate, and made adjustments as necessary for TY 2018. The most notable expenses are the employee pensions and benefits, purchased power expense, other plant maintenance expense, management salaries and the income tax expense. Big Basin and the Division concur with the operating expenses recorded in the 2015, 2016, and 2017 annual reports.

Employee Pensions and Benefits

Employee pensions and benefits have steadily increased during the three-year period from 2015 through 2017 as follows:

2015 - \$42,752
2016 - \$43,800
2017 - \$56,477

This increase was primarily attributed to health care and dental insurance premiums. Big Basin estimates \$58,397 in employee pension and benefits in test year 2018 and Division agrees with this estimate.

Purchased Power

Division found that Big Basin's estimated purchased power expense deviated from recent purchased power expenses as recorded in Big Basin's annual reports, despite similar levels of water consumption. To verify whether the requested purchased power expense is reasonable, Division reviewed Big Basin's electricity and gas invoices from the past year and estimates \$25,341 for this account. Big Basin provided invoices and billing summaries of its kilowatt-hour (kWh) consumption and charges per kWh for

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each rate category. Big Basin estimates purchased power expense of \$25,341 for TY 2018. Big Basin has no purchased water expense and has not requested any other volume related expenses.

Other Plant Maintenance

Division found that Big Basin's estimated other plant maintenance expense deviated from recent other plant maintenance expenses as reported in its annual reports, despite similar levels of water consumption. Big Basin intends to implement the following infrastructure projects in test year 2018 including: upgrading filters, installing a new system central processing unit, and additional actuators. Division deems these operating maintenance expenses to be reasonable and estimates \$32,817 for this account.

Management Salaries

Big Basin based the following salaries on the 2014 American Water Works Association (AWWA) Compensation Survey for Small and Medium-Sized Water and Wastewater Utilities. Information was gathered based upon job descriptions as they correlated to Big Basin's current job descriptions, and the summary of all water utility participants with total employment of less than 25 employees.

Big Basin currently has two employees who act as General Manager and Assistant Manager of the system.

General Manager

The general manager is responsible for all functions of the office, plant planning, and water quality. The general manager is also responsible for all distribution system operations. The manager directs staff on matters related to the operations and maintenance of the system, including source and supply, water treatment, water quality, water control, transmission and distribution. The manager is the acting project manager on an infrastructure replacement project; has over 30 years' experience operating Big Basin; and is a Distribution-2 (D2) Certified Operator with the State Water Resources Control Board, Division of Drinking Water (SWRCBDDW).

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Assistant Manager

The assistant manager is responsible for all distribution system operations. The assistant manager directs all staff on matters related to the operations and maintenance of the system, including source and supply, water treatment, water quality, water control, transmission and distribution as directed by the general manager. The assistant manager is the backup person to the general manager as well for administrative functions. The current assistant manager has over five years of experience at Big Basin and is a D2 Certified Operator.

AWWA Compensation Data:

Title: General Manager (Operations and Maintenance Manager)

High:	\$99,197 per annum
Low:	\$72,469 per annum
Median:	\$86,940 per annum

Title: Assistant Manager (Operations):

High:	\$78,232 per annum
Low:	\$53,023 per annum
Median:	\$61,463 per annum

Big Basin has requested total annual management salaries of \$120,264, well below the median in its respective classes. This request is reasonable and should be adopted.

Income Taxes

Using guidelines from the California Franchise Tax Board and the Internal Revenue Service, Division estimates \$49,259 for this account. Big Basin applied the current 2018 corporate tax rates for Federal and State income at 21% and 9.3% respectively. The tax calculations are shown in Appendix D for Test Year 2018.

Operating and Administrative Expenses

For materials, contract work, transportation expense, office services and rentals, office supplies, professional services, and general expenses, Big Basin applied a three-year

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average and then applied the appropriate labor and non-labor inflation rates to each category for TY 2018. For insurance and payroll¹ expense, Big Basin applied 2017 recorded amount and applied the appropriate inflation rate for TY 2018.

Big Basin and the Division concur with the estimated operating expenses for TY 2018.

Plant Additions and Ratebase

There have been no additions to plant or ratebase since the previous GRC.

Rate of Return vs. Rate of Margin

Big Basin has requested a Rate of Margin (ROM) of 22.91%. Two methods are available for the Division to utilize in the rate-making process: (1) Rate of Return (ROR) and (2) ROM. In Res. W-4524 (March 17, 2005), the Commission adopted a revised set of standard practices for determining the profit for Class C and D water utilities using the rate of return and rate of margin methods. Both methods are to be used. Per Decision 92-03-093, dated March 31, 1992, Division must recommend the method that produces the higher revenues. In the ROM method, the utility's revenue requirement is defined as the sum of its operating and maintenance expenses, depreciation, income and other taxes, multiplied by the ROM. This method gives the small water utilities the opportunity to earn a more reasonable and appropriate revenue requirement when the utility has "little rate base." If only the ROR method was used, a utility with little or no ratebase would earn little or no return. The Division recommended ROR is 10.06% to 11.06% for a Class C utility. Division has recommended a ROM of 22.91% for Class C water utilities.² Applying a ROR of 10.06% yields a net revenue of \$72,199 versus \$110,319 when applying a ROM. This comparison of the two methods indicates that the ROM method produces a higher revenue requirement; therefore, Division recommends the ROM method at 22.91%.

Comparison of Water Bills

Class C utilities are authorized by Decision 92-03-093 to request to recover up to 65% of fixed costs in the service charge. Big Basin requested this rate structure in its filing, and

¹ Payroll consists of employee labor, office salaries, management salaries, and employee pension and benefits.

² Water Division Memorandum entitled "Rates of Return and Rates of Margin for Class C and Class D Water Utilities" dated February 27, 2018.

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the Division concurs. Big Basin's present rate structure consists of the following schedules: No. 1 – General Metered Service, No. 2 – Residential Flat Rate Service, and No. 4 – Private Fire Protection Service. The rates proposed by the Division are shown in Appendix B. At Division's recommended rates shown in Appendix B, the monthly bill for an average customer with a 5/8 x 3/4-inch metered residential customer using 6.85 CCF per month would increase from \$54.95 to \$82.28, or 49.8%. A comparison of customer bills at present and recommended rates is shown in Appendix C. The Adopted Quantities are shown in Appendix D.

Affordability of Proposed Rates

At Division's recommended rates shown in Appendix B, the average bill for a 5/8 x 3/4-inch metered residential customer consuming 6.85 CCF per month would increase from \$54.95 to \$82.28, or 49.8% in TY 2018. Big Basin Water Company is located in the 95006 zip code in Santa Cruz County where the annual median household income (MHI), for the zip code is \$73,963.³ The proposed rate, accordingly, would be 1.3% of the respective MHIs.

It should be noted that no affordability criteria have been developed and adopted in any Commission Decision or Resolution. However, in October 2017, the Health and Safety Code in the California Code of Regulations (Sec. 116760.50) was amended to establish an affordability threshold of 1.5% of MHI for average water bills in Severely Disadvantaged Communities, as defined (60% of California Statewide MHI of \$60,818, or \$37,091)⁴. While the Commission adheres to cost-of-service regulatory principles in developing rates for its jurisdictional utilities, the Division's recommended rates for Big Basin Water are at the minimum required to satisfy the utility's technical, managerial and financial capacity, and operational capability. The discussion regarding affordability is presented, nonetheless, to indicate to the Commission the relationship between the proposed rates and the local economic circumstances.

Balancing Accounts

Big Basin currently has no pending or outstanding balancing accounts.

³ Source: [2012-2016 American Community Survey 5-Year Estimates](#)

⁴ See Assembly Bill 560 (Salas); Chaptered by Secretary of State on October 7, 2017 – Chapter 552, Statutes of 2017.

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SAFETY

Big Basin Water Company (Big Basin) meets all applicable drinking water quality standards as required by the State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).

The Boulder Creek Fire District is within Big Basin's service area and Big Basin has 70 hydrants throughout its service area. Hydrants are flushed and inspected by the Boulder Creek Fire District annually. The Fire District informs Big Basin Water of any problems, which are handled by the Water Company.

The water treatment plant is manually monitored daily. This is a two-person operation as the level of safety is a high priority for the utility owner.

COMPLIANCE

Big Basin has no outstanding compliance orders and has been filing annual reports as required. Big Basin meets all applicable drinking water quality standards as required by the SWRCB, DDW.

COMMENTS

Public Utilities Code section 311(g)(1) requires that a proposed resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution.

Accordingly, this proposed resolution was mailed to the utility and its service list and made available for public comment on October 30, 2018.

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FINDINGS

1. The Summary of Earnings (Appendix A) recommended by the Water Division (Division) is reasonable and should be adopted.
2. The rates recommended by the Division (Appendix B) are reasonable and should be adopted.
3. The quantities (Appendix D) used to develop the recommendations of the Division are reasonable and should be adopted.
4. The water rate increase authorized herein is justified and the resulting rates are just and reasonable.
5. Big Basin Water Company should be allowed to file a Tier 1 advice letter to supplement Advice Letter No. 68 to incorporate the rate schedules attached to this Resolution (Appendix B), and to concurrently cancel its presently effective Rate Schedules. The effective date of the revised rate schedules should be 5 days after the date of filing.
6. This is a contested matter which requires that a proposed resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution.

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THEREFORE, IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code, Section 454, for Big Basin Water Company to file a supplement to Advice Letter No. 68 to incorporate the rate schedules attached to this Resolution (Appendix B), and to concurrently cancel its presently effective Rate Schedules. The effective date of the revised rate schedules shall be 5 days after the date of filing. This advice letter shall become effective upon approval by Staff of the Water Division.
2. Big Basin Water Company is authorized to increase the Test Year 2018 water revenues by \$218,068, or 51.5%.

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 November 29, 2018; the following Commissioners voting favorably thereon:

ALICE STEBBINS
Executive Director

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APPENDIX A BIG BASIN WATER COMPANY Summary of Earnings – Test Year 2018

	Utility Estimated Rates		Division Rates	Recommended Rates
	Present	Requested	Present	
<u>Operating Revenue</u>				
General Metered Revenue	\$419,110	\$635,381	\$419,110	\$635,381
General Unmetered Revenue	\$3,659	\$5,387	\$3,659	\$5,387
Reclaimed Water Sales	\$0	\$0	\$0	\$0
Private Fire	\$273	\$341	\$273	\$341
Other Water Revenue	\$0	\$0	\$0	\$0
Other Unmetered Revenue	\$0	\$0	\$0	\$0
Total Revenue	\$423,041	\$641,109	\$423,041	\$641,109
<u>Operating Expenses</u>				
610 Purchased Water	\$0	\$0	\$0	\$0
615 Purchased Power	\$25,341	\$25,341	\$25,341	\$25,341
618 Other Volume Related Expenses	\$0	\$0	\$0	\$0
630 Employee Labor (Labor Capitalized)	\$67,687	\$67,687	\$67,687	\$67,687
640 Materials	\$6,533	\$6,533	\$6,533	\$6,533
650 Contract Work	\$10,000	\$10,000	\$10,000	\$10,000
Water Testing	\$0	\$0	\$0	\$0
660 Transportation Expenses	\$11,335	\$11,335	\$11,335	\$11,335
664 Other Plant Maintenance	\$32,817	\$32,817	\$32,817	\$32,817
670 Office Salaries	\$8,033	\$8,033	\$8,033	\$8,033
671 Management Salaries	\$120,264	\$120,264	\$120,264	\$120,264
674 Employee Benefits	\$58,397	\$58,397	\$58,397	\$58,397
676 Uncollectibles Expense	\$1,054	\$1,054	\$1,054	\$1,054
678 Office Services & Rentals	\$3,561	\$3,561	\$3,561	\$3,561
681 Office Supplies & Expenses	\$16,154	\$16,154	\$16,154	\$16,154
682 Professional Services	\$22,973	\$22,973	\$22,973	\$22,973
684 Insurance	\$18,900	\$18,900	\$18,900	\$18,900
688 Regulatory Commission Expense	\$6,663	\$6,663	\$6,663	\$6,663
689 General Expenses	\$15,145	\$15,145	\$15,145	\$15,145
Total Expenses	\$424,857	\$424,857	\$424,857	\$424,857
Depreciation	\$22,317	\$22,317	\$22,317	\$22,317
Taxes other than Income	\$34,357	\$34,357	\$34,357	\$34,357
State Income Tax	\$800	\$16,161	\$800	\$16,161
Federal Income Tax	\$0	\$33,098	\$0	\$33,098
Total Deductions	\$482,331	\$530,790	\$482,331	\$530,790
Net Revenue	-\$59,290	\$110,319	-\$59,290	\$110,319
RATE BASE				
Utility Plant	\$1,157,864	\$1,157,864	\$1,157,864	\$1,157,864
Construction Work in Progress	\$0	\$0	\$0	\$0
Materials and Supplies	\$0	\$0	\$0	\$0
Working Cash	\$30,615	\$30,615	\$30,615	\$30,615
Accumulated Depreciation	\$460,794	\$460,794	\$460,794	\$460,794
Advances for Construction	\$0	\$0	\$0	\$0
Contributions in Aid of Construction	\$0	\$0	\$0	\$0
Deferred Income Taxes	\$0	\$0	\$0	\$0
TOTAL RATE BASE	\$717,685	\$717,685	\$717,685	\$717,685
Rate of Margin (ROM)				22.91%

END OF APPENDIX A

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APPENDIX B BIG BASIN WATER COMPANY

Schedule No. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on a monthly basis.

TERRITORY

Big Basin and vicinity, Santa Cruz County

RATES

Quantity Rate:

All Water used per 100 cu. ft.	\$5.46	(I)
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Service Charge:

	<u>Per Meter Per Month</u>	
For 5/8 x 3/4 inch meter	\$ 44.88	(I)
For 3/4-inch meter	\$ 67.31	
For 1-inch meter	\$ 112.19	
For 1-1/2-inch meter	\$ 224.38	
For 2-inch meter	\$ 359.01	
For 3-inch meter	\$ 673.14	
For 4-inch meter	\$1,121.90	(I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF
2. A \$2.34 bill credit shall be applied to each customer's monthly water bill to reimburse customers the \$24,876.39 in timber revenues for the 2015 timber operations. The bill surcredit shall be separately identified on each bill and in place for a period of 18 months, or until the \$24,876.39 is fully reimbursed to customers.

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APPENDIX B BIG BASIN WATER COMPANY Schedule No. 2 RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable only to flat rate residential water service furnished prior to May 1, 1985. This schedule is not open to new customers.

TERRITORY

Big Basin and vicinity, Santa Cruz County

RATES

Per Service Connection Per Month

All existing flat rate connections where meters have not been located	\$89.79	(I)
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SPECIAL CONDITIONS

1. The above flat rate applies to service connection not larger than one inch in diameter.
2. For service covered by classification, if the utility so elects, a meter shall be installed, and service provided under Schedule No. 1, General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.
3. All bills are subject to the reimbursement fee set forth in Schedule UF.
4. A \$2.34 bill surcredit shall be applied to each customer's monthly water bill to reimburse customers the \$24,876.39 in timber revenues for the 2015 timber operations. The bill surcredit shall be separately identified on each bill and in place for a period of 18 months, or until the \$24,876.39 is fully reimbursed to customers.

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APPENDIX B BIG BASIN WATER COMPANY Schedule No. 4 PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service furnished for private fire systems and to private fire hydrants.

TERRITORY

Big Basin and vicinity, Santa Cruz County

RATES

	<u>Per Service Connection Per Month</u>	
For each diameter of service connection	\$9.46	(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 shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be serviced, 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.
3. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be serviced, 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 service to which no connections 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.

(continuation)

END OF APPENDIX B

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APPENDIX C BIG BASIN WATER COMPANY

Comparison of Rates
Test Year 2018

METERED SERVICE	Per Service Connection Per Month		
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Service Charge:			
For 5/8 x 3/4 - inch meter	\$32.34	\$44.88	37.8%
Quantity Charge:			
All water, per 100 cu. ft.	\$3.30	\$5.46	65.5%

Comparison of a monthly typical bill for residential metered customers with a 5/8 x 3/4 - inch meter is shown below at current rates and recommended rates for Test Year 2018.

Usage 100 cu. ft.	Present Rates	Recommended Rates	Percent of Increase
0	\$32.34	\$44.88	38.8%
5	48.84	72.18	47.8%
6.85 (avg.)	54.95	82.28	49.8%
8	58.74	88.56	50.8%
11	68.64	104.94	52.9%
12	71.94	110.40	53.5%

END OF APPENDIX C

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APPENDIX D (Page 1/2) BIG BASIN WATER COMPANY ADOPTED QUANTITIES Test Year 2018

Expenses:

1. Purchased power (Electric)		
	Total cost (\$)	\$25,341
2. Purchased Water		N/A
3. Insurance Expense		\$18,900
4. Number of Service Connections:		
	Metered Rate	
	5/8 x 3/4 inch meter	544
	3/4-inch meter	11
	1-inch meter	34
	1-1/2 inch meter	4
	2-inch meter	<u>3</u>
	Total Metered	<u>596</u>
	Flat Rate	5
	Private Fire Protection	3
5. Total Water Sales-Metered Customers		48,661 Ccf

(cont.)

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APPENDIX D (Page 2/2) BIG BASIN WATER COMPANY ADOPTED QUANTITIES Test Year 2018

Line No.	Item	State Tax	Federal Tax
1.	Operating Revenue	\$641,109	\$641,109
2.	O & M Expenses	\$424,857	\$424,857
3.	Taxes Other Than Income	\$ 34,357	\$ 34,357
4.	Depreciation and Interest	\$ 22,317	\$ 22,317
5.	Taxable Income for State Tax	\$173,772	
6.	State Tax	\$ 16,161	
7.	Taxable Income for FIT		\$157,611
8.	Federal Income Tax		\$ 33,098
9.	Total Income Tax		\$ 49,259
	California Corporate Franchise Rate	9.3%	
	Federal Income Tax Rate Flat Rate	21%	

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BIG BASIN WATER COMPANY ADVICE LETTER NO. 68 SERVICE LIST

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