

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

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In the Matter of the Application of GOLDEN HILLS SANITATION COMPANY (U 438-SWR) for Authority to Increase Rates Charged for Sewer Service by \$140,867 or 114% in January 2012, \$140,867 or 53% in January 2013, and \$140,867 or 34% in January 2014.

Application 11-08-019
(Filed August 26, 2011)

**GOLDEN HILLS SANITATION COMPANY (U 438-SWR)
PROOF OF RULE 3.2 (NOTICE) COMPLIANCE**

October 7, 2011

CLINT HILDERBRAND
GOLDEN HILLS SANITATION COMPANY
P.O. Box 1468
Tehachapi, California 93581
(661) 822-4623, ex. 222 (Telephone)
(661) 822-4546 (Facsimile)
childerbrand@goldenhillssanitation.com (E-mail)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of GOLDEN HILLS SANITATION COMPANY (U 438-SWR) for Authority to Increase Rates Charged for Sewer Service by \$140,867 or 114% in January 2012, \$140,867 or 53% in January 2013, and \$140,867 or 34% in January 2014.

Application 11-08-019
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**GOLDEN HILLS SANITATION COMPANY (U 438-SWR)
PROOF OF RULE 3.2 (NOTICE) COMPLIANCE**

Golden Hills Sanitation Company, Inc. (GHSC), a Class D sewer system corporation, respectfully submits this proof of compliance with Rule 3.2 of the Commission’s Rules of Practice and Procedure. Rule 3.2(d) specifically requires “sewer system corporations, within 45 days” after the filing of an application to increase rates to “furnish to its customers affected by the proposed increase notice of its application either by mailing such notice postage prepaid to such customers or by including such notice with the regular bill for charges transmitted to such customers.” (Rule 3.2(d).) Two other subsections of Rule 3.2 also relate to notice of rate increase applications, but do not specifically apply to “sewer system corporations.” The first of these rules, Rule 3.2(b) requires notice to the State offices, where the State is a customer, and County and City offices, in which the rate increase is to be made effective, by mailing a copy of the application. The second rule, Rule 3.2(c) requires publication of a notice of the requested rate increase in a newspaper of general circulation within 10 days of the filing of the application.

GHSC has complied with each of these rules. With respect to Rule 3.2(b), on August 26, 2011, GHSC’s application (A.11-08-019) was served by mail on Kern County and the City of Tehachapi, where GHSC is located, as well as the Golden Hills Community Services District. On September 20, 2011, notice of the rate increase requested in this application was noticed in

the Bakersfield Californian, in compliance with Rule 3.2(c). Finally, on September 28, 2011, as part of its regular 30-day billing cycle, GHSC mailed a customer notice to each of its customers in compliance with Rule 3.2(d). This customer notice was reviewed and approved by the Commission's Public Advisor's Office before it was sent.

Documentation of compliance with each of these rules is attached hereto as follows:

Attachment A: Certificate of Service for A.11-08-019 (Rule 3.2(b))

Attachment B: Declaration of Clint Hilderbrand (Rule 3.2(c) and 3.2(d))

Attachment C: Notice Published in Newspaper (Rule 3.2(c))

Attachment D: Notice Mailed to Customers (Rule 3.2(d))

Respectfully submitted,

October 7, 2011

By: /s/ CLINT HILDERBRAND

CLINT HILDERBRAND
GOLDEN HILLS SANITATION COMPANY
P.O. Box 1468
Tehachapi, California 93581
(661) 822-4623, ex. 222 (Telephone)
(661) 822-4546 (Facsimile)
childerbrand@goldenhillssanitation.com (E-mail)

ATTACHMENT A

Certificate of Service of A.11-08-019 (Rule 3.2(b))

CERTIFICATE OF SERVICE

I, Sara Steck Myers, am over the age of 18 years and employed in the City and County of San Francisco. My business address is 122 - 28th Avenue, San Francisco, California 94121.

On August 26, 2011, I served the within document **APPLICATION OF GOLDEN HILLS SANITATION COMPANY (U 438-SWR)** (General Rate Case 2012-2014), on the attached service list, in the manner prescribed by the Commission's Rules of Practice and Procedure and with electronic service and additional U.S. Mail service of one hard copy to Chief Administrative Law Judge (ALJ) Karen Clopton, at San Francisco.

Executed on August 26, 2011, at San Francisco, California.

/s/ SARA STECK MYERS

Sara Steck Myers

APPLICATION OF GOLDEN HILLS SANITATION COMPANY (U 438-SWR)
General Rate Case (2012-2014)
August 26, 2011

STATE SERVICE

Chief ALJ Karen Clopton
California Public Utilities Commission
505 Van Ness Avenue, Room 5118
San Francisco, CA 94102
kvc@cpuc.ca.gov

Rami Kahlon
Director, Division of Water & Audits
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
rsk@cpuc.ca.gov

CITY, COUNTY, NEIGHBORING UTILITIES

City of Tehachapi
Attn: Mr. Greg Garret, City Manager
1115 South Robinson Street
Tehachapi, California 93561
ggarrett@tehachapicityhall.com

Golden Hills Community Services District
Attn: Mr. Bill Fisher, General Manager
Post Office Box 637
Tehachapi, California 93581
bfisher@ghcsd.com
bfisher-ghcsd@bak.rr.com

Golden Hills Sanitation Co, Inc.
Clint Hilderbrand, Secretary
Post Office Box 1468
Tehachapi, California 93581
childerbrand@goldenhillssanitation.com

Kern County Supervisor, District 2
Honorable Zack Scrivner
1115 Truxton Avenue, fifth Floor
Bakersfield, California 93301
district2@co.kern.ca.us

Tehachapi-Cummings County Water District
Attn: Mr. John Martin
Post Office Box 326
Tehachapi, California 93581
jmartin@antelecom.net

ATTACHMENT B

Declaration of Clint Hilderbrand (Rules 3.2(c) and 3.2(d))

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of GOLDEN HILLS SANITATION COMPANY (U 438-SWR) for Authority to Increase Rates Charged for Sewer Service by \$140,867 or 114% in January 2012, \$140,867 or 53% in January 2013, and \$140,867 or 34% in January 2014.

Application 11-08-019
(Filed August 26, 2011)

DECLARATION OF CLINT HILDERBRAND

I, Clint Hilderbrand, secretary for Golden Hills Sanitation Company (GHSC), declare as follows:

1. My job responsibilities with Golden Hills Sanitation Company (GHSC) include ensuring GHSC's compliance with the public notice requirements of Rule 3.2 of the Commission's Rules of Practice and Procedure. My duties include printing, production and programming instruction of bill inserts and scheduling notices for publication.

2. In that capacity, on September 14, 2011, I sent a copy of the attached notice on behalf of GHSC to be published in the newspaper for general circulation for GHSC's service territory. Publication of this notice ran in the subject newspaper from September 14, 2011 to September 14, 2011. Proof of publication from the newspaper is included as Attachment C to this compliance filing.

3. I also caused notice of GHSC's A.11-08-019 to be mailed to customers as inserts to their regular bills on September 30, 2011, following approval of that notice by the Commission's Public Advisor's Office. A copy of the notice mailed to GHSC's customers is also attached to this declaration.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 7, 2011, in Kern County, California.

By: /s/ CLINT HILDERBRAND
Clint Hilderbrand

ATTACHMENT C

Notice Published in Newspaper in Compliance with Rule 3.2(c)

PROOF OF PUBLICATION

The BAKERSFIELD CALIFORNIAN
P. O. BOX 440
BAKERSFIELD, CA 93302

GOLDEN HILLS SANITATION CO, INC
PO BOX 1468
TEHACHAPI, CA 93581

Ad Number: 12525309 PO #: a1108019
Edition: TBC Run Times 1
Class Code Legal Notices
Start Date 9/20/2011 Stop Date 9/20/2011
Billing Lines 51 Inches 306.95
Total Cost \$ 277.42 Account 1GHS00
Billing GOLDEN HILLS SANITATION CO, INC
Address PO BOX 1468
TEHACHAPI, CA 93581

STATE OF CALIFORNIA
COUNTY OF KERN

I AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE COUNTY AFORESAID: I AM OVER THE AGE OF EIGHTEEN YEARS, AND NOT A PARTY TO OR INTERESTED IN THE ABOVE ENTITLED MATTER. I AM THE ASSISTANT PRINCIPAL CLERK OF THE PRINTER OF THE BAKERSFIELD CALIFORNIAN, A NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED DAILY IN THE CITY OF BAKERSFIELD COUNTY OF KERN,

AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF KERN, STATE OF CALIFORNIA, UNDER DATE OF FEBRUARY 5, 1952, CASE NUMBER 57610; THAT THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY, HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT: 9/20/11

ALL IN YEAR 2011

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.



DATED AT BAKERSFIELD CALIFORNIA

9/20/11

Solicitor I.D.: 0

First Text
LEGAL NOTICE Golden Hills Sanitation Co,

Ad Number 12525309

LEGAL NOTICE

Golden Hills Sanitation Co, Inc. U 438-SWR hereby gives notice to the filing of an Application A1108019 to the California Public Utilities Commission for Authority to Increase Rates Charged for Sewer Service by \$148,076 or 120% in January 2012, \$148,076 or 54% in January 2013, and \$148,076 or 35% in January 2014. GHSC proposes to spread this increase linearly over three years as follows

The proposed rates for Years 2012, 2013, and 2014 are as follows:
TY 2012 TY 2013 AY 2014

| | | | |
|---|----------|----------|----------|
| Single Family Residential Sewer Service | \$127.41 | \$196.82 | \$266.23 |
| Apartment Service Connection | \$116.14 | \$179.41 | \$242.68 |
| Motel Service Connection | \$123.59 | \$190.91 | \$258.24 |
| Service Commitment Fee | \$ 21.97 | \$ 33.93 | \$ 45.9 |

TY 2012 TY 2013 AY 2014
The resulting gross revenues for each year are \$271,813 \$419,889 \$567,965
The resulting percentage changes in revenues are: 120% 54% 35%

The principal reason leading to this request for rate relief is that the existing rates are not adequate to meet or cover current or forecasted expenses, including a reasonable rate of return, for the test years.

The Commission welcomes your comments. If you wish to comment on GHSC's request or want to participate in the hearings and require information on how to participate, you may write to the Commission at the address below. The Public Advisor will give your letter to the Commissioners, and it will become part of the formal correspondence file for this application.

All protests or responses to this filing should be sent to both of the following addresses and should mention that they pertain to Golden Hills Sanitation Company A1108019

California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 9410

Comments must be sent no later than twenty (20) days after the date of this notice was sent. A copy of all comments, protests, and responses must also be sent to:
Golden Hills Sanitation Co.
P.O. Box 1468,
Tehachapi, CA 93581
Tel: (661) 822-4623. E-mail: mpitchak@goldenhillsanitation.com
Fax: (661) 822-4546

A copy of the Golden Hills Sanitation Company filing may be inspected in the Utility's business office at 21030 Mission Street, Tehachapi, CA 93561, or
<http://www.goldenhillsanitation.com>, or at the California Public Utilities Commission. Further information may be obtained from GHSC at its business office or from the Commission at the above address.
September 20, 2011 (12525309)

ATTACHMENT D

Notice Mailed to Customers in Compliance with Rule 3.2(d)

GOLDEN HILLS SANITATION COMPANY

**NOTICE OF APPLICATION FILING FOR REQUEST
TO INCREASE RATES IN APPLICATION 11-08-019**

On August 26, 2011, Golden Hills Sanitation Company, Inc (GHSC) filed Application (A.) 11-08-019 before the California Public Utilities Commission (CPUC). By A.11-08-109, GHSC requests an increase in its revenue requirement of \$444,228 or 359% to be authorized in 2012. The proposed rate increase for sewer service covers a three-year phase-in period from 2012 to 2014. This requested rate increase reflects an increase in operating revenues equal to the Consumer Price Index-U for each of the three years (2012, 2013 and 2014) and a return on rate base of 13.5%.

The primary reason for the proposed increase is that existing rates are not adequate to meet or cover current or forecasted expenses, including a reasonable rate of return for the test years. The proposed three-year phase in period from 2012 to 2014 is as follows:

| Year | Percent Increase | Amount Increase |
|-------------|-------------------------|------------------------|
| 2012 | 120% | \$148,076 |
| 2013 | 54% | \$148,076 |
| 2014 | 35% | \$148,076 |

The illustrative table below provides a comparison of the current and proposed rates:

GENERAL FLAT RATE SERVICE

The proposed rates for Years 2012, 2013, and 2014 are as follows:

| Customer Class | Current Rates | Proposed | | |
|---|---------------|----------------|---------------|---------------|
| | | TY 2012 | TY2013 | TY2014 |
| Single Family Residential Sewer Svc. | \$58.00 | \$127.41 | \$196.82 | \$266.23 |
| Apartment Service Connection | \$52.87 | \$116.14 | \$179.41 | \$242.68 |
| Motel Service Connection | \$56.26 | \$123.59 | \$190.91 | \$258.24 |
| Service Commitment Fee | \$10.00 | \$ 21.97 | \$ 33.93 | \$ 45.90 |
| | | <u>TY 2012</u> | <u>TY2013</u> | <u>AY2014</u> |
| The resulting gross revenues for each year are: | \$271,813 | \$419,889 | \$567,965 | |
| The resulting percentage changes in revenues are: | 120% | 54% | 35% | |

FURTHER INFORMATION AND OBTAINING A COPY OF THE APPLICATION

The Application and related exhibits may be inspected at the GHSC business office located at 21030 Mission Street, Tehachapi, CA (no postal mail delivery). If you wish to receive a copy of the proposed Application and related Exhibits, they will be furnished by GHSC upon written request to Golden Hills Sanitation Company, P.O. Box 1468, Tehachapi, CA 93581 or by calling (661) 822-4623 Ext. 222. or access the Application free at www.goldenhillssanitation.com.

EVIDENTIARY HEARINGS

The CPUC may schedule a formal Evidentiary Hearing (EH) before a CPUC Administrative Law Judge (ALJ) in A.11-08-019. These hearings are open to the public, but only those who are formal parties of record can participate. The CPUC has their own court reporters who will take the comment of the formal parties of record participating in the EHs. GHSC will provide testimony at the hearings. The Division of Ratepayer Advocates (DRA) consists of engineers, accountants, economists, and attorneys who independently evaluate the proposals of utilities for rate changes and present their analyses and recommendations to the utilities or rate changes and present their analyses and recommendations to the CPUC at EH. Once hearings are completed, the ALJ will consider all of the evidence presented and release the draft decision. The CPUC may approve the proposed requests of GHSC, approve the draft decision by the ALJ, or may approve an alternate decision filed by a Commissioner. The final decision may differ from GHSC's original proposed request.

PUBLIC PARTICIPATION HEARINGS

Public Participation Hearings (PPHs) may be scheduled in A.11-08-019. At a future scheduled Pre-hearing Conference presided over by the assigned Administrative Law Judge if it is determined that PPHs are necessary, a date, time and location of the hearing(s) will be scheduled. Notification of such hearings will be made by a separate formal CPUC ruling and noticing to GHSC customers will occur.

PROTESTING THE APPLICATION

Formal protests to this application must be filed with the CPUC's Docket Office. As a GHSC customer, if you would like to file an informal public comment or an informal protest regarding the proposed Application filing, you may send your comments to the CPUC's Public Advisor's Office (PAO). The PAO was established to assist members of the public who wish to protest or participate as a formal party of record in CPUC proceeding. For further assistance in filing a protest with the CPUC or participating in this proceeding, please contact the PAO at the address below.

PUBLIC COMMENT

As a GHSC customer, if you wish to comment on or informally protest this application, you may do so by contacting the Public Advisor's Office via phone or email. Written public comment by GHSC customers is very much desired by the CPUC and may be sent to the PAO at the address shown below. These comments will become part of the formal correspondence file for this proceeding and will be circulated to the assigned ALJ or Commissioner and the appropriate CPUC staff. For assistance, you may contact the PAO at the following address and telephone number:

California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

Public Advisor's Office (San Francisco)
E-mail: public.advisor@cpuc.ca.gov

(415) 703-2074
1(866) 849-8390