

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



November 2, 2010

Draft Resolution W-4853  
Agenda ID #9898

TO: Interested Parties to Central Camp Water Company's General Rate Increase

Enclosed is draft Resolution W-4853 of the Division of Water and Audits. It will be on the Commission's December 2, 2010 agenda. The Commission may then act on this resolution or it may postpone action until a later time.

When the Commission acts on a draft resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding on the parties.

Parties to this matter may submit comments on this draft resolution. An original and two copies of the comments, with a certificate of service, should be submitted to:

Division of Water and Audits, Third Floor  
Attention: Maria Carmen Rocha  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Parties may submit comments on or before November 22, 2010. The date of submission is the date the comments are received by the Division of Water and Audits. Parties must 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.

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft resolution, a table of authorities and appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on the factual, legal, or technical errors in the draft resolution, and shall make specific reference to the record or applicable law. Comments which fail to do so will be accorded no weight and are not to be submitted.

Persons interested in comments of parties may write to Maria Carmen Rocha, email her at [mdc@cpuc.ca.gov](mailto:mdc@cpuc.ca.gov), or telephone her at (415) 703-2162.

/s/ RAMI S. KAHLON  
Rami S. Kahlon, Director  
Division of Water and Audits

Enclosures: Draft Resolution W-4853  
Certificate of Service  
Service List

WATER/RSK/JB5/MDC:jrb

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

DIVISION OF WATER AND AUDITS

RESOLUTION No. W-4853

Water and Sewer Advisory Branch

December 2, 2010

**R E S O L U T I O N**

**(RES. W-4853), CENTRAL CAMP WATER COMPANY (CCWC).  
ORDER AUTHORIZING A GENERAL RATE INCREASE,  
PRODUCING ADDITIONAL ANNUAL REVENUE OF \$5,948 OR  
37.70% FOR TEST YEAR (TY) 2010.**

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**SUMMARY**

By Advice Letter (AL) 19, filed on July 12, 2010, CCWC seeks to increase its rates for water service to recover increased operating expenses and earn an adequate return on its plant investment.

For TY 2010, this resolution grants an increase in gross annual revenues of \$5,948 or 37.70%, which is estimated to provide a rate of margin of 23.03%. This resolution also orders CCWC to obtain a Certificate of Public Convenience and Necessity (CPCN) to operate as a sewer system corporation.

**BACKGROUND**

CCWC, a Class D water utility, has requested authority under Rule 7.6.2 of General Order 96-B, and Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its water rates by \$12,122 or 76.56% for TY 2010. The purpose of the rate increase is to recover increased operating expenses and to provide an adequate rate of return. CCWC's request shows 2008 gross revenues of \$15,834 at present rates, increasing to \$27,956 at requested rates. CCWC's request results in a rate of margin of 45.4%.

CCWC currently provides flat rate water service to 78 residences (on a seasonal basis) in the vicinity of eastern Madera County. Additionally, CCWC currently provides sewer service to residences even though it has never obtained a CPCN from the Commission to operate as a sewer system corporation.

## **NOTICE AND PROTEST**

A notice of the proposed rate increase was mailed to each CCWC customer on September 4, 2010. The Division of Water and Audits (Division) received two letters from customers protesting the water rate increase.

The protests request the CCWC's accounting books be open for public review. The protests also allege that CCWC does not provide proper notification when its water service is shut off for the season and that CCWC provides inadequate sewer services.

CCWC responded to the customers' complaints in a letter dated September 21, 2010 and provided a copy of its letter to the Division.

An informal public meeting was not held for CCWC's request because of budget limitations.

## **DISCUSSION** – CCWC'S Water Service

The Division investigated the claims in the protest that CCWC does not provide proper notification when the water service will be shut off. The Division concluded that CCWC is operating consistent with its tariff.

The company's service is based on a 5½ month period (May 1 to October 15 of each year). CCWC, at its option, is allowed to commence service prior to May 1 and may continue service later than October 15 as is stated in its Tariff Schedule No. 2RS, Seasonal Residential Flat Rate Service. CCWC generally continues providing water services to its customers for two weeks after October 15 of each year. Due to the climate in the CCWC service area, the utility is unable to provide water service beyond the end of October due to water freezing causing pipe breakage. However, CCWC has addressed all customer complaints regarding when the water will shut off by indicating that it includes in the annual bill the time and last date of service for the season. The annual bills that are mailed between the months of April to May of each year state that water will be shut off at 1:00 p.m. on the last Sunday of October.

With regard to concerns over the proposed rate increase, the Division made an independent analysis of CCWC's operations. Appendix A shows CCWC's and the Division's estimated summary of earnings at present, proposed, and recommended rates for TY 2010. CCWC filed for a general rate increase based on taking the average of the three-year periods (2006-2008) recorded expenses and applying a 2.8% inflation factors for 2010. The Division used different inflation rates than CCWC to estimate expenses using the last three year-average (2007 to 2009) and escalating or de-escalating to the year 2010 using the following factors: 4.2% non-labor escalation factor for 2010

and -0.6% for 2010 escalation factor for non-labor as provided by the Division of Ratepayer Advocates. CCWC is now in agreement with the Division's inflation rates. The Division shared the results of the analysis with CCWC, as listed below. Based on the information provided by the Division, CCWC now supports the Division's recommended revenue requirement and the rates shown in Appendix B.

The Division staff reviewed operating revenues and expenses, including purchased water and power, employee labor, materials, contract work, transportation expenses, management salaries, uncollectible expenses, office services and rentals, office supplies and expenses, professional services, insurance, and general expenses. Staff verified the operating expenses by reviewing supporting documents for substantiation and accuracy, and included the amounts that were deemed reasonably necessary.

CCWC filed for a general rate increase based on taking the average of the three-year periods (2006-2008) recorded expenses and applying a 2.80% inflation rate for power, materials, transportation, uncollectible accounts, office services and rentals, office supplies, insurance, and regulatory commission expenses.

Staff audited actual bills for power and insurance expenses to make its estimates. Staff used different inflation rates than CCWC to estimate the other expenses based on the last three-year average (2007 to 2009) escalating or de-escalating to 2010 each expense using the following two inflation factors: a 4.2% annual increase for non-labor expenses and -0.3% annual decrease for labor expenses for 2010.<sup>1</sup>

#### Power

CCWC's estimate of \$1,763 is based on power expenses bills based on a three-year average for the period of 2006-2008 and applying a 2.8% inflation rate. The Division's estimate of \$1,482 for power expenses is based on a three-year average for the period 2007 to 2009 and escalating it to 2010 using the inflation factor for non-labor.

#### Employee Labor

CCWC's estimate of \$567 is based on a three-year average for the period of 2006-2008. The Division's estimate of \$646 is based on a three-year average for the period of 2007-2009 escalated to 2010 using an inflation factor of -0.3% for labor.

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<sup>1</sup> Based on the Division of Ratepayer Advocates' memorandum of June 30, 2010, the Division uses a non-labor inflation rate of 4.2% and a labor inflation labor of -0.3% for 2010 for the appropriate operating expenses.

Materials

CCWC's estimate of \$1,626 is based on a three-year average for the period of 2006-2008 and applying a 2.8% inflation rate. The Division's estimate of \$1,755 is based on a three-year average for 2007-2009 escalated to 2010 using a higher inflation factor for non-labor.

Contract Work

CCWC's estimate of \$2,337 for contract work is based on the three-year average from 2006-2008. The Division's estimate of \$2,832 for contract work is based on the three-year average from 2007-2009 de-escalated to the year 2010 using the inflation factor for labor.

Transportation Expenses

CCWC requested an amount of \$331 for transportation expenses based on the three-year average for the period of 2006-2008 and applied a 2.8% inflation rate. The Division accepts the CCWC's estimate of \$331 for transportation expenses as nearly equivalent to the Division's estimate.

Management Salaries

CCWC requested an amount of \$2,400 for management salaries. The Division allowed an estimate of \$2,501 for management salaries based on a three-year average for 2007-2009 escalated to the year 2010 using the inflation factor for labor.

Uncollectible Account Expenses

CCWC requested an estimated amount of \$210 for uncollectible expenses based on the three-year average for the period of 2006-2008 and applied a 2.8% inflation rate. The Division accepts the CCWC's estimate of \$210 for uncollectible account expenses as nearly equivalent to the Division's estimate.

Office Services and Rentals

CCWC requested an estimated amount of \$384 for office services and rentals expenses based on a three-year average and applied a 2.8% inflation rate. The Division allowed an estimate of \$325 for Office Services and Rentals expenses based on a three-year average for 2007 to 2009 escalated to the year 2010 using the inflation factor for non-labor.

Office Supplies and Expenses

CCWC requested an estimated amount of \$355 for office services and rentals expenses based on a three-year average and applied a 2.8% inflation rate. The Division allowed an estimate of \$386 for Office Supplies and Expenses based on a three-year average for 2007 to 2009 escalated to the year 2010 using the inflation factor for non-labor.

Professional Services

CCWC requested an estimated amount of \$442 for professional services based on the three-year average for 2006 to 2008. The Division accepts the CCWC's estimate of \$442 for professional services as nearly equivalent to the Division's estimate.

Insurance

CCWC requested an amount of \$2,151 for insurance expenses based on the actual expense from its 2008 Annual Report. Proof of the insurance premium for 2009 of \$2,183 was submitted by CCWC to the Division. The Division accepts the \$2,183 for insurance expenses based on the latest premium for 2009.

Regulatory Expense

CCWC requested an amount of \$223 for regulatory expenses based on the three-year average for 2006-2008 and applied a 2.8% inflation rate. The Division allowed an estimate of \$237 for Regulatory Expenses base on a three-year average for 2007 to 2009.

Account Surcharges to Customers Excluded from Rate Base for Ratemaking

CCWC is recording in a separate account the 20-year loan for money borrowed from the State Department of Water Resources (DWR) under the Safe Drinking Water Bond Act of 1988 (SDWBA) established by Decision (D.) 93-09-064 (September 17, 1993), as modified in D.95-02-007 (February 8, 1995).

The loan was used to finance a replacement of the surface water source with a ground water supply developed from wells and a storage tank. CCWC recorded in a separate balancing account all billed surcharge revenue and interest earned on deposits made. The plant financed through the SDWBA was permanently excluded from rate base for rate-making purposes.

CCWC also recorded in a separate account surcharge amounts authorized to be recovered from its customers associated with a \$24,000 loan to pay the costs of drilling an additional well to provide adequate water during peak periods<sup>2</sup> and a \$12,000 short-term loan to be used to complete the addition of the new well project.<sup>3</sup>

Average Plant and Average Accumulated Depreciation

The Division's estimate of accumulated depreciation shows that the average plant in rate base is fully depreciated. This estimate excludes permanently from the plant any additions to the CCWC system from the two surcharges authorized by the Commission

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<sup>2</sup> Resolution W-4418, dated September 4, 2003.

<sup>3</sup> Resolution W-4490, dated August 19, 2004.

(Res. W-4418, dated September 4, 2003 and Res. W-4490, dated August 19, 2004).  
Therefore, CCWC's rate base is relatively small.

#### Rate of Margin

CCWC's request results in a rate of margin of 45.40 %. CCWC is a Class D water utility with approximately 78 connections. Two methods are available for the Division to utilize in the rate-making process: (1) rate of return, and (2) rate of margin. Pursuant to D.92-03-093, dated March 31, 1992, the Division must recommend the method that produces the higher revenues. The Division's Utility Audit, Finance & Compliance Branch (UAFCB) recommends a rate of return range from 12.50% to 13.50% for a Class D water utility. UAFCB recommends a rate of margin of 23.03% for Class D water utilities. Division has determined that the rate of margin produces the higher revenues of \$21,802 compared to \$18,354 using the rate of return at the high-end of the range. Therefore, Branch recommends use of the rate of margin in setting authorized revenues.

CCWC's rate structure consists of one rate schedule: Schedule No. 2RS, Seasonal Residential Flat Rate Service. The rates proposed by the Division are shown in Appendix B. At the recommended rate of margin, the increase in revenue will be \$5,948 or 37.70% for TY 2010.

At the Division's recommended rates shown in Appendix B, the bill for a typical seasonal residential flat rate CCWC customer would increase from \$200.00 per year to \$279.51, a 39.75% increase. In addition to the yearly seasonal residential flat rate for CCWC customers, a surcharge of \$87.50 remains in place until the year 2013, pursuant to D.95-02-007, filed March 5, 1993, and D.93-09-064, dated September 17, 1993, to continue the payment of the Safe Drinking Water Bond Act Loan for the drilling of wells and installation of pumping facilities.

A comparison of CCWC customer bills at present and recommended rates is shown in Appendix C. The adopted quantities and tax calculations are shown in Appendix D.

#### **DISCUSSION** – CCWC's Sewer Service

The Division investigated the protests regarding the inadequate sewer service. During the course of its investigation, the Division learned that CCWC had never obtained a CPCN to provide sewer service. CCWC has provided sewer services to customers since the late 1930's when CCWC was established by the father of the current owners. When the current owners inherited CCWC, they were unaware that the sewer service was a public utility subject to the jurisdiction, control, and regulation of the Commission.

CCWC currently provides sewer service to 76 customers. CCWC sewer system configuration consists of two separate sewer systems. Approximately 2/3 of CCWC's

customers residing in the older part of CCWC are on a common septic system and sewage from these cabins discharges to a large septic tank and the leach from this tank is distributed into seven 100 foot size leach lines. The other 1/3 of CCWC's customers residing in a subdivision added their own septic tank; however, CCWC receives these customers' leach from their tanks and disposes of it in a separate leach field. Because CCWC is located in a heavily timbered mountain area, tree roots grow around and get into the sewer pipelines. The sewer pipelines are over 80 years old and any cracks or joint failures lead to root intrusions that cause blockages.

Prior to 1998, CCWC charged a sewer service rate of \$10 per year. Sewer rates were raised by CCWC owners in 1998 to \$30 per year due to increases in sewer expenses. In 2009, sewer rates were raised to \$54 per year. In addition, CCWC sent out a supplemental bill this year of \$120 per customer for sewer services. CCWC's common septic tank is in need of repair or possibly replacement and is facing surface water overload. Since 1998 sewer expenses have decreased Central Camp Water Company's income by more than \$9,000.

The Public Utilities Code (P.U. Code) provides which services are considered public utility services subject to the Commission's jurisdiction. P.U. Code Section 230.6 defines a "Sewer system corporation" to include "every corporation or person owning, controlling, operating, or managing any sewer system for compensation within this state." P.U. Code Section 216 includes sewer system corporations as Commission-regulated utilities subject to the jurisdiction, control, and regulation of the commission, "where the service is performed for, or the commodity is delivered to, the public or any portion thereof for which any compensation or payment whatsoever is received."

It is uncontested that CCWC has been operating a sewer system for the benefit of the residents in Eastern Madera County for compensation. Thus, the Division finds that CCWC's sewer service is a public utility service. As such, the Division finds that CCWC should file an application for a CPCN to operate as a sewer system corporation.

### **COMPLIANCE – CCWC'S Water Service**

There are no outstanding Commission orders requiring system improvements. The utility has been filing annual reports as required. However, CCWC needs to file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following rules in its tariff book to meet with the current Commission sample forms: Title Page; Rules 3, Application for Service; 5, Special Information Required on Forms; 7, Deposits; 8, Notices; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 15, Main Extension; 16, Service Connections, Meters, and Customer's Facilities; 20, Fire Protection, and Rule 21, Water

Conservation; and Form 1, Application for Water Service: Forms 2, Customer's Deposit Receipt; 3, Bill for Service, and Connection Fee Data Form.

### **COMPLIANCE – CCWC'S Sewer Service**

CCWC's sewer service is not in compliance with the Public Utilities Code and Commission requirements because it has never obtained a CPCN from the Commission. CCWC should file an application for a CPCN to operate as a sewer system corporation.

### **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.

The draft resolution was served on the utility and all those who submitted letters to the Division questioning the rate increase for public comment on November 2, 2010. Comments were received from \_\_\_\_\_ on \_\_\_\_.

### **FINDINGS**

1. Central Camp Water Company currently serves 78 residential flat-rate, seasonal residences in the vicinity of eastern Madera County.
2. Central Camp Water Company filed Advice Letter 19 on July 12, 2010, requesting authority to increase its rates by \$12,122 or 76.56% for Test Year 2010.
3. The last interim general rate increase was granted on September 7, 1995, pursuant to Resolution W-3939 which granted an additional revenue of \$12,580 or 567%.
4. The Commission authorized two surcharges for the Central Camp Water Company's customers for plant additions to the water system pursuant to Resolution W-4418, dated September 4, 2003 and Resolution W-4490, dated August 19, 2004.
5. Central Camp Water Company present rates became effective on September 21, 2005, by approval of Advice Letter 16, which reduced the surcharge authorized by Resolution W-4418.
6. A notice regarding the general rate increase was mailed to each customer on September 4, 2010.
7. The Division of Water and Audits received two letters protesting the rate increase. The letters also raised concerns with regard to Central Camp Water Company's

notification practices for its plans to shut off water service for the season and the adequacy of its sewer services.

8. Central Camp Water Company filed for a general rate increase based on taking the average of the three-year periods (2006-2008) recorded expenses and applying a 2.8% inflation factors for 2010.
9. The Division of Water and Audits used different inflation rates than Central Camp Water Company to estimate expenses using the last three year-average (2007 to 2009) and escalating or de-escalating to the year 2010 using the following factors: 4.2% non-labor escalation factor for 2010 and -0.6% for 2010 escalation factor for non-labor as provided by the Division of Ratepayer Advocates.
10. After discussions with the Division of Water and Audits and reviewing the Division's findings, Central Camp Water Company is now in agreement with the Division's inflation rates and proposed rate increases.
11. The Division of Water and Audits used annual reports for expenses, when actual bills were not available.
12. The Division of Water and Audits' recommended summary of earnings (Appendix A) are reasonable and should be adopted.
13. The rates recommended by the Division of Water and Audits (Appendix B) are reasonable and should be adopted.
14. The quantities (Appendix D) used to develop the Division of Water and Audits' recommendations are reasonable and should be adopted.
15. The Division of Water and Audits finds that the Central Camp Water Company has never obtained a Certificate of Public Convenience and Necessity to operate its sewer service.
16. Central Camp Water Company provides sewer service to 76 customers. Central Camp Water Company has been providing sewer services since the late 1930's when CCWC was established. CCWC was established by the father of the current owners and was inherited by the current owners.
17. Prior to 1998, CCWC charged a sewer service rate of \$10 per year. Sewer rates were raised by CCWC owners in 1998 to \$30 per year due to increases in sewer expenses. In 2009, sewer rates were raised to \$54 per year. In addition, CCWC sent out a supplemental bill this year of \$120 per customer for sewer services. CCWC's common septic tank is in need of repair or possibly replacement and is facing surface water overload.
18. Central Camp Water Company operates a sewer system and offers service, for compensation, to members of the public in eastern Madera County. Thus, Central Camp Water Company is a public utility.

19. Since 1998 sewer expenses have decreased Central Camp Water Company's income by more than \$9,000.
20. Central Camp Water Company should file an application for a Certificate of Public Convenience and Necessity to operate as a sewer corporation.
21. Central Camp Water Company, at its option, is allowed to commence service prior to May 1 and may continue service later than October 15 as it is stated in its Schedule No. 2RS, Seasonal Residential Flat Rate Service, of the Tariff Book.
22. Central Camp Water Company has addressed all customer complaints regarding when the water will shut off by indicating that it includes in the annual bill the time and last date of service for the season. The annual bills mailed between the months of April to May of each year state that water will be shut off at 1:00 p.m. on the last Sunday of October.
23. Central Camp Water Company should file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following rules in its tariff book to meet with the current Commission sample forms: Title Page; Rules 3, Application for Service; 5, Special Information Required on Forms; 7, Deposits; 8, Notices; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 15, Main Extension; 16, Service Connections, Meters, and Customer's Facilities; 20, Fire Protection, and 21, Water Conservation; and Forms: 1, Application for Water Service; 2, Customer's Deposit Receipt; and 3, Bill for Service; and Connection Fee Data Form.

**THEREFORE IT IS ORDERED THAT:**

1. Central Camp Water Company is authorized to file a supplement to Advice Letter 19 incorporating the revised rate schedule attached to this resolution as Appendix B and to concurrently cancel its presently effectively rate Schedule 2RS, Seasonal Residential Flat Rate Service. The effective date of the revised schedule shall be five days after the date of filing.
2. The quantities (Appendix D) used to develop the Division of Water and Audits' recommendations are adopted.
3. Central Camp Water Company shall file an application for a Certificate of Public Convenience and Necessity to operate its sewer services within sixty days of the effective date of this resolution.
4. Central Camp Water Company shall file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following rules in its tariff book to meet with the current Commission sample forms: Title Page; Rules 3, Application

for Service; 5, Special Information Required on Forms; 7, Deposits; 8, Notices; 9, Rendering and Payment of Bills; 10, Disputed Bills; 11, Discontinuance and Restoration of Service; 15, Main Extension; 16, Service Connection Meters, and Customer's Facilities; 20, Fire Protection; and 21, Water Conservation; and Forms: 1, Application for Water Service; 2 Customer's Deposit Receipt; 3, Bill for Service, and Connection Fee Data Form.

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 December 2, 2010; the following Commissioners voting favorably thereon:

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PAUL CLANON  
Executive Director

**APPENDIX A  
 CENTRAL CAMP WATER COMPANY  
 SUMMARY OF EARNINGS  
 Test Year 2010**

<u>Item</u>	<u>Utility Estimated</u>		<u>Branch Estimated</u>	
	<u>Present Rates</u>	<u>Requested Rates</u>	<u>Present Rates</u>	<u>Recommended Rates (ROM)</u>
<b><u>Operating Revenue</u></b>				
General Metered Sales	\$ 15,834	\$ 27,956	\$ 15,834	\$ 21,802
Other Water Revenue	\$ -	\$ -	\$ 20	
Non-Utility Income		\$ -	\$ (76)	\$ (76)
	<b>\$ 15,834</b>	<b>\$ 27,956</b>	<b>\$ 15,778</b>	<b>\$ 21,726</b>
<b><u>Operating Expenses</u></b>				
Purchased Power	853	1763	1763	1482
Employee Labor	690	567	567	646
Materials	2807	1626	1626	1755
Contract Work	4580	2337	2337	2832
Transportation Expenses	339	331	331	331
Management Salaries	2400	2400	2400	2501
Uncollectibles Expense	0	210	210	210
Office Services & Rentals	691	384	310	325
Office Supplies & Expenses	416	355	370	386
Professional Services	400	442	440	442
Insurance	2151	2151	2001	2183
Regulatory Expenses	234	223	223	237
<b>Subtotal</b>	<b>15561</b>	<b>12789</b>	<b>12578</b>	<b>13330</b>
Depreciation	3081	2773	3081	2773
Taxes other than Income	1102	1115	1102	1115
Taxes (Federal and State)	800	1708	800	800
Interest	1427	1643	0	0
SDWBA loan amort. Expense	2450	0	-	-
Non Utility Income	76	76	-	-
Miscellaneous non-utility expense	0	0	-	-
<b>Total Deductions</b>	<b>24,497</b>	<b>20,104</b>	<b>17,561</b>	<b>18,018</b>
<b>Net Revenue</b>	<b>-8,663</b>	<b>7,852</b>	<b>-1,783</b>	<b>3,708</b>
<b><u>Rate Base</u></b>				
Average Plant	14,775	14,775	14,775	14,775
Ave. Accumulated Depreciation	12,010	14,783	12,010	14,783
<b>Net Plant</b>	<b>2,765</b>	<b>-8</b>	<b>2,765</b>	<b>-8</b>
<u>Less</u> Advances	0	0	0	0
Contributions	0	0	0	0
<u>Plus</u> Working Cash	1297	1053	5371	872
Materials & Supplies	2807	1626	2807	1626
<u>Construction Work in Progress</u>	0	1297	0	0
<b>Rate Base:</b>	<b>6,869</b>	<b>3,968</b>	<b>10,943</b>	<b>2,490</b>
<b>Rate of Return On Rate Base (12.50% -13.50%)</b>				
<b>Rate of Margin (Operating Ratio) (23.03%)</b>				23.03%

(END OF APPENDIX A)

**APPENDIX B**

**Central Camp Water Company**

**Schedule No. 2RS**

**SEASONAL RESIDENTIAL FLAT RATE SERVICE**

**Test Year 2010**

**APPLICABILITY**

Applicable to all residential flat rate water service furnished on a seasonal basis.

**TERRITORY**

The unincorporated area known as Central Camp, and vicinity, Madera County.

**RATES**

Per Service Connection Per Year  
SDWBA  
Surcharge

For a single-family residential unit,  
including premises for the period  
May thru October 15

\$279.51 (I) \$87.50

**SPECIAL CONDITIONS**

1. The seasonal charge is due in advance on or before May 1 of each year.
2. The utility at its option may commence service prior to May 1 and may continue service later than October 15.
3. The Safe Drinking Water Bond Act (SDWBA) surcharge is in addition to the regular water bill. The total surcharge must be identified on each bill. This surcharge is specifically for the payment of the California SDWBA loan amortized by Decision 93-09-064. The SDWBA Surcharge of an amount of \$87.50 is pursuant to Decision 93-09-064, dated September 17, 1993.
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(END OF APPENDIX B)

APPENDIX C

Central Camp Water Company

COMPARISON OF RATES

Test Year 2010

	Per Service Connection Per Year		
	Present	Recommended	Percent
	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>
Flat Rate Charge	\$200.00	\$279.51	39.75%
SDWBA Surcharge	\$ 87.50	\$ 87.50	0%
<b>Total Rate</b>	<b>\$287.50</b>	<b>\$367.01</b>	

(END OF APPENDIX C)

APPENDIX D

Central Camp Water Company  
ADOPTED QUANTITIES

Test Year 2010

**Purchased Power**

Pacific Gas and Electric Company

Total Customer/Meter Charge Rates

Meter Charge (A-1 Small General Service) (\$ per meter per day) \$0.44353

Total Energy Rates (\$ per kWh)

Total kWh	4,236
Total Cost	\$1,715.60

**Consumption**

1,558 Ccf

**Tax Calculations**

	<u>2008</u>	<u>2010</u>
Operating Revenues	\$15,834	\$21,802
Expenses	\$15,561	\$13,330
Depreciation	\$3,081	\$2,773
Taxes other than Income	\$1,102	\$1,115
Taxable Income for State	\$1,508	\$3,115
State tax	\$800	\$800
Taxable Income for Federal	\$1,508	\$347
Federal tax	-	-

(END OF APPENDIX D)

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution No. W-4853 on all parties in this filing or their attorneys as shown on the attached list.

Dated November 2, 2010, at San Francisco, California.

/s/ JOSIE R. BABARAN

Josie R. Babaran

NOTICE

Parties should notify the Division of Water and Audits, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

SERVICE LIST  
DRAFT RESOLUTION W-4853

Sandra L. McDougald  
President  
Central Camp Water Company  
46089 Road 208  
Friant, CA 93626

Madera County Environmental Health Department  
Attn: Jill Nishi  
2037 West Cleveland Avenue  
Madera, CA 93637

Dick and Anne Helm  
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