

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch**

**RESOLUTION W-5017
January 29, 2015**

RESOLUTION

**(RES. W-5017) FRUITRIDGE VISTA WATER COMPANY
(FVWC) ORDER AUTHORIZING A GENERAL RATE
INCREASE TO PRODUCE ADDITIONAL ANNUAL
REVENUE OF \$339,759, OR 12.63%, FOR TEST YEAR 2013.**

SUMMARY

By Advice Letter (AL) No. 105, filed on May 2, 2013, Fruitridge Vista Water Company (FVWC) seeks to increase its gross revenues by \$346,363, or 12.88%, for Test Year (TY) 2013. FVWC's rate increase request is based upon an increase in operating expenses and new water plant additions.

For TY 2013, this resolution grants an increase in gross annual revenues of \$339,759, or 12.63%, which is estimated to provide gross annual revenues of \$3,028,912 based on a Rate of Return (ROR) of 10.38%.

BACKGROUND

On January 31, 2013, FVWC filed with the California Public Utilities Commission (Commission or CPUC) a draft advice letter requesting a general rate increase. The staff of the Division of Water and Audits (Division or DWA) Water and Sewer Advisory Branch (Staff or Branch) reviewed FVWC's filing and accepted it on May 2, 2013. FVWC requested authority, under Section VI of General Order (G.O.) 96-B and Section 454 of the Public Utilities (PU) Code, to increase rates by \$346,363 or 12.88% in 2013. The general rate increase was filed in order to recover increased operating expenses and return on rate base since the last general rate case (GRC) in 2010. The request shows present rate gross revenues of \$2,689,153, increasing to \$3,035,472 at proposed rates. FVWC filed AL No. 105 on January 31, 2013, formally requesting an increase in its general rates. AL No. 105 was served pursuant to G.O. 96-B. All customers were mailed a notice of the proposed rate increase on April 30, 2013.

FVWC, a privately-owned class B water company, serves approximately 1,046 metered and 3,780 flat rate customers located in the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and in all

immediately adjoining territory in Sacramento County, including all territory contiguous to the southerly limits of the City of Sacramento.

FVWC's interim rates became effective on December 23, 2013, by approval of AL No. 108-A, which authorized an interim rate increase of 1.7%, for the Consumer Price Index -Urban (CPI-U) increase in 2013, subject to refund, if the rates established in this GRC are lower than the interim rates. The rates authorized by this Resolution are higher than the interim rates; therefore, FVWC 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.

FVWC has been owned and operated by the Cook Family for approximately 53 years. FVWC was operated by the D. J. Nelson (aka Jane Cook) Trust dba Fruitridge Vista Water Company since the purchase of the company in 1986. Decision (D.) 07-12-031 authorized the transfer of assets and operations to Cook Endeavors, Inc., a corporation owned and controlled by a beneficiary of the D. J. Nelson Trust. FVWC is a privately owned Class B water company serving approximately 15,000 people in four square miles of an unincorporated area of Sacramento. FVWC's supply of water for customers is met through 17 wells, five of which are inactive, and one recently completed connection with the City of Sacramento water system providing water supply at peak-hour demand. FVWC has no storage capability on its system. FVWC's distribution system consists of 300,747 feet of mains ranging from 1-1/2-inch to 14-inch.

NOTICE, PROTESTS, AND PUBLIC MEETING

Customer notices of the proposed rate increase were mailed to each customer on April 30, 2013. Approximately 20 protest letters, one signed by multiple residents, were received by Staff, complaining about the amount of the rate increase. FVWC responded to the protests acknowledging the rate increase, and explained the reason for the higher rates and the Commission's role in keeping rates just and reasonable. In addition, FVWC responded to separate protests, explaining the average household usage as well as providing a detailed breakdown of the monthly bill at both present and proposed rates.

On June 11, 2013, Staff held an informal public meeting at the Fruitridge Community Center in Sacramento. The meeting was called to order at 6:30 PM. CPUC staff joined FVWC's General Manager Robert Cook, Jr., Financial Manager Mark Chrisler, Operation Manager Steven Cook, and FVWC's Certified Public Accountant Chris Aldinger. Approximately nine people attended the meeting. The comments from the public were varied. Some complained about the rate increase and hardship that it will create for older, retired, and unemployed customers. Some complained about the high rate of return requested by the company. Others complained about high iron and manganese in the water. Still others questioned why FVWC did not file for a GRC

several years earlier to avoid a rate shock. The meeting was adjourned at 7:30 PM. In setting rates in this resolution, we have balanced the financial requirements of FVWC with the rate concerns of its customers, and as discussed below, FVWC does not have any water quality deficiencies.

DISCUSSION

In reviewing FVWC's rate increase request, the Division made an independent analysis of the utility's operations. Appendix A of this resolution shows FVWC's and the Division's estimates of operating revenues, expenses, and ratebase. Appendix A also shows differences in FVWC's and the Division's estimates in operating revenues, expenses, and ratebase which are discussed below. FVWC was informed of the Division's differing views of revenues, expenses, and ratebase and agrees with the Division's recommended revenue requirement in Appendix A, as well as the recommended rates in Appendix B.

Operating Expenses

FVWC accounted for the operating expenses using the CPUC chart of accounts for Class B, C, and D water utilities and has provided workpapers showing a schedule of operating expenses for the recorded years 2009, 2010, 2011, 2012, and the estimated test year 2013.

FVWC included detailed worksheets for each of these expense categories including purchased water, purchased power, other volume related expenses, employee labor, material, contract work, transportation expenses, plant maintenance, office and management salaries (including pensions and benefits), uncollectibles, office service and rentals, office supplies and expense, professional services, insurance, regulatory commission expense, and general expenses. Division has reviewed the total operating expenses and finds them reasonable. Total estimated operating expenses for test year 2013 are \$1,962,340. A portion of the employee labor expenses, \$62,219, have been capitalized and thus credited towards operating expenses and placed into utility plant.

Plant Additions and Ratebase

FVWC has undergone a number of plant additions in both 2012 and 2013 including structures, wells, pumping equipment, water treatment plant upgrades, mains and services, meters, other equipment, and transportation equipment. In 2012, total plant additions were \$7,111,615, of which approximately 87%, or \$6,188,048¹ was funded by the state's Drinking Water Treatment and Research Fund (DWTRF), with the remaining amount, \$923,567 funded by FVWC's shareholders.

¹ These funds are not charged to customers.

An additional \$300,000 in plant additions was included for 2013 for structures, water treatment plant upgrades, mains and services, meters, other equipment, and transportation equipment.

In addition to the above, FVWC added a well site with sodium hypochlorite facilities and manganese/arsenic equipment, primarily funded by DWTRF, an intertie to the city of Sacramento Water System with a booster pumping station, fully funded by DWTRF and the State Revolving Fund (SRF), and additional 12-inch mains to be funded by DWTRF, SRF, and new customers and/or developers. In the next few years, FVWC will continue to focus on converting flat rate service connections to metered connections.

In mid-2014, FVWC provided the staff with a complete update of total plant in service, accumulated depreciation, and ratebase. Division has reviewed these new plant additions and finds them reasonable.

Rate of Return

The rate of return on rate base was determined by calculating the blended cost of capital using a 10.10% return for equity (based on the return given to other "B" size utilities recently) and FVWC's actual cost of debt of 7.60%. Also considered were the specific provisions of D.12-09-005 which applies a rate of return of 11% to certain plant as well as specific provisions of D.06-04-073 which limits the rate of return on certain other plant to 10%. The result of the calculations produced an overall rate of return on rate base of 10.38%.²

Rates

At the Division's recommended rates shown in Appendix B, the average bill for a 1-inch metered residential customer using 15 hundred cubic feet (CCF) per month would increase from \$39.25 to \$45.33, or 15.0%. A comparison of customer bills at present and recommended rates is shown in Appendix C. The Adopted Quantities and Tax Calculations are shown in Appendix D.

Balancing Accounts

FVWC has a Purchased Power Balancing Account which tracks the incremental difference between Adopted Purchased Power costs and Actual Purchased Power costs. In Resolution W-4858, issued December 2010, FVWC was authorized to recover the

² D.12-09-005 adopted an authorized rate of return based on Staff's determination of the capital structure and the cost of debt and equity.

under collection accumulated in the Purchased Power Balancing Account through August 31, 2009 over a 12 month period. That 12 month period ended in December 2011 with \$5,356 not fully recovered. Since August 31, 2009, FVWC has under-collected \$176,165 in the Purchased Power Balancing Account. FVWC may only come in for recovery when the balance exceeds 2% of gross annual revenue.

As the total balance of \$181,521, as of June 30, 2014, exceeds 2% of the gross revenue in this GRC, FVWC expects to file for recovery of the \$181,521 in its Balancing Account as of June 30, 2014, pending finalization of the Test Year 2013 GRC. This amount is not included in the GRC.

Metering

FVWC's metering plan has been in operation for four years and FVWC is currently scheduled to complete this plan as required by 2025. According to this plan FVWC will install 3,690 meters by 2025. FVWC has installed 372 meters since 2011 and expects to install between 200-350 meters per year as funds allow to reach the goal of being fully metered by 2025. Currently FVWC has 1,046 metered customers out of a total of 4,826. To ease the transition from flat rate to metered, customers remain on the flat rate for one year following installation of the meter.

Safety

The Division analyzed how FVWC maintains a safe water system. In response, FVWC stated that fire hydrants are inspected routinely and as prescribed by the Commission. As meters are read, the employees are trained to spot potential hazards and leaks. Each of the wells and pump stations are inspected on a routine basis. FVWC has a dedicated position in this regard and this person has been with the company for several years.

There are monthly mandatory safety meetings for all field personnel. FVWC provides personal protective equipment for each employee including safety vests, safety goggles, and ear plugs, and has an excellent record of keeping its employees safe and maintaining safe operations for their customers.

COMPLIANCE

FVWC has no outstanding compliance orders and has been filing annual reports as required. FVWC meets all applicable drinking water quality standards as required by the State Water Resources Control Board, Division of Drinking Water.

COMMENTS

PU 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 December 30, 2014.

On January 4, 2015, one comment letter was received addressing under-collected revenues from December 23, 2013, through the effective date of this resolution, raising issues regarding monies received through the DWTRF, requesting a future audit and questions about noticing. In response, the Division points out that the interim rates were established on December 23, 2013, and consistent with prior resolutions, FVWC is allowed to collect revenues from the date when interim rates were established through the effective date of this resolution. Division notes that while FVWC has received significant DWTRF monies to build plant, none of these amounts are charged to customers. A clarifying footnote on this issue has been added. Division also notes that future audits may be appropriate if staff are available, and that all customers were noticed of FVWC's rate increase request on April 30, 2013.

FINDINGS

1. The Summary of Earnings (Appendix A) recommended by the Division of Water and Audits (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. Fruitridge Vista Water Company 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 December 23, 2013, the interim rate date, to the effective date of the new rates.

APPENDIX A
FRUITRIDGE VISTA WATER COMPANY
Summary of Earnings
Test Year 2013

<u>Item</u>	<u>Utility Estimated</u>		<u>Branch Estimated</u>		<u>Recommended Rates</u>
	<u>Present Rates</u>	<u>Requested Rates</u>	<u>Present Rates</u>	<u>Requested Rates</u>	
<u>Operating Revenue</u>					
General Metered Revenue	\$1,055,811	\$1,191,755	\$1,055,811	\$1,191,755	\$1,214,259
General Unmetered Revenue	\$1,618,298	\$1,826,735	\$1,618,298	\$1,826,735	\$1,797,708
Reclaimed Water Sales	\$0	\$0	\$0	\$0	\$0
Private Fire	\$15,044	\$16,982	\$15,044	\$16,982	\$16,945
Other Water Revenue	\$0	\$0	\$0	\$0	\$0
Other Unmetered Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenue:	\$2,689,153	\$3,035,472	\$2,689,153	\$3,035,472	\$3,028,912
<u>Operating Expenses</u>					
610 Purchased Water	\$11,251	\$11,251	\$11,251	\$11,251	\$11,251
615 Purchased Power	\$225,547	\$225,547	\$225,547	\$225,547	\$225,547
618 Other Volume Related Expenses	\$28,852	\$28,852	\$28,852	\$28,852	\$28,852
630 Employee Labor	\$366,485	\$366,485	\$366,485	\$366,485	\$366,485
640 Materials	\$62,296	\$62,296	\$62,296	\$62,296	\$62,296
650 Contract Work	\$120,849	\$120,849	\$120,849	\$120,849	\$120,849
660 Transportation Expenses	\$89,443	\$89,443	\$89,443	\$89,443	\$89,443
664 Other Plant Maintenance	\$136,887	\$136,887	\$136,887	\$136,887	\$136,887
670 Office Salaries	\$152,149	\$152,149	\$152,149	\$152,149	\$152,149
671 Management Salaries	\$263,647	\$263,647	\$263,647	\$263,647	\$263,647
674 Employee Benefits	\$272,678	\$272,678	\$272,678	\$272,678	\$272,678
676 Uncollectibles Expense	\$4,555	\$4,555	\$4,555	\$4,555	\$4,555
678 Office Services & Rentals	\$65,965	\$65,965	\$65,965	\$65,965	\$65,965
681 Office Supplies & Expenses	\$68,569	\$68,569	\$68,569	\$68,569	\$68,569
682 Professional Services	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750
684 Insurance	\$75,297	\$75,297	\$75,297	\$75,297	\$75,297
688 Regulatory Commission Expense	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
689 General Expenses	\$10,339	\$10,339	\$10,339	\$10,339	\$10,339
800 Expenses Capitalized	(62,219)	(62,219)	(62,219)	(62,219)	(62,219)
Subtotal	\$1,962,340	\$1,962,340	\$1,962,340	\$1,962,340	\$1,962,340
Depreciation	\$178,074	\$178,074	\$178,074	\$178,074	\$178,074
Taxes other than Income	\$92,268	\$92,268	\$92,268	\$92,268	\$92,268
Income Taxes	\$160,595	\$298,549	\$160,595	\$298,549	\$295,936
Interest	\$0	\$0	\$0	\$0	\$0
Total Deductions	\$2,393,277	\$2,531,231	\$2,393,277	\$2,531,231	\$2,528,618
Net Revenue	\$295,876	\$504,241	\$295,876	\$504,241	\$500,294
Rate Base:					
Utility Plant	\$28,435,478	\$28,435,478	\$28,435,478	\$28,435,478	\$28,435,478
Construction Work in Progress	\$0	\$0	\$0	\$0	\$0
Materials and Supplies	\$40,739	\$40,739	\$40,739	\$40,739	\$40,739
Working Cash	\$163,528	\$163,528	\$163,528	\$163,528	\$163,528
Accumulated Depreciation	(4,633,528)	(4,633,528)	(4,633,528)	(4,633,528)	(4,633,528)
Advances for Construction	(28,087)	(28,087)	(28,087)	(28,087)	(28,087)
Contributions in Aid of Constr	(18,441,423)	(18,441,423)	(18,441,423)	(18,441,423)	(18,441,423)
Deferred Income Taxes	(716,923)	(716,923)	(716,923)	(716,923)	(716,923)
Total Rate Base	4,819,784	4,819,784	4,819,784	4,819,784	4,819,784
Rate of Return	6.14%	10.46%	6.14%	10.46%	10.38%

(END OF APPENDIX A)

APPENDIX B (Page 1/4)
FRUITRIDGE VISTA WATER COMPANY

Schedule No. 1
METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County including all territory contiguous to the southerly limits of the City of Sacramento.

RATES

Quantity Rate:

All Water used per 100 cu.ft	\$1.3345	(I)
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Service Charge:

Per Meter Per Month

For	5/8 x 3/4 inch meter	\$ 10.12
For	3/4-inch meter	\$ 15.19
For	1-inch meter	\$ 25.31
For	1 1/2-inch meter	\$ 50.60
For	2-inch meter	\$ 80.96
For	3-inch meter	\$151.78
For	4-inch meter	\$253.00
For	6-inch meter	\$506.01

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

SPECIAL CONDITIONS

1. A late charge will be imposed per Schedule 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 the unit will, at the company's option, be furnished on the account of the landlord or property owner.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. A portion of each service charge will be deposited in a separate trustee account and shall be used only for payment of principal and interest associated with the buy-in fee for rights purchase water from the City of Sacramento as adopted by the Commission in D.06-04-073. The portion of each service charge that will be deposited in a separate trustee account shall be as follows: for each 5/8" x 3/4" meter, \$1.25; 3/4" meter, \$1.88; 1" meter, \$3.13; 1 1/2" meter, \$6.25; 2" meter, \$10.00; 3" meter, \$18.75; 4" meter, \$31.25; and 6" meter, \$62.50.
5. All bills are subject to the surcharge set forth in Schedule No. DHS.

APPENDIX B (Page 2/4)
FRUITRIDGE VISTA WATER COMPANY

Schedule No. 2
FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County including all territory contiguous to the southerly limits of the City of Sacramento

RATES

Per Service Connection Per Month

1. For a single residential unit, including premises not exceeding 10,000 square feet in area	\$39.54	(I)
a. For each additional single family unit on the same premises and served from the same service connection	\$24.77	(I)
b. For each 100 square feet of premises in excess of 10,000 sq. ft.	\$0.69	(I)
2. For each automobile service station, including car wash rack, where service connection is not larger than one inch in diameter	\$81.59	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. If the utility so elects, a meter shall be installed and water serviced under Schedule No. 1, Metered Service.
3. All bills are subject to the surcharge set forth in Schedule No. DHS.
4. A portion of each service charge will be deposited in a separate trustee account and shall be used only for payment of principle and interest associated with the buy-in fee for rights purchase water from the City of Sacramento as adopted by the Commission in D.06-04-073. The portion of each service charge that will be deposited in a separate trustee account shall be as follows: each single residential unit \$1.65; each additional single family unit \$0.99; for each 100 sq. ft. of premises in excess of 10,000 sq. ft. \$0.01; and each automobile service station \$3.30.
5. A late charge will be imposed per Schedule LC
6. 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 the unit will, at the company's option, be furnished on the account of the landlord or property owner.
7. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

APPENDIX B (Page 3/4)
FRUITRIDGE VISTA WATER COMPANY

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service furnished to privately owned fire protection systems.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County including all territory contiguous to the southerly limits of the City of Sacramento

RATES

Per Month

For each inch of diameter of service connection	\$ 7.72	(I)
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SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and cost paid by the applicant. Such payment shall not be subject to refund
2. The minimum diameter for fire protection shall be 4 inches. And the maximum shall not be more than the diameter of the water main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all 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 connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to the 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 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 will supply only such water at such pressure as may be available from time to time as a result of its normal operations of the system.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.

APPENDIX B (Page 4/4)
FRUITRIDGE VISTA WATER COMPANY

Schedule No. 9

METERED CONSTRUCTION SERVICE

APPLICABILITY

Applicable to all water service furnished for construction water.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County including all territory contiguous to the southerly limits of the City of Sacramento

RATES

Quantity Rate

Per 100 cu. ft.	\$1.334	(I)
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Minimum charge

Per Meter Per Day

For all sized of meter.....	\$10.49	(I)
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The minimum charge will entitle the customer to the quantity of water which that minimum charge will purchase at the quantity rate.

SPECIAL CONDITIONS

1. Applicant for metered construction service shall deposit with the utility a sum equal to 120% of the cost of the meter. This deposit is refundable upon return of the meter to the utility in good working condition.
2. Construction water service under this schedule will be furnished only when surplus water is available over the requirements for domestic service and under conditions which will not adversely affect domestic service. The utility will be the sole judge as to the availability of such surplus water.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(END OF APPENDIX B

APPENDIX C
FRUITRIDGE VISTA WATER COMPANY

Comparison of Rates
Test Year 2013

METERED SERVICE	Per Service Connection Per Month		
	<u>Present</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>Percent</u> <u>Increase</u>
Service Charge:			
For 1 - inch meter	\$25.31	\$25.31	0.0%
Quantity Charge:			
All water, per 100 cu. ft.	\$0.9293	\$1.3345	14.1%

Comparison of a monthly typical bill for residential metered customers with a 1-inch meter is shown below at current rates and recommended rates for Test Year 2013.

Usage 100 cu. ft.	Present Rates	Recommended Rates	Percent of Increase
0	\$25.31	\$25.31	0.0%
5	29.96	31.98	7.0%
8	32.74	35.99	10.0%
11	35.53	39.99	13.0%
15 (avg.)	39.25	45.33	15.0%
20	43.90	52.00	18.0%

FLAT RATE SERVICE

For a single residential unit, including premises not exceeding 10,000 square feet in area

Present Rate:	\$35.11
Recommended Rate:	\$39.54
Percent of Increase:	12.6%

(END OF APPENDIX C)

APPENDIX D (Page 1/2)
FRUITRIDGE VISTA WATER COMPANY

ADOPTED QUANTITIES
Test Year 2013

Expenses:

1. Purchased power (Electric)	
Vendor	Sacramento Municipal Utility District (SMUD)
Schedules	GSS and GSN
Effective Date	9/1/2013
Total cost (\$)	\$225,547
kWh Used	1,422,115
2. Purchased Water @ 10,000 Ccf	\$11,251
3. Insurance Expenses	\$75,297
4. Ad Valorem Taxes	\$33,373
5. Payroll Taxes	\$58,895
Social Security	\$57,527
Federal Unemployment	\$728
State Unemployment	\$910
6. Number of Service Connections:	
Metered Rate	
5/8 x 3/4 inch meter	0
3/4-inch meter	29
1-inch meter	622
1-1/2 inch meter	167
2-inch meter	163
3-inch meter	26
4-inch meter	7
6-inch meter	<u>4</u>
Total	<u>1,018</u>
Flat Rate	3,717
7. Total Water Production	1,634,615 Ccf
8. Total Water Sales-Metered Customers	500,612 Ccf
9. Unaccounted for water	7.5%

APPENDIX D (Page 2/2)
FRUITRIDGE VISTA WATER COMPANY

ADOPTED QUANTITIES
Test Year 2013

Line No.	Item	State Tax	Federal Tax
1.	Operating Revenue	\$3,028,912	\$3,028,912
2.	O & M Expenses	\$1,962,340	\$1,962,340
3.	Taxes Other Than Income	\$92,268	\$92,268
4.	Depreciation and Interest	\$231,388	\$231,338
5.	Taxable Income for State Tax	\$742,916	
6.	State Tax	\$65,674	
7.	Taxable Income for FIT		\$677,242
8.	Federal Income Tax		\$230,262
9.	Total Income Tax		\$295,936
	California Corporate Franchise Rate	8.84%	
	Federal Income Tax Rate		
	On first \$50,000 of taxable income	15%	
	On next \$25,000 of taxable income	25%	
	On next \$25,000 of taxable income	34%	
	On next 235,000 of taxable income	39%	
	On over \$335,000 of taxable income	34%	

(END OF APPENDIX D)

CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Final Resolution No. W-5017 on all parties in these filings or their attorneys as shown on the attached lists.

Dated February 3, 2015, at San Francisco, California.

/s/DANIEL SONG

Daniel Song

FRUITRIDGE VISTA WATER COMPANY
ADVICE LETTER NO. 105
SERVICE LIST

Anna A.
4200 43rd Ave.
Sacramento, CA 95824

Jose L. A.
5716 42nd St.
Sacramento, CA 95824

Hiroji Pratt
4117 43rd Ave.
Sacramento, CA 95824

Linda C.
3809 43rd Ave.
Sacramento, CA 95824

Avwa Valdez
4116 43rd Ave.
Sacramento, CA 95824

Jose R.
6141 37 St.
Sacramento, CA 95824

James Woolsey
6020 37th St.
Sacramento, CA 95824

Mark Robison
4120 43rd Ave.
Sacramento, CA 95824

Benjamin Castillo
6147 37th St.
Sacramento, CA 95824

Julie Heinz
3711 43rd Ave.
Sacramento, CA 95824

Janell S.
4201 43rd Ave.
Sacramento, CA 95824

Robin Durston
3801 43rd Ave.
Sacramento, CA 95824

Betty Sehlie
4100 41st Ave.
Sacramento, CA 95824

Kathleen B.
4100 43rd Ave.
Sacramento, CA 95824

Jeannette Lopez
6220 41st St.
Sacramento, CA 95824

Tyrone X.
3700 43rd Ave.
Sacramento, CA 95824

Bistoriano L.
3805 42nd Ave.
Sacramento, CA 95824

Larry Williams
3811 43rd Ave.
Sacramento, CA 95824

John B.
4217 43rd Ave.
Sacramento, CA 95824

Zandra Esguerra
472 Spinnaker Way
Sacramento, CA 95831

Hao Nguyen
9212 Sierra River Drive
Elk Grove, CA 95624

Linda Avalos
1266 43rd Ave.
Sacramento, CA 95822

California American Water
4701 Beloit Drive
Sacramento, CA 95838
info@amwater.com

Sacramento County Water Agency
3847 Branch Center Road, Trailer #5
Sacramento, CA 95827
saccodwr@sacounty.net

Jessica Hess
Department of Utilities
City of Sacramento
1395 35th Avenue
Sacramento, CA 95822
jhess@cityofsacramento.org

Robert C. Cook, Jr.
Fruitridge Vista Water Company
1108 Second Street
Suite 204
Sacramento, CA 95814
bcook@fruitridgevista.com

CA Dept. of Public Health
Division of Drinking Water and Environmental Mgmt.
Attn: Section Chief, Drinking Water Infrastructure Financing Section
1616 Capitol Mall, MS 7418
Post Office Box 997377
Sacramento, CA 95899-7377