

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 7, 2020

Proposed Resolution W-5219

Agenda ID: 18316

To: All Interested Persons

Enclosed is Proposed Resolution W-5219 of the Water Division, which authorizes Slide Inn Water Company a general rate increase producing an additional annual revenue of \$36,208 or 58.25%, for Test Year 2019 and \$31,149 or 50.11%, for Escalation Year 2020 to be paid by the Ratepayers. Proposed Resolution W-5219 is scheduled to appear on the May 7, 2020 Commission Meeting Agenda (ID# 18316).

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-5219 via email to [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov) on or before **April 27, 2020**. Please reference **"Proposed Resolution W-5219"** 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](mailto:Water.Division@cpuc.ca.gov) or (415) 703-1133. Please reference "Proposed Resolution W-5219."

/s/ BRUCE DEBERRY

Bruce DeBerry, Program Manager  
Water Division

Enclosures: Proposed Resolution W-5219  
Certificate of Service  
Service List

# PROPOSED RESOLUTION

Resolution W-5219  
WD

Agenda ID #18316

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION W-5219

May 7, 2020

### RESOLUTION

**(RES. W-5219) SLIDE INN WATER COMPANY, LLC. ORDER  
AUTHORIZING A GENERAL RATE INCREASE  
PRODUCING ADDITIONAL ANNUAL REVENUES OF  
\$36,208 OR 58.25%, FOR TEST YEAR 2019 AND \$31,149 OR  
50.11%, FOR ESCALATION YEAR 2020; AND THE  
TRANSFER OF THE UTILITY OWNERSHIP FROM SATOI  
B. MILLS TO GARY E. SMITH.**

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### SUMMARY

By Advice Letter (AL) 18-W, filed on July 5, 2019, Slide Inn Water Company (Slide Inn) seeks a general rate increase producing additional annual revenues of \$94,262, or 151.64%, to recover increased operating expenses and earn a reasonable rate of return over current rates. The utility is also requesting authority to transfer the utility ownership from the deceased Satoi B. Mills to Gary E. Smith and to change the name the Title Page of its Tariff Book to reflect the new ownership and the utility's name as incorporated in 2005.

This Resolution grants Slide Inn an increase in gross annual revenues of \$36,208 or 58.25%, for Test Year (TY) 2019 and \$31,149 or 50.11% for Escalation Year (EY) 2020, estimated to provide a Rate of Return (ROR) of 5.88% and 10.40%, respectively.

This Resolution also approves the transfer of the utility ownership from the deceased Satoi B. Mills to Gary E. Smith and the name on the Title Page to reflect the new ownership and utility name as incorporated in 2005.

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## BACKGROUND

Slide Inn has requested authority under General Order (GO) 96-B, Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its water rates by \$94,262 or 151.64% for TY 2019 which is estimated to provide a ROR of 11.40%.

The last general rate increase was granted on January 7, 1998 by Commission Resolution (Res.) W-4086, which authorized a rate increase of \$27,642, or 97.40%, resulting in a ROR of 14.00% for TY 1998. The present rates became effective on September 1, 2011, by AL 14-W, which authorized a 2010 Consumer Price Index (CPI) rate increase of \$840, or 1.50%.

By AL 18-W Slide Inn also requests Commission authority to change the utility ownership from the deceased Satoi B Mills to Gary E. Smith and to change the name the Title Page of its Tariff Book to reflect the new ownership and the utility name from Slide Inn-Snow Bowl Water Company to Slide Inn Water Co., LLC, as incorporated in 2005. Slide Inn provided a copy of the Trust and articles of incorporation to support its request. Furthermore, on January 15, 2019, the State Water Resources Control Board's (SWRCB) Division of Drinking Water (DDW) issued a new domestic water supply permit for the new owner to operate to Slide Inn's utility water system.

Slide Inn is a Class D water utility which provides domestic water service to 144 flat rate connections and 24 metered customers. Slide Inn's service territory consists of the Slide Inn and Snowbowl subdivisions which is located in the Stanislaus National Forest east of the City of Sonora in Tuolumne County.

Slide Inn's water system consists of three active wells, one 125,000-gallon steel tank, one 15,000-gallon steel tank, and the distribution system. Under the system's current configuration, the total water supply capacity of the system is 47 gallons per minute (gpm), which is slightly below the estimated maximum day demand (MDD) of approximately 48.36 gpm. However, the system meets the peak hour demand (PHD) of 72.5 gpm by utilizing its active sources and the two storage tanks.<sup>1</sup> Slide Inn is exploring the construction of a new well and in the process of obtaining the necessary approvals from the County and California Department of Transportation California Department of Transportation (CalTrans) as the well will be located on a CalTrans' right-of-way.

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<sup>1</sup> The MDD and PHD were estimated by SWRCB using peaking factors.

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## NOTICE, PROTESTS, AND PUBLIC MEETING

In accordance with GO. 96-B, Slide Inn served a copy of AL 18-W to its service list on July 5, 2019. A notice of the proposed rate increase and public meeting was mailed to each customer and to the general service list on July 25, 2019.

Nine customer protests were timely received on Slide Inn's rate increase request with the utility replying to the protests. The protests mainly raised concerns over the magnitude of the proposed rate increase and the financial hardship on customers that are on a fixed income and/or retired, elderly, or physically disabled.

Slide Inn in its responses to the protests, explained that the utility has not filed for a rate increase (GRC and/or CPI) in a significant period of time which would delay the utility's proposed meter conversions. The utility also explained the difficulties in balancing rates for seasonal and full-time customers in its proposed rate structure.

An informal public meeting was held on September 16, 2019 at 6:00 PM, at the Sonora Moose Lodge located at 20921 Longeway Road in Sonora, California. There were approximately 20 customers in attendance for the meeting. Staff from the WD provided an overview of the Commission's General Rate Case (GRC) process for Class D water utilities. Slide Inn's owner fielded questions regarding the proposed rate increase, the utility's plan for switching all customers from flat-rate to metered, and upgrades to Slide Inn's system in the near future.

Customers in attendance mainly expressed concerns over the following:

- The magnitude of the rate increase;
- The impact on affordability of service for residents in the community that are on a fixed income and/or retired, elderly or physically disabled; and
- Slide Inn's schedule to convert customers from flat rate to metered service.

The utility owner explained Slide Inn's financial position, meter deployment plan, and addressed customers' concerns raised during the meeting. Slide Inn emphasized that converting customers from flat rate to metered service is required by (specify timeline and assembly bill requiring conversion). The utility also indicated that the conversion to metered service would be beneficial to the customer and the utility since customers can lower their water bills by managing their water usage, and the utility would have the ability to identify leaks in the system quickly and respond to system repairs more

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effectively. The WD staff explained that currently there is no low-income assistance program offered for customers obtaining water service from small water utilities like Slide Inn, but that the Commission and the State are currently considering various options for developing and providing a statewide low-income assistance program for water service.

In setting rates in this resolution, the WD has balanced the financial requirements of Slide Inn with the rate concerns of its customers.

## DISCUSSION

In reviewing Slide Inn's rate increase request, the WD made an independent analysis of the utility's rate increase request and its operations. Appendix A provides Slide Inn's and the WD's estimated Summary of Earnings (SOE) at present, requested and recommended rates, which is further discussed below. Slide Inn was informed of the differing views of revenues, expenses and rate base, and the company agrees with the WD's recommended revenue requirement and rates shown in Appendix B.

### Operating Expenses

The WD reviewed operating revenue and expenses including purchased power, employee labor, materials, contract work, transportation expenses, other plant maintenance, office supplies and expenses, insurance, general expense, depreciation, and taxes other than income. The WD verified the operating expenses by reviewing supporting documentation for substantiation and accuracy and included the amounts that were deemed reasonable and prudent.

For purchased power, water testing, transportation, office supplies and expenses, insurance, and general expenses, Slide Inn used the recorded amounts from 2016 to 2018 and calculated the three-year average for this period. Based on the WD analysis of Slide Inn's operating expenses, the WD found the company's approach and expense estimates reasonable for the size and extent of the utility's operations.

### Materials

Slide Inn is requesting \$1,000 for materials. Historically, the utility has not recorded an amount under this expense item. Slide Inn states in its request that the owner has been

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purchasing materials with personal income due to lack of insufficient funds available from utility generated revenues. In Slide Inn's previous GRC, the utility received approval for \$620 for material expenses. Based on WD's staff site inspection of Slide Inn's water system, WD finds Slide Inn's requested amount for materials reasonable.

### Contract Work

The WD's recommended amount of \$20,000 for TY 2019 and \$33,000 for EY 2020 differ from the utility's requested amount of \$60,000 because the utility has been recording the owner's and the back-up licensed operator expenses under this expense account. Slide Inn's contract work is the largest operating expense and the main driver for the revenue requirement. The utility's requested amount of \$60,000 would result in a significant impact on rates resulting in customer rate shock. Accordingly, to mitigate the rate impact on Slide Inn's customers and provide a reasonable amount of revenues for the utility's contract work, WD recommends \$20,000 for TY 2019 and \$33,000 for EY 2020.

### Other Plant Maintenance

The WD's recommended amount of \$3,444 is lower than Slide Inn's requested amount of \$3,462 because the WD's recommended amount is based on the utility's three year recorded amounts for 2015, 2016, and 2018 and the utility's is based on a two year recorded amounts for 2016 and 2018.

### Professional Services

Slide Inn is requesting \$6,648 for Professional Services. These services include utilizing a Certified Public Accountant (CPA) for planning and budgeting of construction projects, permitting, and ongoing filings with the SWRCB's DDW and a consultant to handle billing and accounting services.

### Regulatory Compliance Expense

For Regulatory Compliance Expense, Slide Inn is requesting \$2,000 associated with GRC preparation. The total cost for preparing the GRC is \$6,000 amortized across three years. Given the experience of the preparer and the fees charged to prepare GRCs for utilities of similar size, the WD finds this amount to be reasonable.

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## Taxes

The WD applied the 2019 corporate tax rates for Federal and State income at 21.00% and 8.84%, respectively. The tax calculations are shown in Appendix D for TY 2019 and EY 2020.

## Transfer of Ownership

For Slide Inn's request for the transfer of ownership, the WD reviewed: 1) the copy of the Trust and articles of incorporation provided in the utility's AL filing, which confirmed that the deceased Sato B. Mills bequeathed 100% interest in the utility to Gary E. Smith; and 2) the new domestic water supply permit issued SWRCB's DDW which finds that Gary E. Smith has adequate technical, managerial and financial capacity to operate Slide Inn's utility water system.<sup>2</sup>

In addition, Public Utilities (Pub. U.) Code Section 853(c) exempts Slide Inn's transfer of ownership from Pub. U. Code Sections 851 and 854 because this transfer of ownership involves a utility with less than 10,000 service connections, and the transfer of ownership is from a decedent to a member of the decedent's family in the manner provided by a trust.

Accordingly, the WD recommends approval of Slide Inn's transfer of ownership request and name change as incorporated in the September 7, 2005 articles of incorporation.

## Utility Plant and Rate Base

For TY 2019, the WD's analysis of Slide Inn's rate base estimate included examining utility plant-in-service since the company's last GRC, authorized on January 7, 1998, by Res. W-4086, utility plant additions, materials and supplies, working cash, and depreciation reserve.

## Average Plant

Slide Inn's average plant estimate for TY 2019 is \$382,715 includes an estimated plant addition of \$10,000 for costs of installation of water meters. This plant addition is part of

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<sup>2</sup> SWRCB's DDW January 15, 2019 Water Supply Permit No. 03-11-19P-004.

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the utility's metering plan to convert flat-rate customers to metered service as required by California Assembly Bill 2572 (AB 2572), approved on September 29, 2004.<sup>3</sup> Slide Inn's average plant estimate for TY 2019 is based on End-of-Year (EOY) plant rather than taking the average of the Beginning-of-Year (BOY) and EOY amounts. The WD's estimated average plant for TY 2019 is \$377,715 and reflects the calculation of the average plant for TY 2019.

## Rate of Return vs. Rate of Margin

Commission Decision D.92-03-093, effective April 30, 1992, directed the WD to utilize both the ROR and Return on Margin (ROM) methods of ratemaking for Class C and Class D<sup>4</sup> water utilities requesting new rates and to recommend the ratemaking method that produces the higher revenue requirement.<sup>5</sup>

The WD's 2019 memorandum for the recommended ROR and ROM for Class C and D water utilities was issued on February 25, 2019. For Class D water utilities, the WD recommends a ROR range of 10.40% to 11.40% and a ROM of 23.65%.<sup>6</sup>

Slide Inn, in its general rate increase request, utilized the ROR method to determine its requested revenue requirement of \$156,425 yielding a ROR of 11.40%. Utilizing the ROM ratemaking method at the recommended ROM of 23.65% yields a revenue requirement of \$114,690 for EY 2020, compared to \$129,521 using an ROR of 10.40%. Accordingly, the WD recommends using the ROR ratemaking method for Slide Inn's GRC since it yields the higher revenue requirement. WD is recommending a ROR of 5.88% for TY 2019 and 10.40% for EY 2020 to phase-in the rate increase and mitigate the rate impact on its customers.

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<sup>3</sup> AB 2572 requires all urban water suppliers, on or before January 1, 2025, to install water meters on all municipal and industrial water service connections that are located in its service territory.

<sup>4</sup> Per Commission General Order 96-B, a water utility is Class C if it serves 501 through 2,000 service connections and Class D if it serves no more than 500 service connections.

<sup>5</sup> See Ordering Paragraph 8, D.92-03-093.

<sup>6</sup> The ROR/ROM memorandum can be found at <https://www.cpuc.ca.gov/General.aspx?id=1404>

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## Rates and Rate Design

Slide Inn's rate structure consists of two rate schedules: Schedule No. 1, General Metered Service and Schedule No. 2, Residential Flat Rate Service.

Slide Inn has not filed a GRC in 21 years or a Consumer Price Index (CPI) rate increase in 8 years. As a result, Slide Inn's proposed rate increase is significant compared to current rates. To mitigate the rate impact on Slide Inn's customers due to this GRC, the WD's recommendation is to implement the rate increase over a period of two years, TY 2019 and EY 2020. Slide Inn is in agreement with the WD's recommendation to implement the rate increase over a period two years.

At the recommended ROR, the increase in revenues will be \$36,208 or 58.25% for TY 2019 and \$31,149 or 50.11% for EY 2020. The rates proposed by the WD are shown in Appendix B. At the recommended rates for TY 2019, a monthly bill for an average residential customer with a 5/8 x 3/4-inch meter size using three hundred cubic feet (CCF)<sup>7</sup> will increase from \$22.85 to \$41.02, or 79.55%. For an average flat-rate residential customer, an annual bill will increase from \$493.98 to \$716.27, or 45.00% (\$41.17 to \$59.69 on a monthly basis).

At the recommended rates for EY 2020, a monthly bill for an average residential customer with a 5/8 x 3/4-inch meter size using three CCF will increase from \$41.02 to \$57.63, or 40.49%. For an average flat-rate residential customer, an annual bill will increase from \$716.27 to \$927.57, or 29.50% (\$59.69 to \$77.30 on a monthly basis). A comparison of customer bills at present and recommended rates is provided in Appendix C of this resolution. The bill comparison in Appendix C is shown on a bi-monthly basis to reflect Slide Inn's billing cycle.

The Utility Rate Comparison tables below provide monthly rate comparisons with nearby water utilities for metered service and annual rate comparisons for flat-rate water service for TY 2019 and EY 2020. The WD's recommended rates are consistent with the rates charged by the nearby water utilities as shown in rate comparison tables below.

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<sup>7</sup> One CCF is equal to 748 gallons of water.

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<u>Utility Rate Comparison</u>				
<u>Test Year 2019</u>				
<u>Utility</u>	<u>Metered</u>			<u>Flat Rate</u>
	<u>Monthly Service Charge for 5/8 x 3/4-inch Service</u>	<u>Quantity Charge For 3 CCF</u>	<u>Annual Total</u>	<u>Annual Total</u>
Slide Inn Water Co.	\$ 28.10	\$ 12.92	\$ 492.22	\$ 716.27
Tuolumne Utilities District*	\$ 60.50	\$ -	\$ 726.00	
Del Oro - Strawberry	\$ 97.52	\$ 35.37	\$ 1,594.68	
Sonora Water Company	\$ 37.80	\$ 12.30	\$ 601.20	

\*Tuolumne Utilities District does not charge for monthly usage of up to 4 CCF.

<u>Utility Rate Comparison</u>				
<u>Escalation Year 2020</u>				
<u>Utility</u>	<u>Metered</u>			<u>Flat Rate</u>
	<u>Monthly Service Charge for 5/8 x 3/4-inch Service</u>	<u>Quantity Charge For 3 CCF</u>	<u>Annual Total</u>	<u>Annual Total</u>
Slide Inn Water Co.	\$ 41.95	\$ 15.68	\$ 691.54	\$ 927.57
Tuolumne Utilities District*	\$ 64.50	\$ -	\$ 774.00	
Del Oro - Strawberry	\$ 99.37	\$ 36.04	\$ 1,624.94	
Sonora Water Company	\$ 37.80	\$ 12.30	\$ 601.20	

\*Tuolumne Utilities District does not charge for monthly usage of up to 4 CCF.

### Affordability of Proposed Rates

As discussed above at the recommended rates for TY 2019, a *monthly* customer's bill for an average residential customer with a 5/8 x 3/4-inch meter size using 3 CCF will increase from \$22.85 to \$41.02, or 79.55% which is 0.87% of the 2018 median household income (MHI) of \$56,493 for Tuolumne County where Slide Inn's service area is located<sup>8</sup>. In addition, a *monthly* bill for an average flat-rate residential customer will

<sup>8</sup> The 2018 MHI was obtained from the United States Census Bureau website: <https://www.census.gov/quickfacts/tuolumnecountycalifornia>

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increase from \$41.17 to \$59.69, or 45.00% which is 1.27% of the 2018 MHI for Tuolumne County.

At the recommended rates for TY 2020, a *monthly* customer's bill for an average residential customer with a 5/8 x 3/4-inch meter size using 3 CCF will increase from \$41.02 to \$57.63, or 40.49% which is 1.22% of the 2018 MHI for Tuolumne County. In addition, a *monthly* bill for an average flat-rate residential customer will increase from \$59.69 to \$77.30, or 29.50% which is 1.64% of the 2018 MHI for Tuolumne County.

It should be noted that no affordability criteria has been developed and adopted in any Commission Decision or legislation. However, the Commission adheres to cost-of-service regulatory principles in developing rates for its jurisdictional utilities, and the WD's recommended rates for Slide Inn are at the minimum required to satisfy the utility's technical, managerial and financial capacity, and operational capability.

## **COMPLIANCE**

Currently, there are no outstanding SWRCB's DDW compliance orders and Slide Inn is adhering to all applicable water quality standards and regulations. Slide Inn has been filing annual reports on-time as required by the Commission.

## **UTILITY SAFETY**

Slide Inn does not continuously treat water produced from its wells. However, the utility has an Emergency Disinfection Plan (EDP)<sup>9</sup> in place with DDW, which identifies the utility's ability to chlorinate a well and pump-to-waste the water in the well if contamination is present. Furthermore, the utility's discharge piping from each well has the capability to accommodate an injection port if continuous chlorination is required.

Slide Inn conducts routine water quality monitoring and testing at set intervals as directed by DDW.

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<sup>9</sup> Slide Inn submitted its EDP to DDW on October 30, 2013.

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## COMMENTS

Public Utilities Code section 311(g)(1), provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

Accordingly, the draft resolution was mailed to the service list, protestants, and made available for public comment on April 3, 2020.

## FINDINGS

1. The Summary of Earnings (Appendix A) recommended by the Water Division (WD) is reasonable and should be adopted.
2. The rates recommended by the WD (Appendix B) are reasonable and should be adopted.
3. The quantities (Appendix D) used to develop the WD's recommendations are reasonable and should be adopted.
4. The water rate increase authorized herein is justified and the resulting rates are just and reasonable.
5. The water served by Slide Inn Water Company (Slide Inn) meets all applicable water quality standards set-forth by State Water Resources Control Board's Division of Drinking Water.
6. The State Water Resources Control Board's Division of Drinking Water, Water Supply Permit No. 03-11-19P-004, finds that Gary E. Smith has adequate technical, managerial and financial capacity to operate Slide Inn's utility water system
7. Slide Inn has submitted the necessary documentation to support its transfer of utility ownership request from the deceased Satoi B. Mills to Gary E. Smith.
8. Public Utilities (Pub. U.) Code Section 853(c) exempts Slide Inn's transfer of ownership from Pub. U. Code Sections 851 and 854 because the transfer of

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ownership involves a utility with less than 10,000 service connections, and the transfer of ownership is from a decedent to a member of the decedent's family in the manner provided by a trust.

9. Slide Inn should be authorized to file a supplement to Advice Letter No. 18-W to incorporate the revised rate schedules (Appendix B) for Test Year 2019 and to concurrently cancel its presently effective rate schedules.
10. Slide Inn should be authorized to file a Tier 1 Advice Letter before November 9, 2020 to implement the revised rates attached to this Resolution as Appendix B for Escalation Year 2020.
11. Slide Inn should be authorized to file a supplement to Advice Letter No. 18-W with the revised company name and owner to the current owner, Gary E. Smith.

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### **THEREFORE, IT IS ORDERED THAT:**

1. Authority is granted under Public Utilities Code Section 454, for Slide Inn Water Company to file a supplement to Advice Letter 18-W to incorporate the revised rate schedules attached to this Resolution as Appendix B for Test Year 2019, and concurrently cancel its presently effective rate Schedules: Schedule No. 1, General Metered Service and Schedule No. 2, Residential Flat Rate Service. The effective date of the revised schedules shall be five days after the date of filing.
2. Slide Inn Water Company shall file a Tier 1 Advice Letter on or before November 9, 2020 to implement the revised rates attached to this Resolution as Appendix B for Escalation Year 2020, and concurrently cancel its presently effective rate Schedules: Schedule No. 1, General Metered Service and Schedule No. 2, Residential Flat Rate Service. The Escalation Rates should become effective on January 1, 2021.
3. The transfer of utility ownership from deceased Satoi B. Mills to Gary E. Smith is approved.
4. Slide Inn Water Company is authorized to file a supplement to Advice Letter 18-W to incorporate the revised company name and change of ownership to the utility's current owner, Gary E. Smith.

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 May 7, 2020; the following Commissioners voting favorably thereon:

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ALICE STEBBINS  
Executive Director

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## APPENDIX A Slide Inn Water Co. Summary of Earnings Test Year 2019

	Slide Inn Water Company		Water Division		
	Present Rates	Requested Rates	Present Rates	Requested Rates	Recommended Rates
<b>Operating Revenues</b>					
Metered Revenue	\$ 7,474	\$ 28,389	\$ 7,474	\$ 28,389	\$ 16,000
Flat Rate Customers	\$ 54,689	\$ 128,036	\$ 54,689	\$ 128,036	\$ 82,371
<b>Total Revenue</b>	<b>\$ 62,163</b>	<b>\$ 156,425</b>	<b>\$ 62,163</b>	<b>\$ 156,425</b>	<b>\$ 98,371</b>
<b>Operating Expenses</b>					
610 Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -
615 Purchased Power	\$ 8,070	\$ 8,070	\$ 8,070	\$ 8,070	\$ 8,070
618 Other Volume Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
630 Employee Labor	\$ -	\$ -	\$ -	\$ -	\$ -
640 Materials	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
650 Contract Work	\$ 60,000	\$ 60,000	\$ 20,000	\$ 20,000	\$ 20,000
Water Testing	\$ 5,398	\$ 5,398	\$ 5,398	\$ 5,398	\$ 5,398
660 Transportation Expenses	\$ 3,993	\$ 3,993	\$ 3,993	\$ 3,993	\$ 3,993
664 Other Plant Maintenance	\$ 3,462	\$ 3,462	\$ 3,444	\$ 3,444	\$ 3,444
670 Office Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
671 Management Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
674 Employee Pensions and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
676 Uncollectable Accounts	\$ 381	\$ 381	\$ -	\$ -	\$ -
678 Office Services and Rentals	\$ -	\$ -	\$ -	\$ -	\$ -
681 Office Supplies and Expenses	\$ 801	\$ 801	\$ 801	\$ 801	\$ 801
682 Professional Services	\$ 6,648	\$ 6,648	\$ 6,648	\$ 6,648	\$ 6,648
684 Insurance	\$ 1,130	\$ 1,130	\$ 1,130	\$ 1,130	\$ 1,130
688 Regulatory Commission Expense	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
689 General Expenses	\$ 7,697	\$ 7,697	\$ 7,697	\$ 7,697	\$ 7,697
<b>Subtotal</b>	<b>\$ 100,580</b>	<b>\$ 100,580</b>	<b>\$ 60,181</b>	<b>\$ 60,181</b>	<b>\$ 60,181</b>
403 Depreciation	\$ 10,027	\$ 10,027	\$ 10,001	\$ 10,001	\$ 10,001
408 Taxes Other Than Income	\$ 4,587	\$ 4,587	\$ 4,587	\$ 4,587	\$ 4,587
409 State Income Taxes	\$ 800	\$ 2,683	\$ 800	\$ 7,594	\$ 2,195
410 Federal Income Taxes	\$ -	\$ 5,745	\$ -	\$ 15,553	\$ 4,495
<b>Total Expenses</b>	<b>\$ 15,414</b>	<b>\$ 23,042</b>	<b>\$ 15,388</b>	<b>\$ 37,735</b>	<b>\$ 21,278</b>
<b>Net Revenue</b>	<b>\$ (53,831)</b>	<b>\$ 32,803</b>	<b>\$ (13,406)</b>	<b>\$ 58,509</b>	<b>\$ 16,911</b>
<b>Rate Base</b>					
Average Plant	\$ 382,715	\$ 382,715	\$ 377,715	\$ 377,715	\$ 377,715
Average Accumulated Depreciation	\$ 95,037	\$ 95,037	\$ 90,010	\$ 90,010	\$ 90,010
<b>Net Plant</b>	<b>\$ 287,678</b>	<b>\$ 287,678</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>
<b>Less:</b>					
Advances	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Plus:</b>					
Unamortized Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Working Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Rate Base</b>	<b>\$ 287,678</b>	<b>\$ 287,678</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>
<b>Rate of Return</b>	<b>-18.71%</b>	<b>11.40%</b>	<b>-4.66%</b>	<b>20.34%</b>	<b>5.88%</b>

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## APPENDIX A Slide Inn Water Co. Summary of Earnings Escalation Year 2020

	Slide Inn Water Company		Water Division		
	Present Rates	Requested Rates	Present Rates	TY 2019 Rates	Recommended Rates
<b>Operating Revenues</b>					
Metered Revenue	\$ 7,474	\$ 28,389	\$ 7,474	\$ 16,000	\$ 22,850
Flat Rate Customers	\$ 54,689	\$ 128,036	\$ 54,689	\$ 82,371	\$ 106,671
<b>Total Revenue</b>	<b>\$ 62,163</b>	<b>\$ 156,425</b>	<b>\$ 62,163</b>	<b>\$ 98,371</b>	<b>\$ 129,521</b>
<b>Operating Expenses</b>					
610 Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -
615 Purchased Power	\$ 8,070	\$ 8,070	\$ 8,070	\$ 8,070	\$ 8,070
618 Other Volume Related Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
630 Employee Labor	\$ -	\$ -	\$ -	\$ -	\$ -
640 Materials	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
650 Contract Work	\$ 60,000	\$ 60,000	\$ 33,000	\$ 20,000	\$ 33,000
Water Testing	\$ 5,398	\$ 5,398	\$ 5,398	\$ 5,398	\$ 5,398
660 Transportation Expenses	\$ 3,993	\$ 3,993	\$ 3,993	\$ 3,993	\$ 3,993
664 Other Plant Maintenance	\$ 3,462	\$ 3,462	\$ 3,444	\$ 3,444	\$ 3,444
670 Office Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
671 Management Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
674 Employee Pensions and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
676 Uncollectable Accounts	\$ 381	\$ 381	\$ -	\$ -	\$ -
678 Office Services and Rentals	\$ -	\$ -	\$ -	\$ -	\$ -
681 Office Supplies and Expenses	\$ 801	\$ 801	\$ 801	\$ 801	\$ 801
682 Professional Services	\$ 6,648	\$ 6,648	\$ 6,648	\$ 6,648	\$ 6,648
684 Insurance	\$ 1,130	\$ 1,130	\$ 1,130	\$ 1,130	\$ 1,130
688 Regulatory Commission Expense	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
689 General Expenses	\$ 7,697	\$ 7,697	\$ 7,697	\$ 7,697	\$ 7,697
<b>Subtotal</b>	<b>\$ 100,580</b>	<b>\$ 100,580</b>	<b>\$ 73,181</b>	<b>\$ 60,181</b>	<b>\$ 73,181</b>
403 Depreciation	\$ 10,027	\$ 10,027	\$ 10,001	\$ 10,001	\$ 10,001
408 Taxes Other Than Income	\$ 4,587	\$ 4,587	\$ 4,587	\$ 4,587	\$ 4,587
409 State Income Taxes	\$ 800	\$ 2,683	\$ 800	\$ 2,195	\$ 3,883
410 Federal Income Taxes	\$ -	\$ 5,745	\$ -	\$ 4,495	\$ 7,952
<b>Total Expenses</b>	<b>\$ 15,414</b>	<b>\$ 23,042</b>	<b>\$ 15,388</b>	<b>\$ 21,278</b>	<b>\$ 26,423</b>
<b>Net Revenue</b>	<b>\$ (53,831)</b>	<b>\$ 32,803</b>	<b>\$ (26,406)</b>	<b>\$ 16,911</b>	<b>\$ 29,916</b>
<b>Rate Base</b>					
Average Plant	\$ 382,715	\$ 382,715	\$ 377,715	\$ 377,715	\$ 377,715
Average Accumulated Depreciation	\$ 95,037	\$ 95,037	\$ 90,010	\$ 90,010	\$ 90,010
<b>Net Plant</b>	<b>\$ 287,678</b>	<b>\$ 287,678</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>
<b>Less:</b>					
Advances	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Aid of Construction	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Plus:</b>					
Unamortized Investment	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Working Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Rate Base</b>	<b>\$ 287,678</b>	<b>\$ 287,678</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>	<b>\$ 287,705</b>
<b>Rate of Return</b>	<b>-18.71%</b>	<b>11.40%</b>	<b>-9.18%</b>	<b>5.88%</b>	<b>10.40%</b>

END OF APPENDIX A

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

APPENDIX B  
Slide Inn Water Co.  
Test Year 2019  
(Page 1 of 2)

Schedule No. 1 (C)

GENERAL METERED SERVICE (C)

APPLICABILITY

Applicable to all metered water service furnished on a bi-monthly basis. (C)

TERRITORY

Slide Inn and Snobowl Subdivisions near Long Barn, approximately 20 miles easterly of Sonora, Tuolumne County.

RATES

Quantity Rate: (C)

All water, per 100 cubic feet..... \$ 4.31 (I)

Bi-Monthly Service Charge: Per Meter Bi-Monthly (C)

For 5/8 x 3/4-inch meter.....	\$ 56.20	(I)
For 3/4- inch meter .....	\$ 84.31	(I)
For 1-inch meter .....	\$ 140.52	(I)
For 1- 1/2-inch meter .....	\$ 281.05	(I)
For 2-inch meter .....	\$ 449.68	(I)

The service charge is a readiness-to-serve charge, which is applicable to all metered service and to which is added the charge for water used computed at the quantity rate.

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

**APPENDIX B**  
**Slide Inn Water Co.**  
**Test Year 2019**  
**(Page 2 of 2)**

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all metered water service furnished on a bi-monthly basis. (C)

TERRITORY

Slide Inn and Snobowl Subdivisions near Long Barn, approximately 20 miles easterly of Sonora, Tuolumne County.

RATES

	Per Service Connection	(C)
	<u>Per Two Months</u>	(C)
For each single-family residential unit, business establishment including premises.....	\$119.38	(I)
For each additional single-family unit on the same premises and served from the same connection.....	\$106.98	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. An additional single-family residential unit shall qualify for additional charge only if such a residential unit includes cooking and bathing facilities.
3. For service covered by the above classifications, 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 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 date.

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

APPENDIX B  
Slide Inn Water Co.  
Escalation Year 2020  
(Page 1 of 2)

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

Slide Inn and Snobowl Subdivisions near Long Barn, approximately 20 miles easterly of Sonora, Tuolumne County.

RATES

Quantity Rate: (C)

All water, per 100 cubic feet.....	\$ 5.23	(I)
------------------------------------	---------	-----

Bi-Monthly Service Charge:

Per Meter Bi-Monthly

For 5/8 x 3/4-inch meter.....	\$ 83.90	(I)
For 3/4-inch meter .....	\$ 125.83	(I)
For 1-inch meter .....	\$ 209.72	(I)
For 1- 1/2-inch meter .....	\$ 419.44	(I)
For 2-inch meter .....	\$ 671.10	(I)

The service charge is a readiness-to-serve charge, which is applicable to all metered service and to which is added the charge for water used computed at the quantity rate.

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

**APPENDIX B**  
**Slide Inn Water Co.**  
**Escalation Year 2020**  
**(Page 2 of 2)**

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

Slide Inn and Snobowl Subdivisions near Long Barn, approximately 20 miles easterly of Sonora, Tuolumne County.

RATES

	Per Service Connection	
	<u>Per Two Months</u>	
For each single-family residential unit, business establishment including premises.....	\$119.38	(I)
For each additional single-family unit on the same premises and served from the same connection.....	\$106.98	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. An additional single-family residential unit shall qualify for additional charge only if such a residential unit includes cooking and bathing facilities.
3. For service covered by the above classifications, 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 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 date.

**END OF APPENDIX B**

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## APPENDIX C Slide Inn Water Co. Comparison of Rates Test Year 2019

Slide Inn Water Company							
Test Year 2019							
Comparison of Rates							
			Per Meter Bi-Monthly				
			Present	Recommended	Percent		
			<u>Rates</u>	<u>Rates</u>	<u>Increase</u>		
<b>Service Charge:</b>							
		For 5/8 x 3/4-inch meters	\$ 27.75	\$ 56.20	102.52%		
		For 3/4-inch meters	\$ 40.38	\$ 84.31	108.80%		
		For 1-inch meters	\$ 67.30	\$ 140.52	108.80%		
		For 1-1/2-inch meters	\$ 134.59	\$ 281.05	108.82%		
		For 2-inch meters	\$ 215.35	\$ 449.68	108.81%		
<b>Quantity Charge:</b>							
		All use, per 100 cu. ft.	\$ 2.99	\$ 4.31	44.0%		
A Bi-Monthly bill comparison for a customer with a 5/8 x 3/4-inch meter is shown below:							
		Usage	Present	Recommended	Amount	Percent	Bi-Monthly
		<u>Per 100 cu. ft.</u>	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	<u>Increase</u>	<u>Total</u>
		0	\$ 27.75	\$ 56.20	\$ 28.45	102.52%	\$ 337.20
		2	\$ 33.73	\$ 64.81	\$ 31.08	92.15%	\$ 388.87
Average		6	\$ 45.69	\$ 82.04	\$ 36.35	79.55%	\$ 492.22
		10	\$ 57.65	\$ 99.26	\$ 41.61	72.18%	\$ 595.56
		15	\$ 72.60	\$ 120.79	\$ 48.19	66.38%	\$ 724.74
			Per Customer Bi-Monthly				
			Present	Recommended	Percent		
			<u>Rates</u>	<u>Rates</u>	<u>Increase</u>		
<b>Flat Rate:</b>							
		For each single-family residential unit, business establishment incl. premises		\$ 493.98	\$ 716.27	45.00%	
		For each add'l single-family unit on the same premises and served from the same connection.		\$ 442.68	\$ 641.89	45.00%	

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## APPENDIX C Slide Inn Water Co. Comparison of Rates Escalation Year 2020

Slide Inn Water Company						
Escalation Year 2020						
Comparison of Rates						
			Per Meter Bi-Monthly			
			Present	Recommended	Percent	
			<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	
<b>Service Charge:</b>						
		For 5/8 x 3/4-inch meters	\$ 56.20	\$ 83.90	49.29%	
		For 3/4-inch meters	\$ 84.31	\$ 125.83	49.24%	
		For 1-inch meters	\$ 140.52	\$ 209.72	49.24%	
		For 1-1/2-inch meters	\$ 281.05	\$ 419.44	49.24%	
		For 2-inch meters	\$ 449.68	\$ 671.10	49.24%	
<b>Quantity Charge:</b>						
		All use, per 100 cu. ft.	\$ 4.31	\$ 5.23	21.4%	
A Bi-Monthly bill comparison for a customer with a 5/8 x 3/4-inch meter is shown below:						
	Usage	Present	Recommended	Amount	Percent	Bi-Monthly
	<u>Per 100 cu. ft.</u>	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	<u>Increase</u>	<u>Total</u>
	0	\$ 56.20	\$ 83.90	\$ 27.70	49.29%	\$ 503.40
	2	\$ 64.81	\$ 94.35	\$ 29.54	45.58%	\$ 566.11
Average	6	\$ 82.04	\$ 115.26	\$ 33.22	40.49%	\$ 691.54
	10	\$ 99.26	\$ 136.16	\$ 36.90	37.18%	\$ 816.96
	15	\$ 120.79	\$ 162.29	\$ 41.50	34.36%	\$ 973.74
			Per Customer Bi-Monthly			
			Present	Recommended	Percent	
			<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	
<b>Flat Rate:</b>						
		For each single-family residential unit, business establishment incl. premises		\$ 716.27	\$ 927.57	29.50%
		For each add'l single-family unit on the same premises and served from the same connection.		\$ 641.89	\$ 831.24	29.50%

END OF APPENDIX C

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## APPENDIX D Slide Inn Water Co. Adopted Quantities

1. Purchased Power (Electric)

Vendor:	PG&E
Total Cost:	\$8,070

2. Service Connections –

<u>Meter Size:</u>	
5/8 x 3/4-inch	7
3/4-inch	13
1-inch	4
1-1/2-inch	0
2-inch	0
Total:	24
<u>Flat Rate:</u>	115

3. Metered Water Sales: 857 CCF

4. Tax Calculations

<u>Category</u>	<u>TY 2019</u>
Operating Revenues	\$98,371
Operating Expenses	\$60,181
Taxes Other than Income	\$4,587
Depreciation	\$10,001
Taxable Income for State	\$23,602
State Taxes (Corporate rate 8.84%)	\$2,195
Taxable Income for Federal	\$21,407
Federal Income Taxes (Corporate rate 21.00%)	\$4,495

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## APPENDIX D Slide Inn Water Co. Adopted Quantities

### 4. Tax Calculations (Cont.)

<u>Category</u>	<u>EY 2020</u>
Operating Revenues	\$129,521
Operating Expenses	\$73,181
Taxes Other than Income	\$4,587
Depreciation	\$10,001
Taxable Income for State	\$41,751
State Taxes (Corporate rate 8.84%)	\$3,883
Taxable Income for Federal	\$37,869
Federal Income Taxes (Corporate rate 21.00%)	\$7,952

# PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## END OF APPENDIX D SLIDE INN WATER COMPANY ADVICE LETTER 18-W SERVICE LIST

E. Clay Maddox, Trustee <a href="mailto:clay@mlode.com">clay@mlode.com</a>	Lourdes Mertens, PE <a href="mailto:Lourdes.mertens@waterboards.ca.gov">Lourdes.mertens@waterboards.ca.gov</a>	Sharon Smales <a href="mailto:Sl_smales@att.net">Sl_smales@att.net</a>
Frank Brommenschenkel <a href="mailto:Frank.brommen@verizon.net">Frank.brommen@verizon.net</a>	Pete Kerns <a href="mailto:ytcpete@gmail.com">ytcpete@gmail.com</a>	Robert Fortino <a href="mailto:Corp.ceo@corporatecenter.us">Corp.ceo@corporatecenter.us</a>

## PROPOSED RESOLUTION

Resolution W-5219  
WD

May 7, 2020

## CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Proposed Resolution No. W-5219 on all parties in these filings or their attorneys as shown on the attached lists.

Dated April 7, 2020 at San Francisco, California.

/s/ Levi Goldman

Levi Goldman

Parties should notify the Water Division, 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.