

WATER/JPT/MXK/jrb**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****WATER DIVISION****RESOLUTION NO. W-4526****April 7, 2005****R E S O L U T I O N**

**(RES. W-4526), BIG BASIN WATER COMPANY (BBWC). ORDER
AUTHORIZING A GENERAL RATE INCREASE PRODUCING
ADDITIONAL ANNUAL REVENUE OF \$106,725 OR 46.5% IN 2003.**

SUMMARY

By Draft Advice Letter, accepted on May 13, 2003, Big Basin Water Company (BBWC) seeks an increase in its rates for water service to recover increased operating expenses and to provide an adequate rate of return on its capital investment. For Test Year 2003, this resolution grants an increase in gross annual revenues of \$106,725 or 46.5%, providing a return on rate base of 12.15%. The increase replaces the interim rate increase of \$30,000, or 12.75%, which was authorized in Resolution (Res.) W-4475.

BACKGROUND

BBWC has requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase its water rates by 70.0% or \$165,908, for Test Year 2003. The purpose of the rate increase is to recover increased operating expenses and to provide an adequate rate of return on rate base. BBWC's request shows gross revenues of \$229,389 at present rates increasing to \$401,238 at proposed rates. BBWC is requesting a return-on-rate base of 12.86%.

The present rates became effective on June 9, 2004, pursuant to pursuant to Res. W-4475, which authorized an interim general rate increase, subject to refund producing additional gross revenue of \$30,000 or 12.5%. The increase authorized in this resolution replaces the interim rate increase. The last general rate increase was granted on November 19, 1997, pursuant to Res. W-4078, which authorized a general rate increase of \$41,219, or 24.27% resulting in a rate of margin of 20% for Test Year 1997.

BBWC, a Class C water utility, provides domestic water service to 567 residential and commercial metered customers, 8 flat rate customers and 2 private fire protection services in an area located along the highway between Boulder Creek and Big Basin, Santa Cruz County. The number of customers is not expected to substantially increase.

At the present, BBWC does not have a rate schedule authorized for its private fire protection services.

Water from BBWC is derived from both surface and groundwater sources. The primary surface sources are from two springs and a horizontal well. BBWC holds a water right on the spring sources to divert 233 gallons per minute (gpm). The water from surface sources is collected in a 1,700,000-gallon reservoir and pumped to the Jamison Water Treatment plant for filtration treatment. The groundwater source is from Well No. 2 with a capacity of 30 gpm and Well No. 4 with a capacity of 288 gpm. The distribution reservoirs consists of two plastic tanks with combined capacity of 10,000 gallons, 2 wood tanks with a combined capacity of 67,000 gallons and a steel tank with a capacity of 691,000 gallons.

In Decision (D.) 87-10-074, BBWC was authorized to borrow from the Department of Water Resources' Safe Drinking water Bond Act (SDWBA) loan program a total of \$1,126,840 which is to be paid back in over a thirty-year period.

DISCUSSION

The Water Division (Division) made an independent analysis of BBWC's summary of earnings and issued its report in November 2004. Appendix A shows BBWC's and the Division's estimates of the summary of earnings at present, requested, recommended and authorized rates. Appendix A also shows differences in BBWC's and the Division's estimates in operating revenues, expenses, and rate base. BBWC was informed of the Division's differing views of revenues, expenses, and rate base. BBWC agrees with the Division's findings.

In 1994, BBWC incorporated a 600-acre water shed into its plant account. The water shed has timber, a portion of which was harvested in 1998. BBWC plans to harvest more timber in 2005 and 2009. In 1998, BBWC did not include the revenues from timber harvesting in Account 480 – Other Water Revenue. The Division believes, and BBWC now agrees, that the disposition of gross revenues and expenses should follow the rules set by D.00-07-018 regarding passive investments. The estimate of the Test Year net revenues from timber harvesting is \$10,305. Since the actual net revenues may exceed or be lower than the Test Year estimate, the Division recommends that BBWC be required to establish a full cost balancing account to track revenues and expenses associated with the timber harvesting.

BBWC agrees with the Division's estimate of \$421,181 for rate base for the Test Year. BBWC has made limited plant improvements since its last general rate case in 1997. Division staff made a field investigation of BBWC's water system and determined that BBWC needs to make substantial plant improvements to satisfy the Department of

Health Services (DHS) requirements, to replace an aging pickup truck, and replace or repair the existing water system facilities. The Division recommends, and BBWC agrees, to make the improvements in 2005, 2006, 2007, and 2008 as follows:

2005

1. Installment of filter media and repair under drains at an estimated cost of \$12,000 to bring filtration up to specification as required by DHS.
2. Installment of turbidimeter and graph recorder at an estimated cost of \$6,500 to meet new DHS regulations.
3. Replacement of an old pickup truck at an estimated cost of \$15,000.
4. Construction of a new pump house, at King Highway Pump Station, at an estimated cost of \$15,000 to replace the collapsing building.

2006

5. Construction of an 8-inch main to connect Chaparral Tank to the system at an estimated cost of \$5,000.
6. Automation of the Roseta Tank at an estimated cost of \$6,000.
7. Replacement of Hillhouse Tank at an estimated cost of \$7,000.

2007

8. Repair the leaking water mains at Hilton Bridge at an estimated cost of \$15,000.
9. Automation of the King Highway Tank at an estimated cost of \$40,000.

2008

10. Replacement of the leaking Roseta Tank at an estimated cost of \$80,000.
11. Replace the aging Camino Verde Tank at an estimated cost of \$12,000.

The Division recommends that BBWC be authorized to file separate rate base offset advice letters in 2005, 2006, 2007, and 2008 to recover the cost of the plant improvements listed in items 1 through 11 above.

Pursuant to D.85-06-064 and the subsequent Rate Design Policy, the service charges for metered customers are based on established ratios allocated by meter size. BBWC's current meter size ratios are not the same as the established ratios. The Division was unable to recommend the established meter size ratios as it would result in some customers receiving bills more than twice the system average increase, thereby violating long-standing Commission policy. The recommended ratios are higher than the current ones but still lower than the established ratios.

In D.92-03-093, effective April 30, 1992, the Commission adopted the operating ratio method of ratemaking as an alternative to the rate of return method on rate base for Class C and D utilities. Ordering Paragraph 8 of D.92-03-092 states:

Branch is directed to calculate rates using both return-on-rate base and operating ratio methods of ratemaking for Class C and Class D water companies requesting new rates and to recommend to the Commission the rate method that produces the higher results.

When applying the operating ratio method, the utility's revenue requirement is defined as the sum of its operating and maintenance expenses, depreciation expense, income and other taxes, and operating margin. The operating margin does not have a defined margin. However, considering low inflation rates and low interest rates in recent years, an operating margin of 12.15% is reasonable for BBWC. Using the operating ratio method with a return on margin of 12.15%, BBWC's revenue requirement is \$306,392.

BBWC's draft advice letter requested rates that would produce a return-on-rate base of 12.86%. The Division's Audit & Compliance Branch has conducted an analysis of the financial market changes with the last year and the high operational risks faced by Class C water companies and has determined that the appropriate range for Return on Equity (ROE) is between 11.65% and 12.65%. Since BBWC's debt structure contains no debt, the rate of return range for rate base is between 11.65% and 12.65% as well. Using the rate of return of 12.15%, the mid-point of rate of return for Class C water companies, the Division calculates a revenue requirement of \$336,114. The Division recommends the return on rate base method since it produces the higher revenue requirements.

BBWC is aware that the operating ratio method with a return on margin of 23% will produce higher revenue requirements than the return on rate base. BBWC agreed with Division's recommendation since its rate base will substantially increase as result of the plant improvements scheduled in the next several years.

D.92-03-093 allows Class C utilities to recover up to 65% of fixed costs in their readiness to serve charge. The rates shown in Appendix B recover 65% of the utility's fixed cost. BBWC's current rate structure consists of two rate schedules: Schedule No. 1, General

Metered Service and Schedule No. 2, Residential Flat Rate Service. Schedule No. 4, Private Fire Protection Service, is added to the current schedules to cover the two existing customers with the private fire protection service. The new rate schedules can be found in Appendix B.

At the Division's recommended rates shown in Appendix B, the bill for a typical residential customer with a 5/8-inch meter using 1500 cubic feet of water will increase from \$42.70 to \$54.29 per month, or 27.14%. A comparison of customer bills at present and recommended rates is shown in Appendix C. The adopted quantities are shown in Appendix D.

The Division staff audited operating expenses, including salaries and contracting fees, purchased power, insurance expenses, income and other taxes. The staff verified the operating expenses by reviewing supporting documents for substantiation and accuracy, and included those expenses that were deemed reasonable and prudent.

In the course of the audit, the Division staff discovered that BBWC does not conform to the accounting entries of the Uniform System of Accounts for Class B, C, and Water Utilities prescribed in D.85-04-076 and the Generally Accepted Accounting Principle (GAAP), including all SDWBA entries. The Division recommends that BBWC be required to conform to principles of the Uniform Systems of Accounts for Class B, C and D Water Utilities.

A review of BBWC's Safe Drinking Water Bond Act (SDWBA) Trust Account loan showed that the reserve balance had dropped to less than two SDWBA installment payments, required by Paragraph 3 (a) of the Fiscal Services Agreement ordered by Ordering Paragraph 8 of D.87-10-074. Division recommends that BBWC be required to maintain a reserve balance equal to two payments in the SDWBA Trust Account loan.

The Division audit also revealed that BBWC shorted the trust by \$176,293.15, including interest, from 1997 through 2004. The Trust Account balance as of December 31, 2004 was \$14,931.04 which should have been \$191,224.19 if the shortage had not materialized. Since BBWC is required to maintain only a reserve balance of \$72,300.94, an amount equal to two loan installment payments, there would have been an excess of \$118,923.25 in the balance as of December 31, 2004 had BBWC not shorted the Trust Account. Division recommends that BBWC be required to reduce the current surcharges and apply the revised Schedule No. 3 -Safe Drinking Water Bond Surcharge, to pay down the shorted amount.

NOTICE AND PUBLIC MEETING

A notice of proposed rate increase was mailed to each customer on June 6, 2003. Division received no response or comment from the customers.

An informal public meeting was held Tuesday, July 8, 2003, at the Boulder Creek Country Club. The meeting started at 7:00 PM, and adjourned at 8:15 PM. The Division representative explained Commission procedure, as well as the purpose of the meeting. BBWC's president made a presentation to explain the need for the rate increase. The rest of the meetings consisted of comments and questions by the customers. Most of the comments and questions were general in nature and dealt with BBWC's revenues, expenses, future plant improvements rate design, rate of return, and proposed rate increase. The majority of people who spoke up believed the proposed rate increase was too high. One customer asked about the revenues from the logging operations and wanted to know what happens to the money.

COMPLIANCE

BBWC is currently providing water service according to the standards of General Order 103, and has filed its Annual Reports regularly. BBWC should be required to update its following tariffs: Rule No. 2, Description of Services, Rule No. 5, Special Information Required on Forms, and Rule No. 7, Deposits.

FINDINGS

1. The Water Division's recommended Summary of Earnings (Appendix A) is reasonable and should be adopted.
2. The rates recommended by the Water Division (Appendix B, Schedule 1 through 4) are reasonable and should be authorized.
3. The quantities (Appendix D) used to develop Division's recommendations is reasonable.
4. The rate increase proposed by the Division is justified and the resulting rates are just and reasonable.
5. BBWC should be required to establish a full cost balancing account to track revenues and expenses associated with the timber harvesting.
6. BBWC should be authorized to file separate rate base offset advice letters in 2005, 2006, 2007, and 2008 to recover the cost of the plant improvements listed below.

2005

- a. Installment of filter media and repair under drains at an estimated cost of \$12,000 to bring filtration up to specification as required by DHS.
- b. Installment of turbidimeter and graph recorder at an estimated cost of \$6,500 to meet new DHS regulations.
- c. Replacement of an old pickup truck at an estimated cost of \$15,000.
- d. Construction of a new pump house, at King Highway Pump Station, at an estimated cost of \$15,000 to replace the collapsing building.

2006

- e. Construction of an 8-inch main to connect Chaparral Tank to the system at an estimated cost of \$5,000.
- f. Automation of the Roseta Tank at an estimated cost of \$6,000.
- g. Replacement of Hillhouse Tank at an estimated cost of \$7,000.

2007

- h. Repair the leaking water mains at Hilton Bridge at an estimated cost of \$15,000.
- i. Automation of the King Highway Tank at an estimated cost of \$40,000.

2008

- j. Replacement of the leaking Roseta Tank at an estimated cost of \$80,000.
- k. Replace the aging Camino Verde Tank at an estimated cost of \$12,000.

- 7. BBWC does not conform to the accounting entries of Uniform Systems of Accounts for Class B and C Water Utilities.
- 8. BBWC should be required to conform to principles of the Uniform Systems of Accounts for Class B, C, and D Water Utilities.

9. BBWC is carrying a SDWBA Trust Account loan. The correct balance for the Trust Account as December 31, 2004 should be \$176,293.15.
10. BBWC should be required to reduce the current surcharges and apply the revised Schedule No. 3, Safe Drinking Water Bond Surcharge, to pay down the shorted amount.
11. BBWC should be required to update the following tariffs: Rule No. 2, Description of Services, Rule No. 5, Special Information Required on Forms, and Rule No. 7, Deposits
12. This is an uncontested matter subject to the public notice comment exclusion provided in the Public Utilities Code, Section 311(g)(3).

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code, Section 454, for Big Basin Water Company to file an advice letter incorporating the Summary of Earnings and revised rate schedules attached to this resolution as Appendices A and B, respectively, and concurrently to cancel its presently effective rate Schedules No. 1, General Metered Service, No. 2, Residential Flat Rate Service, and No. 3, SDWBA Service Surcharge. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be five days after the date of filing.
2. Big Basin Water Company is authorized to increase annual revenues by \$106,725 or 46.5%, based on reasonable rates for 2003.
3. Big Basin Water Company shall establish a full cost balancing account to track revenues and expenses associated with timber harvesting.
4. Big Basin Water Company is authorized to file separate rate base offset advice letters in 2005, 2006, 2007, and 2008 to recover the cost of the plant improvements listed below.

2005

- a. Installment of filter media and repair under drains at an estimated cost of \$12,000 to bring filtration up to specification as required by DHS.
- b. Installment of turbidimeter and graph recorder at an estimated cost of \$6,500 to meet new DHS regulations.
- c. Replacement of an old pickup truck at an estimated cost of \$15,000.

- d. Construction of a new pump house, at King Highway Pump Station, at an estimated cost of \$15,000 to replace the collapsing building.

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- e. Construction of an 8-inch main to connect Chaparral Tank to the system at an estimated cost of \$5,000.
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- h. Repair the leaking water mains at Hilton Bridge at an estimated cost of \$15,000.
- i. Automation of the King Highway Tank at an estimated cost of \$40,000.

2008

- j. Replacement of the leaking Roseta Tank at an estimated cost of \$80,000.
 - k. Replace the aging Camino Verde Tank at an estimated cost of \$12,000.
- 5. Big Basin Water Company shall conform to principles of the Uniform Systems of Accounts for Class B, C, and D Water Utilities.
 - 6. BBWC shall reduce the current surcharges and apply the revised Schedule No. 3, Safe Drinking Water Bond Surcharge, to pay down the shorted amount.
 - 7. Big Basin Water Company shall update the following tariffs: Rule No. 2, Description of Services, Rule No. 5, Special Information Required on Forms, and Rule No. 7, Deposits

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 April 7, 2005; the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director

**BIG BASIN WATER COMPANY
APPENDIX A
SUMMARY OF EARNINGS
Test Year 2003**

Acct. No.	Account Title	Utility		Staff		Authorized Rate
		Present Rate	Proposed Rate	Present Rate	Proposed Rate	
<u>Operating Revenues</u>						
460	Flat Rate Water Revenue	2,880	4,800	2,880	3,257	4,083
462	Private Fire Protection	0	0	0	576	576
470	Metered Water Revenue	226,509	396,438	226,509	256,813	321,150
480	Other Water Revenues	0	0	0	56,718	10,305
Total Revenues		229,389	401,238	229,389	317,364	336,114
<u>Operating Expenses</u>						
615	Purchased Power	18,392	18,392	18,392	18,392	
630	Employee Labor	35,000	35,000	35,716	35,716	
640	Materials	8,800	8,800	8,800	8,800	
650	Contract Work	0	0	11,938	11,938	
660	Transportation Expenses	8,500	8,500	8,500	8,500	
664	Other Plant Maintenance	15,000	15,000	16,440	16,440	
670	Office Salaries	29,610	29,610	17,223	17,223	
671	Management Salaries	65,800	65,800	31,366	31,366	
674	Employee Pension & Benefits	19,955	19,955	19,955	19,955	
678	Office Services & Rent	5,300	5,300	2,239	2,239	
681	Office Supplies & Expenses	5,300	5,300	6,921	6,921	
682	Professional Expenses	1,940	1,940	1,940	1,940	
684	Insurance	10,676	10,676	10,676	10,676	
686	Regulatory Comm. Expenses	200	200	200	200	
689	General Expenses	15,500	15,500	15,500	15,500	
690	Timber Expenses	0	0	12,752	12,752	
Subtotal		239,973	239,973	218,558	218,558	
<u>Operating Deductions</u>						
403	Deprecation & Amortization	12,207	12,207	13,056	13,056	
408	Taxes Other Than Income Tax	19,059	19,059	18,542	18,542	
409	State Franchise Tax	800	11,757	3,615	5,941	
410	Federal Income Tax	0	32,243	5,592	10,317	
Total Oper. Exp. & Deduct.		272,039	315,239	259,363	266,414	
Net Operating Revenues		(42,650)	85,999 -	29,974	50,950	51,174
<u>Rate Base</u>						
Average Plant in Service		676,426	676,426	715,971	715,971	
Average Cumul. Deprec.		(78,922)	(78,922)	(314,543)	(314,543)	
Working Cash		19,998	19,998	17,915	17,915	
Materials & Supplies		51,000	51,000	0	0	
Total Rate Base		668,502	668,502	419,343	419,343	421,181
Rate of Return		-6.38%	12.86%	-7.15%	12.15%	12.15%

BIG BASIN WATER COMPANY

APPENDIX B
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SCHEDULE NO. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Big Basin and vicinity, Santa Cruz County

RATES

Quantity Rate:

All water, per 100 cu. ft.....\$ 1.98 (R)

Service Charges:

	<u>Per Meter</u>	
	<u>Per Month</u>	
For 5/8 x 3/4 inch meter.....	\$ 24.59	(I)
For 3/4 inch meter.....	\$ 34.92	
For 1 inch meter.....	\$ 55.33	
For 1½ inch meter.....	\$105.00	
For 2 inch meter.....	\$163.77	
For 3 inch meter.....	\$368.85	(I)

The Service Charges are a readiness-to-serve charges which are applicable to all metered services and to which are added the charge for water used Computed at Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

BIG BASIN WATER COMPANY

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SCHEDULE NO. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable only to flat rate residential water service furnished as of May 1, 1985.

TERRITORY

Big Basin and vicinity, Santa Cruz County.

RATES

	<u>Per Service Connection Per Month</u>	
All existing flat rate connections, where meters have not been located.....	\$42.53	(I)

SPECIAL CONDITIONS

1. The above flat rate applies to service connection not larger than one inch in diameter.
2. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No.1, General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.
3. All bills are subject to the reimbursement fee set forth in Schedule UF.

BIG BASIN WATER COMPANY

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SCHEDULE NO. 3

SAFE DRINKING WATER BOND SURCHARGE

APPLICABILITY

Applicable to all water service.

TERRITORY

Big Basin and vicinity, Santa Cruz County

RATES:

Service Charges:	Per Connection Per Month	
For 5/8 inch meter	\$ 6.50	(R)
For ¾ inch meter	9.75	
For 1 inch meter	16.25	
For 1 ½ inch meter	32.50	
For 2 inch meter	52.00	
For 3 inch meter	97.50	(R)
For ¾ inch Flat Rate	\$ 6.50	(R)

This surcharge is in addition to the regular monthly water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 87-10-074.

(Continued)

BIG BASIN WATER COMPANY

APPENDIX B
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SCHEDULE NO. 3

SAFE DRINKING WATER BOND SURCHARGE
(Continued)

SPECIAL CONDITIONS

1. A service connection fee to provide for reduction of the SDWBA loan surcharge is chargeable to customers requesting service to undeveloped lots within the service area as it existed on February 1, 1991.

2. The service fee shall be:

For 5/3 x 3/4 inch meter	\$ 600.00
For 3/4 inch meter	900.00
For 1 inch meter	1,500.00
For 1-1/2 inch meter	3,000.00
For 2 inch meter	4,800.00
For 3 inch meter	9,600.00
For 3/4 inch flat rate	\$ 600.00

3. The service connection fee shall be due and payable upon connection of water service to the lot. The surcharge authorized by the Public Utilities Commission, as contained in the utility's filed tariffs, will apply thereafter.
4. The monthly surcharge established by the Public Utilities Commission in Decision 87-10-074 is subject to periodic adjustment.

BIG BASIN WATER COMPANY

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SCHEDULE NO. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Big Basin and vicinity, Santa Cruz County.

RATES

	Per Service Connection Per Month
For each inch of diameter of service connection	\$6.00

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such Payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection service in addition to all other normal service does not exist in the street or alley adjacent to the premises to be serviced, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

BIG BASIN WATER COMPANY

APPENDIX B
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SCHEDULE NO. 4

PRIVATE FIRE PROTECTION SERVICE
(Continued)

4. Service hereunder is for private fire protection service to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. 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 shall be paid by the applicant. Such payment shall not be subject to refund.
5. The utility undertakes to supply such water at such pressure as may be available at any time through the normal operation of its system.
6. All water bills are subject to the Public Utilities Commission reimbursement fee set forth in Schedule No. UF.

(END OF APPENDIX B)

BIG BASIN WATER COMPANY

APPENDIX C

COMPARISON OF RATES

Connection Sizes	Present Rates <u>1/</u>	Proposed Ratio	Proposed Rates	Amount of Change	Percent Change
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Service Charge :

Flat Rate Services

For Flat Rate Connection	30.00	n/ a	42.53	12.53	41.77%
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Metered Services

5/ 8x3/ 4 Meters	11.20	1.00	24.59	13.39	119.55%
3/ 4" Meters	15.00	1.42	34.92	19.92	132.80%
1" Meters	22.40	2.25	55.33	32.93	147.01%
1 1/ 2" Meters	39.70	4.27	105.00	65.3	164.48%
2" Meters	59.45	6.66	163.77	104.32	175.48%

Quantity Charge:	2.10		1.98		
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A monthly bill comparison for a customer with a 5/ 8x3/ 4 inch meter is shown below:

Usage (@100 cubic feet)	Present Bills	Proposed Bills	Amount of Change	Percent Change
0	11.20	24.59	13.39	119.55%
5	21.70	34.49	12.79	58.94%
10	32.20	44.39	12.19	37.86%
15	42.70	54.29	11.59	27.14%
20	53.20	64.19	10.99	20.66%
30	74.20	83.99	9.79	13.19%

Note:

1/ Rates effective December 20, 1997 per Resolution W-4078.

BIG BASIN WATER COMPANY

APPENDIX D

ADOPTED QUANTITIES FOR TEST YEAR 2003

Purchased Power

Pacific Gas & Electric Company

Total Ccf Pumped	94,628
Total kWh	128,869
kWh/Ccf	1.3618
Power Cost	18,392
Composite Power Rate	\$0.14272/kWh

Property Taxes \$8,537

Laboratory & Test Expenses, Excluding DHS Fees \$6,448

Service Connections

Number of
Customers

Flat Rate Connections:	8
Meter Connections:	
Meter Size: 5/8x3/4 inch meter	533
3/4 inch meter	4
1 inch meter	25
1 1/2 inch meter	4
2 inch meter	3
3 inch meter	<u>0</u>
Total meters	<u><u>569</u></u>

Consumption (Ccf) 68,280