

DWA/RSK/PTL/jlj

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION NO. W-4866
January 27, 2011

R E S O L U T I O N

**(RES. W-4866), CANADA WOODS WATER COMPANY (CWWC).
ORDER AUTHORIZING A GENERAL RATE INCREASE (GRC),
PRODUCING ADDITIONAL ANNUAL WATER REVENUE OF
\$339,828 OR 94.8%, ADDITIONAL ANNUAL RECLAIMED WATER
REVENUE OF \$93,082 OR 68.2%, AND ADDITIONAL ANNUAL
SEWER REVENUE OF \$51,828 OR 48.8% FOR TEST YEAR (TY) 2010.**

SUMMARY

By Advice Letter (AL) 4, filed on April 28, 2010, CWWC seeks to increase its rates for water service and reclaimed water service to recover increased operating expenses. By AL 4-S, filed on April 28, 2010, CWWC seeks to increase its rates for sewer service to recover increased operating expenses. For TY 2010, this Resolution grants an increase in gross annual water revenues of \$339,828 or 94.8%, an increase in gross annual reclaimed water revenues of \$93,082 or 68.2%, and an increase in gross annual sewer revenues of \$51,828 or 48.8%, over current rates.

BACKGROUND

CWWC, a Class D water and sewer utility, has requested authority under Rule 7.6.2 of General Order 96-B (GO 96-B), Water Industry Rule 7.3.3(5), and Section 454 of the Public Utilities Code to increase its water rates by \$347,874 or 97.0% from \$358,444 at present rates to \$706,318 at the proposed rates, increase its reclaimed water rates by \$93,082 or 68.2% from \$136,476 at present rates to \$229,558 at the proposed rates, and increase its sewer rates by \$51,828 or 48.8% from \$106,128 at present rates to \$157,956 at the proposed rates for TY 2010.

The purpose of the rate increase is to recover increased operating expenses. CWWC's request was based on a rate of return of 13.0% in the build-out year 2019.¹ Because the utility presently has fewer customers than it will ultimately have in the build out year, rates designed for the current number of customers would be unnecessarily high.

¹ 2019 is the date that the owner of the water company, who is affiliated with the developers of these two subdivisions, expects them to be substantially built out.

Accordingly, capital expenses, i.e. depreciation and return, were calculated based on the expected number of customers at build out with a 13.0% return. The amount of capital expenses actually included in authorized rates, however, has been reduced to be proportional to the fraction of ultimate customers currently served. In other words, the utility is willing to operate at a deficit pending build out.

The present water rates, reclaimed water rates, and sewer rates became effective on December 31, 2008, pursuant to Decision 92-03-093 which authorized a Consumer Price Index (CPI) increase of 4.1%. AL 4 and AL 4-S are CWWC's first GRC requests.

CWWC serves approximately 130 metered water services, 2 reclaimed water connections, and 130 sewer services within the Canada Woods and Monterra Ranch developments in Monterey County. In build-out year 2019, it is expected that there will be 370 metered water services, 2 reclaimed water connections, and 370 sewer services.

NOTICE AND PROTEST

AL 4 and AL 4-S were served in accordance with GO 96-B on April 28, 2010 (including service on adjacent water and sewer utilities, both publicly and privately owned, pursuant to Water Industry Rule 4.1(2)). On May 3, 2010, a notice of the proposed rate increase was mailed to each customer. Seven comment letters or emails were received and the utility responded.

An informal public meeting was held on June 8, 2010, at 6:30 PM at the Rancho Canada Golf Club located in Carmel, CA. Sixteen customers attended the meeting. The Division of Water and Audits (Division) staff explained the Commission procedures, while CWWC representatives cited justification for the proposed rate increase. Some customers suggested an alternate water winter summer rate design.

On July 15, 2010, CWWC sent an invitation to a workshop meeting on an alternate rate design to the customers who had expressed an interest in an alternate winter summer rate design. On July 29, 2010, 23 customers attended the workshop meeting. On August 4, 2010, CWWC sent a polling sheet to all of its customers in regards to customer preferences pertaining to CWWC's proposed rate design or the alternate winter summer rate design. CWWC received a small percentage of responses to the poll, with only 19 responses out of 131 water services. Seven responses, or only 5.3% of the customers, expressed a preference for the alternate water winter summer rate design.

DISCUSSION

The Division made an independent analysis of CWWC's operations. A review of CWWC's proposed rate design and the alternate winter summer rate design indicates that both rate designs would provide a similar rate of return. However, the alternate winter summer rate structure would require more staff time and expense for CWWC to administer its billing which would be paid by the customers. Therefore, the Division does not recommend the alternate winter summer rate design.

Professional Expenses for Water Service

CWWC's estimate of \$44,000 includes engineering, accounting, and legal fees. The Division reviewed the records and adjusted these costs and recommends \$30,000.

Regulatory Expense for Water Service

CWWC's estimate of \$8,400 includes all expenses incurred by the utility in connection with formal and informal water cases before the Commission. The Division reviewed the records and adjusted these costs and recommends \$3,600.

State & Federal Income Taxes for water, reclaimed water, and sewer

CWWC did not include State and Federal income taxes in its estimates. The Division's estimates were based on the estimated revenues.

The Division staff reviewed CWWC's operating revenues and expenses including purchased power, other volume related, field labor, materials, contract work, transportation expenses, other plant maintenance, clerical labor, managerial labor, office services & rentals, office supplies and expenses, professional services, insurance, regulatory commission expense, general expenses, depreciation, and taxes other than income. Staff verified operating expenses and the rate base by reviewing supporting documents for substantiation and accuracy, and included the amounts that were deemed reasonable and prudent.

Appendix A-1 shows CWWC's and the Division's estimated summary of earnings at present and proposed water rates for TY 2010 and the Division's recommended water rates for TY 2010. The Division reviewed CWWC's proposed reclaimed water rates shown in Appendix A-2 and sewer rates shown in Appendix A-3 and recommends approval. The Division informed CWWC of how the methodologies it used differed from those used in CWWC's proposed water rates. CWWC is now in agreement with the Division's recommended revenue requirement, shown in Appendices A-1, A-2, and A-3, and the Division's recommended rates, shown in Appendices B-1, B-2, and B-3.

The Division recommends that the Commission approve the rate increases and resulting rates shown in Appendices B-1, B-2, and B-3.

The current recommended range for rate of return for a Class D water utility is 12.50% to 13.50% (mid point is 13.0%). CWWC requested a 13.0% rate of return in the build out year 2019. The Division concurs.

CWWC's rate structure consists of three schedules: 1, General Metered Service; 2, Reclaimed Water Service; and S, Sewer Service. At the recommended rates, the increase in water revenue will be \$339,828 or 94.8%, the increase in reclaimed water revenues will be \$93,082 or 68.2%, and the increase in sewer revenues will be \$51,828 or 48.8%. A comparison of customer's water bills at present and recommended rates is shown in Appendix C. The adopted quantities and tax calculations are shown in Appendix D.

COMPLIANCE

The utility has been filing annual reports as required.

CWWC needs to file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following forms and rules in its water service tariff book to meet the current Commission standards: Preliminary Statement, Schedule UF, Surcharge to Fund PUC Reimbursement Fee, and Rule 3, Application for Service.

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, this draft Resolution was mailed to the utility and protestants and made available for public comment on December 27, 2010. No comments were received.

FINDINGS AND CONCLUSIONS

1. CWWC has requested authority to increase its water rates by \$347,874 or 97.0%, increase its reclaimed water rate by \$93,082 or 68.2%, and increase its sewer rate by \$51,840 or 48.9% for TY 2010.
2. AL 4 and AL 4-S were served in accordance with GO 96-B on April 28, 2010. On May 3, 2010 a notice of the proposed rate increase was mailed to each customer.

3. An informal public meeting was held on June 8, 2010. Sixteen customers attended the meeting. Some customers suggested an alternate water winter summer rate design.
4. On July 15, 2010, CWWC sent an invitation to a workshop meeting on an alternate rate design to the customers who had expressed an interest in an alternate winter summer rate design. On July 29, 2010, 23 customers attended the workshop meeting.
5. On August 4, 2010, CWWC sent a polling sheet to all of its customers in regards to customer preferences pertaining to CWWC's proposed rate design or the alternate winter summer rate design.
6. CWWC received a small percentage of responses to the poll, with only 19 responses out of 131 water services. Seven responses, or only 5.3% of the customers, expressed a preference for the alternate water winter summer rate design.
7. The alternate winter summer rate structure would require more staff time and expense for CWWC to administer its billing, which would be paid by the customers. Therefore, the Division does not recommend the alternate winter summer rate design.
8. CWWC requested a 13.0% rate of return in the build out year 2019. The Division concurs because this is the mid-point of the current recommended range for rate of return for a Class D water utility. Furthermore, this rate of return reflects the fact that CWWC serves subdivisions that have not yet been built-out.
9. In reviewing CWWC's request, the Division made an independent analysis of CWWC's operations.
10. The Division's recommended summary of earnings (Appendices A-1, A-2, and A-3) are reasonable and should be adopted.
11. The rates recommended by the Division (Appendices B-1, B-2, and B-3) are reasonable and should be adopted.
12. The quantities (Appendix D) used to develop the Division's recommendations are reasonable and should be adopted.
13. The Division informed CWWC of how the methodologies it used differed from those used in CWWC's proposed water rates. CWWC is now in agreement with the

Division's recommended revenue requirement and the Division's recommended rates.

14. For TY 2010, it is appropriate to grant CWWC an increase in gross annual water revenues of \$339,828 or 94.8%, an increase in gross annual reclaimed water revenues of \$93,082 or 68.2%, and an increase in gross annual sewer revenues of \$51,828 or 48.8%, over current rates, which is estimated to provide a rate of return of 13.0% in the build out year 2019.
15. CWWC should be ordered to file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following forms and rules in its water service tariff book to meet the current commission standards: Preliminary Statement, Schedule UF, Surcharge to Fund PUC Reimbursement Fee; and Rule 3, Application for Service.

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 to Canada Woods Water Company to file supplemental advice letters with the revised rate schedules attached to this Resolution as Appendix B and concurrently cancel its presently effective rate Schedules: 1, General Metered Service; 2, Reclaimed Water Service; and S, Sewer Service. The effective date of the revised schedules shall be five days after the date of filing.
2. The quantities (Appendix D) used to develop the Division's recommendations are adopted.
3. Canada Woods Water Company is ordered to file a Tier 1 advice letter within 30 days from the effective date of this resolution revising the following forms and rules in its water service tariff book to meet the current commission standards: Preliminary Statement, Schedule UF, Surcharge to Fund PUC Reimbursement Fee; and Rule 3, Application for Service.

4. This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 27, 2011; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President

MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
Commissioners

Commissioner Timothy Alan Simon, being necessarily absent, did not participate.

**APPENDIX A-1
 Canada Woods Water Company**

SUMMARY OF EARNINGS (Water)

Item	Test Year 2010		Branch Estimated		Recommended Rates
	Utility Estimated		Present Rates	Requested Rates	
	Present Rates	Requested Rates			
<u>OPERATING REVENUES</u>					
Metered Rates	\$358,444	\$706,318	\$358,444	\$698,272	\$698,272
<u>OPERATING EXPENSES</u>					
Purchased Power	\$77,610	\$77,610	\$77,610	\$77,610	\$77,610
Other Volume Related Expenses	\$509,109	\$509,109	\$509,109	\$509,109	\$509,109
Field Labor - contract	\$242,021	\$242,021	\$242,021	\$242,021	\$242,021
Materials	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contract Work	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Transportation	\$0	\$0	\$0	\$0	\$0
Other Plant Maintenance	\$2,534	\$2,534	\$2,534	\$2,534	\$2,534
Clerical Labor - contract	\$101,208	\$101,208	\$101,208	\$101,208	\$101,208
Managerial labor- contract	\$77,638	\$77,638	\$77,638	\$77,638	\$77,638
Employee Benefits	\$0	\$0	\$0	\$0	\$0
Uncollectible	\$0	\$0	\$0	\$0	\$0
Office Services & Rental	\$647	\$647	\$647	\$647	\$647
Office Supplies and Exp	\$4,680	\$4,680	\$4,680	\$4,680	\$4,680
Professional Services	\$44,000	\$44,000	\$30,000	\$30,000	\$30,000
Insurance	\$16,297	\$16,297	\$16,297	\$16,297	\$16,297
Regulatory Comm Exp	\$8,400	\$8,400	\$3,600	\$3,600	\$3,600
General Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Subtotal	\$1,097,144	\$1,097,144	\$1,078,344	\$1,078,344	\$1,078,344
Depreciation Expense	\$22,172	\$22,172	\$22,172	\$22,172	\$22,172
Taxes other than income	\$5,732	\$5,732	\$5,732	\$5,732	\$5,732
State Income Tax	\$0	\$0	\$0	\$0	\$0
Federal Income Tax	\$0	\$0	\$0	\$0	\$0
<u>Total Deductions</u>	\$1,125,048	\$1,125,048	\$1,106,248	\$1,106,248	\$1,106,248
<u>NET REVENUE</u>	-\$766,604	-\$418,730	-\$747,804	-\$407,976	-\$407,976
<u>RATE BASE</u>					
Average Plant	\$5,657,598	\$5,657,598	\$5,657,598	\$5,657,598	\$5,657,598
Average Depreciation Reserve	\$681,684	\$681,684	\$681,684	\$681,684	\$681,684
<u>Net Plant</u>	\$4,975,914	\$4,975,914	\$4,975,914	\$4,975,914	\$4,975,914
Less Advances	\$0	\$0	\$0	\$0	\$0
Contributions	\$4,402,679	\$4,402,679	\$4,402,679	\$4,402,679	\$4,402,679
Materials and Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Working Cash	\$91,429	\$91,429	\$91,429	\$91,429	\$91,429
<u>Rate Base</u>	\$665,664	\$665,664	\$665,664	\$665,664	\$665,664
<u>RATE OF RETURN</u>	Negative	Negative	Negative	Negative	Negative

(END OF APPENDIX A-1)

APPENDIX A-2
Canada Woods Water Company

SUMMARY OF EARNINGS (Reclaimed Water)

Item	Test Year 2010		Branch Estimated		Recommended Rates
	Utility Estimated Present Rates	Utility Estimated Requested Rates	Branch Estimated Present Rates	Branch Estimated Requested Rates	
OPERATING REVENUES					
Metered Rates	\$136,476	\$229,558	\$136,476	\$229,558	\$229,558
OPERATING EXPENSES					
Purchased Power	\$46,110	\$46,110	\$46,110	\$46,110	\$46,110
Other Volume Related Expenses	\$0	\$0	\$0	\$0	\$0
Field Labor - contract	\$60,589	\$60,589	\$60,589	\$60,589	\$60,589
Materials	\$2,087	\$2,087	\$2,087	\$2,087	\$2,087
Contract Work	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Transportation	\$0	\$0	\$0	\$0	\$0
Other Plant Maintenance	\$2,676	\$2,676	\$2,676	\$2,676	\$2,676
Clerical Labor - contract	\$11,580	\$11,580	\$11,580	\$11,580	\$11,580
Managerial labor- contract	\$61,189	\$61,189	\$61,189	\$61,189	\$61,189
Employee Benefits	\$0	\$0	\$0	\$0	\$0
Uncollectible	\$0	\$0	\$0	\$0	\$0
Office Services & Rental	\$139	\$139	\$139	\$139	\$139
Office Supplies and Exp	\$72	\$72	\$72	\$72	\$72
Professional Services	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Insurance	\$2,653	\$2,653	\$2,653	\$2,653	\$2,653
Regulatory Comm Exp	\$600	\$600	\$600	\$600	\$600
General Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Subtotal	\$194,195	\$194,195	\$194,195	\$194,195	\$194,195
Depreciation Expense	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625
Taxes other than income	\$1,970	\$1,970	\$1,970	\$1,970	\$1,970
State Income Tax	\$0	\$0	\$800	\$2,455	\$2,455
Federal Income Tax	\$0	\$0	\$0	\$3,797	\$3,797
Total Deductions	\$201,790	\$201,790	\$202,590	\$208,042	\$208,042
NET REVENUE	-\$65,314	\$27,768	-\$66,114	\$21,516	\$21,516
RATE BASE					
Average Plant	\$931,006	\$931,006	\$931,006	\$931,006	\$931,006
Average Depreciation Reserve	\$124,887	\$124,887	\$124,887	\$124,887	\$124,887
Net Plant	\$806,119	\$806,119	\$806,119	\$806,119	\$806,119
Less Advances	\$0	\$0	\$0	\$0	\$0
Contributions	\$609,101	\$609,101	\$609,101	\$609,101	\$609,101
Materials and Supplies	\$209	\$209	\$209	\$209	\$209
Working Cash	\$16,183	\$16,183	\$16,183	\$16,183	\$16,183
Rate Base	\$213,410	\$213,410	\$213,410	\$213,410	\$213,410
RATE OF RETURN	Negative	13.0%	Negative	10.1%	10.1%

(END OF APPENDIX A-2)

**APPENDIX A-3
 Canada Woods Water Company**

SUMMARY OF EARNINGS (Sewer)

Test Year 2010

Item	Utility Estimated		Branch Estimated		Recommended Rates
	Present Rates	Requested Rates	Present Rates	Requested Rates	
<u>OPERATING REVENUES</u>					
Metered Rates	\$106,128	\$157,956	\$106,128	\$157,956	\$157,956
<u>OPERATING EXPENSES</u>					
Purchased Power	\$12,183	\$12,183	\$12,183	\$12,183	\$12,183
Other Volume Related Expenses	\$5,600	\$5,600	\$5,600	\$5,600	\$5,600
Field Labor - contract	\$30,294	\$30,294	\$30,294	\$30,294	\$30,294
Materials	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contract Work	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Transportation	\$25,200	\$25,200	\$25,200	\$25,200	\$25,200
Other Plant Maintenance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Clerical Labor - contract	\$37,596	\$37,596	\$37,596	\$37,596	\$37,596
Managerial labor- contract	\$39,385	\$39,385	\$39,385	\$39,385	\$39,385
Employee Benefits	\$0	\$0	\$0	\$0	\$0
Uncollectible	\$0	\$0	\$0	\$0	\$0
Office Services & Rental	\$139	\$139	\$139	\$139	\$139
Office Supplies and Exp	\$4,716	\$4,716	\$4,716	\$4,716	\$4,716
Professional Services	\$10,100	\$10,100	\$10,100	\$10,100	\$10,100
Insurance	\$12,713	\$12,713	\$12,713	\$12,713	\$12,713
Regulatory Comm Exp	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
General Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Subtotal	\$191,426	\$191,426	\$191,426	\$191,426	\$191,426
Depreciation Expense	\$54,598	\$54,598	\$54,598	\$54,598	\$54,598
Taxes other than income	\$11,060	\$11,060	\$11,060	\$11,060	\$11,060
State Income Tax	\$0	\$0	\$800	\$800	\$800
Federal Income Tax	\$0	\$0	\$0	\$0	\$0
<u>Total Deductions</u>	\$257,084	\$257,084	\$257,884	\$257,884	\$257,884
<u>NET REVENUE</u>	-\$150,956	-\$99,128	-\$151,756	-\$99,928	-\$99,928
<u>RATE BASE</u>					
Average Plant	\$4,417,041	\$4,417,041	\$4,417,041	\$4,417,041	\$4,417,041
Average Depreciation Reserve	\$993,932	\$993,932	\$993,932	\$993,932	\$993,932
<u>Net Plant</u>	\$3,423,109	\$3,423,109	\$3,423,109	\$3,423,109	\$3,423,109
Less Advances	\$0	\$0	\$0	\$0	\$0
Contributions	\$2,317,081	\$2,317,081	\$2,317,081	\$2,317,081	\$2,317,081
Materials and Supplies	\$500	\$500	\$500	\$500	\$500
Working Cash	\$15,952	\$15,952	\$15,952	\$15,952	\$15,952
<u>Rate Base</u>	\$1,122,480	\$1,122,480	\$1,122,480	\$1,122,480	\$1,122,480
<u>RATE OF RETURN</u>	Negative	Negative	Negative	Negative	Negative

(END OF APPENDIX A-3)

APPENDIX B-1

Canada Woods Water Company

SCHEDULE NO. 1

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The territory within the Tehama and Monterra Sub-Areas in Monterey County, and as described on the service area map. (C)
(C)

RATES

	<u>Per Meter Per Month</u>	
Quantity Rate (Non-inclusionary housing customers):		
Per 100 cubic feet		
First 500 cubic feet	\$ 2.70	(I)
Next 400 cubic feet	4.04	(I)
Next 400 cubic feet	8.08	(I)
Next 400 cubic feet	16.16	(I)
Over 1,700 cubic feet	28.16	(I)
Quantity Rate (Inclusionary housing customers):		
Per 100 cubic feet		
First 500 cubic feet	\$ 1.70	(R)
Next 400 cubic feet	3.41	(I)
Next 400 cubic feet	5.11	(R)
Next 400 cubic feet	6.82	(R)
Over 1,700 cubic feet	13.63	(I)
Service Charge (Non-inclusionary housing customers):		
	<u>Per Meter Per Month</u>	
For 5/8-inch meter	\$ 39.20	(R)
For 3/4-inch meter	58.80	(R)
For 1-inch meter	98.00	(R)
For 1 1/2-inch meter	196.00	(R)

(Continued)

APPENDIX B-1

Canada Woods Water Company

**SCHEDULE NO. 1
(Continued)**

ANNUAL METERED SERVICE

For 2-inch meter	313.60	(R)
For 4-inch meter	980.00	(R)
	Per Meter	
Service Charge (Inclusionary housing customers):	<u>Per Month</u>	
For 5/8-inch meter	\$ 7.18	(I)

The service charge is applicable to all service. It is a readiness-to-serve charge to which is added the monthly charge, computed at the Quantity Rate, for water used during the month.

SPECIAL CONDITION

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

(END OF APPENDIX B-1)

APPENDIX B-2

Canada Woods Water Company

SCHEDULE NO. 2

RECLAIMED AND NON-POTABLE WATER SERVICE

APPLICABILITY

Applicable to all meter reclaimed water service.

TERRITORY

The Tehama Golf Club located in Canada Woods North, Monterey County, California, as delineated on the service area maps included in the tariff schedules.

RATES

Quantity Rate	Per Meter <u>Per Month</u>	
All water delivered per 100 cubic feet	\$ 2.70	(I)
Service Charge:		
For 4-inch meter	\$ 980.00	(I)

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the bimonthly charge, computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The user (customer) is responsible for on-site compliance with local, state or federal regulations that may apply to the use of an approved reclaimed water source.
2. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(END OF APPENDIX B-2)

APPENDIX B-3

Canada Woods Water Company

SCHEDULE NO. S

SEWER SERVICE

APPLICABILITY

Applicable to all sewage disposal systems.

TERRITORY

The territory within the Tehama and Monterra Sub-Areas in Monterey County, and as described on the service area map.

RATES

Service Charges (based on size of septic tank):

	<u>Per Month</u>	
1,500 gallon size	\$ 70.42	(I)
2,500 gallon size	\$117.60	(I)
3,000 gallon size	\$140.84	(I)
5,000 gallon size	\$234.50	(I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Septic tank sizes not specified above are billed at \$0.0469 per gallon of capacity. (I)

(END OF APPENDIX B-3)

APPENDIX C

Canada Woods Water Company

COMPARISON OF RATES

TEST YEAR 2010

<u>Water Rates</u>	Per Month		Recommended Increase	
	<u>Present</u>	<u>Recommended</u>	<u>Dollars</u>	<u>Percentage</u>
Quantity Rates				
Per 100 cubic feet (non-inclusionary)				
First 500 cubic feet	\$4.37	\$2.70	-\$1.67	-38.2%
Next 400 cubic feet	4.37	4.04	- 0.33	- 7.6%
Next 400 cubic feet	4.37	8.08	3.71	84.9%
Next 400 cubic feet	4.37	16.16	11.79	269.8%
Over 1,700 cubic feet	4.37	28.16	23.79	544.4%
Quantity Rates				
Per 100 cubic feet (inclusionary)				
First 500 cubic feet	1.9605	1.70	-0.260	-13.3%
Next 400 cubic feet	2.6140	3.41	0.796	30.5%
Next 400 cubic feet	5.2280	5.11	-0.118	-2.3%
Next 400 cubic feet	10.4560	6.82	-3.63	-34.8%
Over 1,700 cubic feet	-	13.63	13.63	-
Service Charge (Non-inclusionary housing customers):				
For 5/8-inch meter	41.12	39.20	-1.92	-4.7%
For 3/4-inch meter	61.68	58.80	-2.88	-4.7%
For 1-inch meter	102.84	98.00	-4.84	-4.7%
For 1 1/2-inch meter	205.67	196.00	-9.67	-4.7%
For 2-inch meter	329.07	313.00	-16.07	-4.9%
For 4-inch meter	1,028.00	980.00	-48.00	-4.7%
Service Charge (Inclusionary housing customers):				
For 5/8-inch meter	6.80	7.18	0.38	5.6%
<u>Reclaimed Water Rates</u>				
Quantity Rates				
Per 100 cubic feet	1.64	2.70	1.06	64.6%
Service Charge				
For 4-inch meter	328.64	980.00	651.36	198.2%
<u>Sewer Rates</u>				
1,500 gallon size	47.31	70.42	23.11	48.9%
2,500 gallon size	79.01	117.60	38.59	48.8%
3,000 gallon size	94.63	140.84	46.21	48.8%
5,000 gallon size	157.54	234.50	76.96	48.9%

(END OF APPENDIX C)

APPENDIX D

Canada Woods Water Company

ADOPTED QUANTITIES
TEST YEAR 2010

Expenses

1. Purchased power:

\$77,610 (water), \$46,110 (reclaimed water), and \$12,183 (sewer)

2. Water usage: 32,521 Ccf (water), 1,742 Ccf (reclaimed water)

3. Number of Service Connections:

130 (water), 2 (reclaimed water), and 130 (sewer)

4. Taxes other than Income:

\$5,732 (water), \$1,970 (reclaimed water), and \$11,060 (sewer)

5. California minimum franchise tax \$800

6. Federal income tax 15%

(END OF APPENDIX D)