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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION NO. W-4915
May 24, 2012

R E S O L U T I O N

(RES. W-4915), DEL ORO WATER COMPANY'S (DOWC) RIVER ISLAND DISTRICT. ORDER AUTHORIZING A GENERAL RATE INCREASE (GRC), PRODUCING ADDITIONAL ANNUAL REVENUE OF \$122,929 OR 32.4% FOR TEST YEAR (TY) 2012 AND \$31,143 OR 6.20% FOR ESCALATION YEAR 2013.

SUMMARY

By Advice Letter (AL) 308, filed on August 19, 2011, DOWC seeks an increase of \$163,401 in revenue or 43.08% above current rates to recover increased operating expenses and earn a reasonable return on its plant investment. For TY 2012, this Resolution grants an increase in gross annual revenues of \$122,929 or 32.40% over current rates, and additional revenue of \$31,143 or 6.20% for Escalation Year 2013. The rate schedules to implement the 2012 increase and the escalation increase for year 2013 are set forth in Appendix B. This increase in revenue, inclusive of escalation years, is estimated to provide a rate of return of 10.80% by 2013.

BACKGROUND

DOWC 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 for its River Island District by \$163,401 or 43.08% for TY 2012, over the current rates. The purpose of the rate increase is to recover increased operating expenses and provide an adequate rate of return. DOWC's request was based on a ROR of 10.80%.

The River Island District's present interim rates became effective on August 19, 2011, by approval of AL 307, which authorized a Consumer Price Index rate increase of \$6,085 or 1.5%, subject to refund or increase to the rates established in this GRC. The last GRC for River Island District was granted on June 18, 2009, pursuant to Res. W-4759, which granted an increase in revenues of \$159,127 or 67.50%.

DOWC is a Class B multi-district water utility, which includes the River Island District. Del Oro acquired the River Island District water system on July 31, 2008. At the time of the acquisition, the water system (which was operated as a Class D water utility) had a total of 337 metered water customers and 15 metered irrigation customers. DOWC's River Island District, which is located about 3 miles southwest of Springville in Tulare County, now currently serves 410 residential customers including irrigation water to 16 metered irrigation customers, which it serves through a separate system.

The River Island District has two service territories: Territory 1 and Territory 2. Territory 1 has a maximum daily demand of 521 GPM (gallons per minute), but can only reliably produce 414 GPM. Territory 2 has a maximum daily demand of 45 GPM, but only has a capacity of 40 GPM. As a result of DOWC's inability to meet the demand of this district, the Commission has directed DOWC to prepare a plan¹ to augment its River Island District water supply; DOWC has filed its plans with the Commission and plans to come in for an approval to implement it. The water system comprises of one inactive and 17 active hard rock wells ranging from 19 to 55 gallons per minute (GPM), five storage tanks with total storage capacity of 492,000 gallons, and 63,672 feet of distribution pipelines.

DOWC allocates 5.05% of its total utility operating expenses from all of its districts to the River Island District for the following expenses: 1) management, superintendant, and office salaries; 2) payroll taxes, property, health and compensation insurance for the employee positions; and 3) office rental, professional services, and office supplies. The cost allocation percentage for the River Island District is based on the number of customers in the district as a percentage of total customers in DOWC's seventeen districts. Division of Water and Audits (Division) agrees with DOWC's cost allocation percentage for the River Island District. All other operational costs specific to the district are fully allocated to the district.

NOTICE AND PROTEST

In accordance with GO 96-B, AL 306 was served on August 18, 2011, to adjacent utilities and persons on the general service list. On August 24, 2011, a notice of the proposed rate increase was mailed to each customer's permanent address and to the general service list. Three customer letters questioning the rate increase and complaining about the amount requested were timely received, and the utility replied.

¹ DOWC requested a Moratorium via A.09-08-016 on August 21, 2009; this request was granted via D.10-05-004. In compliance with O.P. No.3 in D.10-05-004, DOWC filed Advice Letter No. 300 and was found in compliance via Res. No. W-4898 dated January 12, 2012.

An informal public meeting was held on September 29, 2011, at 7:00 PM at the Springville Elementary School, located at 35424 Ward Avenue, Springville, CA. Thirty-one customers from River Island District attended the meeting. Division staff explained the Commission procedures, while DOWC's representatives cited justification for the proposed rate increase. Division staff and DOWC representatives answered questions until approximately 9:30 PM.

In setting rates in this resolution, the Division has balanced the financial requirements of DOWC with the rate concerns of its customers.

DISCUSSION

The magnitude of DOWC's current request to increase revenues by 43.08% stems largely from an increase in its rate base from \$778,956 recorded in its last GRC to \$1,138,176 in this current GRC due to plant additions, which include pumping equipment and new meters.

The magnitude of DOWC's GRC request, justifies a more gradual revenue increase than that proposed by DOWC. To mitigate the impact that this large increase may have on its customers, DOWC has agreed² to phase-in its revenues over a period of two years, from 2012 through 2013, instead of one year, as it originally proposed. To lessen customer rate shock and fulfill the intent of a gradual increase, DOWC should be barred from deferred revenue collection for 2012 and 2013, and therefore, DOWC should not request recovery of the CPI increase for year 2012, as this would exceed the allowed revenue of \$502,200 for the 2012 TY.

The Division made an independent analysis of DOWC's operations. Appendix A shows DOWC's and the Division's estimated summary of earnings at present, proposed, and recommended rates for TY 2012, to be phased in during years 2012 and 2013. Appendix B includes the Division's tariff rates for TY 2012, and escalation year 2013. The Division informed DOWC of how the methodologies it used differed from those used in DOWC's request. DOWC is now in agreement with the Division's recommended revenue requirement, shown in Appendix A, and the Division's recommended rates, shown in Appendix B. The Division recommends that the Commission approve the rate increases and resulting rates shown in Appendix B.

The Division's estimate of DOWC's operating expenses, excluding purchased power, purchased water, insurance, office and management salaries, is based on data from years 2008-2010. DOWC purchases its water from the Pleasant Valley Canal Company,

² Per email from Janice Hanna, Director of Corporate Accounting, dated 3/2/2012.

River Island Country Club wells, and Jack and Norma Ruff well. The purchased water estimate was based on twelve months usage ending in December 2010. Actual invoices from the three companies mentioned above were used to arrive at the estimate. For estimating purchased power costs, DOWC used the twelve months of usage ending in December 2010, and applied the average cost per kilowatt-hour of Pacific Gas and Electric Company's rates for 2010 and the Division agrees. The quantities used to calculate purchased water are found in Appendix D. The Division used current actual costs for insurance and accepted DOWC's estimate for office and management salaries. For estimating all other expense categories, Division escalated³ and averaged 2009-2010 expenses using factors from the Division of Ratepayer Advocates' (DRA) December 31, 2011 escalation memorandum. DWA's estimate differed from DOWC's in materials, contract work, transportation, other plant maintenance and professional services due to DOWC's application of a different escalation factor to the two-year average of 2009-2010 for these expenses. The Division's recommendations are shown in Appendix A.

Commission Standard Practice U3-SM (U3-SM) provides that small water companies should use a flat 2.5% depreciation rate on total plant in service unless the Commission has adopted a higher or lower depreciation figure in a previous rate case. The Commission adopted a depreciation rate of 2.7% for River Island in previous rate cases, and therefore this rate is applied to plant in service.

DOWC requested a 10.80% rate of return, which was the last approved rate of return. Division accepted DOWC's requested rate of return and calculates a revenue requirement of \$154,072. With the two-year phase in, these revenue increases will yield a rate of return of 8.30% in TY 2012 and 10.80% by Escalation Year 2013.

River Island District's rate structure consists of two schedules: RI-1, General Metered Service; and RI-3, Irrigation Service. The rates proposed by the Division are shown in Appendix B. At the Division's recommended rates the increase in revenue will be \$122,929 or 32.40% for TY 2012, and \$31,143 or 6.20% for Escalation Year 2013, respectively. At the recommended rates for 2012, shown in Appendix B, monthly rates for an average consumption of 20 Ccf (one Ccf is equal to one hundred cubic feet) will increase from \$69.20 to \$92.45, a difference of \$23.25 or 33.6% in TY 2012; and from \$92.45 to \$98.26, a difference of \$5.81 or 6.30% in Escalation Year 2013. A comparison of customer bills at present, recommended, and escalation rates are shown in Appendix C. The projections, adopted quantities, and tax calculations are shown in Appendix D. DOWC should file a Tier 2 advice letter on or before November 20, 2012, to reflect escalation rates for 2013. It should be required that the revised tariffs reflecting these escalation rates be made effective on January 1, 2013.

³ Escalation was to 2012 dollars.

The River Island District's interim rates became effective on August 19, 2011, by approval of AL 307, which authorized a Consumer Price Index rate increase of \$6,085 or 1.5%, subject to refund or an increase to the rates established in this GRC. The rates authorized by this Resolution are higher than the interim rates. Therefore, DOWC should file a Tier 2 advice letter within 30 days from the effective date of this Resolution to collect the under-collected revenues from the interim rate date to the effective date of this Resolution, i.e., the effective date of the TY 2012 rates. This under collection will be recovered via a surcharge so that it will be fully recovered no later than July 31, 2014 and will be for the Test Year 2012 rates only.

COMPLIANCE

The utility has no outstanding water quality violations and is in compliance with California Department of Public Health water quality standards.

Division also finds DOWC in compliance with GO 103-A requirements.

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 utility, all protestants (whether or not they filed timely protests), and those requesting service at the public meeting, and made available for public comment on April 24, 2012. No comments were received.

FINDINGS

1. DOWC has requested authority to increase water rates for its River Island District by \$163,401 or 43.08%, over current rates for TY 2012.
2. The increase in rates is primarily due to an increase in rate base from the last approved GRC on June 18, 2009.
3. AL 308 was served in accordance with General Order 96-B on August 19, 2011. On August 24, 2011, a notice of the proposed rate increase was mailed to each customer and to the general service list.
4. DOWC agreed to phase-in its revenues over a period of two years, from 2012 through 2013.

5. DOWC should be barred from deferred revenue collection for 2012 and 2013.
6. DOWC should not request recovery of the Consumer Price Index for year 2012.
7. In reviewing DOWC's request, the Division made an independent analysis of DOWC's operations.
8. The Division used 12 months of actual water usage to estimate purchased water costs.
9. For estimating purchased power costs, the Division used 12 months of actual electricity usage and applied the average cost per kilowatt-hour of DOWC's energy provider for 2010.
10. The Division used current costs to estimate test year insurance.
11. The Division accepted DOWC's estimate of office and management salaries.
12. For estimating all other expense categories, the Division applied factors from the Division of Ratepayer Advocates December 31, 2011 escalation memorandum.
13. The Division recommendation includes used and useful plant additions and applies the 2.7% depreciation rate ordered in the last GRC.
14. DOWC agrees with the Division's recommended revenue requirement.
15. The Division's recommended summary of earnings (Appendix A) are reasonable and should be adopted.
16. The rates recommended by the Division (Appendix B) are reasonable and should be adopted.
17. The quantities (Appendix D) used to develop the Division's recommendations are reasonable and should be adopted.
18. For TY 2012, it is appropriate to grant DOWC an increase in gross annual revenues of \$122,929 or 32.40% over current rates, and additional revenue of \$31,143 or 6.20% for escalation year 2013.
19. These revenue increases will yield a rate of return of 8.30% in Test Year 2012 and 10.80% by Escalation Year 2013.

20. At the recommended rates for 2012, shown in Appendix B, monthly rates for an average consumption of 20 Ccf will increase from \$69.20 to \$92.61, a difference of \$23.41 or 33.8% in TY 2012 and from \$92.61 to \$98.38, a difference of \$5.77 or 6.20% in escalation Year 2013.
21. DOWC should file a Tier 2 advice letter on or before November 20, 2012, for the escalation rates of 2013, and the escalation rates will be made effective on January 1, 2013.
22. DOWC requested a rate of return of 10.80%, and the Division finds this rate reasonable.
23. DOWC should be allowed to file a Tier 2 advice letter within 30 days from the effective date of this Resolution to collect the under-collected revenues from the interim rate date to the effective date of the TY 2012 rates, for the TY 2012 rates only.
24. This under collection will be recovered via a surcharge so that it will be fully recovered no later than July 31, 2014 and will be for the Test Year 2012 rates only.

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 to Del Oro Water Company, Inc., to file a supplemental advice letter with the revised rate schedules attached to this Resolution as Appendix B for its River Island District and concurrently cancels its presently effective rate Schedule Nos. RI-1, General Metered Service and RI-3, Irrigation 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 of Water and Audits' recommendations are adopted.
3. Del Oro Water Company is authorized to file a Tier 2 advice letter on or before November 20, 2012, for the escalation rates of 2013. These escalation rates shall be made effective on January 1, 2013.
4. Del Oro Water Company, Inc. is authorized to file a Tier 2 advice letter within 30 days from the effective date of this Resolution to establish a surcharge to collect, no later than July 31, 2014, the under-collected revenues from the interim rate date to the effective date of the Test Year 2012 rates, i.e., the effective date of this Resolution. This advice letter shall become effective upon approval by the Division of Water and Audits or the Commission.

5. This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on May 24, 2012; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon
Executive Director

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK J. FERRON

Commissioners

Appendix A					
Del Oro Water Company, River Island District					
Summary of Earnings					
Test Year 2012					
Item	Utility Estimated		Branch Estimated		Recommended Rates 2012
	Present Rates	Requested Rates	Present Rates	Requested Rates	
Operating Revenue					
General Metered Sales	\$ 379,271	\$ 542,672	\$ 379,271	\$ 542,672	\$ 502,200
Private Fire	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 379,271	\$ 542,672	\$ 379,271	\$ 542,672	\$ 502,200
Operating Expenses					
610 Purchased Water	\$30,163	\$30,163	\$ 30,163	\$ 30,163	\$ 30,163
615 Purchased Power	\$56,005	\$56,005	\$ 56,005	\$ 56,005	\$ 56,005
618 Other Volume Related Expenses	\$725	\$725	\$ 685	\$ 685	\$ 685
630 Employee Labor	\$67,277	\$67,277	\$ 67,277	\$ 67,277	\$ 67,277
640 Materials	\$3,863	\$3,863	\$ 3,644	\$ 3,644	\$ 3,644
650 Contract Work	\$5,010	\$5,010	\$ 4,873	\$ 4,873	\$ 4,873
660 Transportation Expenses	\$12,179	\$12,179	\$ 11,169	\$ 11,169	\$ 11,169
664 Other Plant Maintenance	\$749	\$749	\$ 708	\$ 708	\$ 708
670 Office Salaries	\$33,953	\$33,953	\$ 33,953	\$ 33,953	\$ 33,953
671 Management Salaries	\$6,457	\$6,457	\$ 6,457	\$ 6,457	\$ 6,457
674 Employee Benefits	\$25,933	\$25,933	\$ 25,933	\$ 25,933	\$ 25,933
676 Uncollectibles Expense	\$237	\$237	\$ 237	\$ 237	\$ 237
678 Office Services & Rentals	\$5,782	\$5,782	\$ 5,782	\$ 5,782	\$ 5,782
681 Office Supplies & Expenses	\$12,889	\$12,889	\$ 12,889	\$ 12,889	\$ 12,889
682 Professional Services	\$2,590	\$2,590	\$ 2,136	\$ 2,136	\$ 2,136
684 Insurance	\$8,207	\$8,207	\$ 8,207	\$ 8,207	\$ 8,207
688 Regulatory Commission Expense	\$333	\$333	\$ 333	\$ 333	\$ 333
689 General Expenses	\$27,458	\$27,458	\$ 27,458	\$ 27,458	\$ 27,458
Subtotal	\$ 299,810	\$ 299,810	\$ 297,909	\$ 297,909	\$ 297,909
Depreciation	\$ 32,372	\$ 32,372	\$ 32,372	\$ 32,372	\$ 32,372
Taxes other than Income	\$ 19,422	\$ 19,422	\$ 19,422	\$ 19,422	\$ 19,422
Income Taxes	\$ 6,229	\$ 68,144	\$ 800	\$ 65,118	\$ 58,021
Total Deductions	\$357,833	\$419,748	\$350,503	\$414,821	\$407,724
Net Revenue	\$21,438	\$122,924	\$28,768	\$127,851	\$94,476
Rate Base					
Average Plant	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218
Ave. Accumulated Depreciation	\$ 391,019	\$ 391,019	\$ 391,019	\$ 391,019	\$ 391,019
Net Plant	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199
Less Advances	\$ 717,223	\$ 717,223	\$ 717,223	\$ 717,223	\$ 717,223
Contributions	\$ 219,784	\$ 219,784	\$ 219,784	\$ 219,784	\$ 219,784
Plus Working Cash	\$ 24,984	\$ 24,984	\$ 24,984	\$ 24,984	\$ 24,984
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Base:	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176
Rate of Return	1.88%	10.80%	2.53%	11.23%	8.30%

				Appendix A		
		Del Oro Water Company, River Island District				
			Summary of Earnings			
			Escalation Year 2013			
		Utility Estimated		Branch Estimated		
		Present	Requested	Present	Adopted	Recommended
	Item	Rates	Rates	Rates	Rates	Rates
					2012	2013
	Operating Revenue					
	General Metered Sales	\$ 379,271	\$ 542,672	\$ 379,271	\$ 502,200	\$ 533,343
	Private Fire	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Revenue	\$ 379,271	\$ 542,672	\$ 379,271	\$ 502,200	\$ 533,343
	Operating Expenses					
610	Purchased Water	\$30,163	\$30,163	\$ 30,163	\$ 30,163	\$ 30,163
615	Purchased Power	\$56,005	\$56,005	\$ 56,005	\$ 56,005	\$ 56,005
618	Other Volume Related Expenses	\$725	\$725	\$ 685	\$ 685	\$ 685
630	Employee Labor	\$67,277	\$67,277	\$ 67,277	\$ 67,277	\$ 67,277
640	Materials	\$3,863	\$3,863	\$ 3,644	\$ 3,644	\$ 3,644
650	Contract Work	\$5,010	\$5,010	\$ 4,873	\$ 4,873	\$ 4,873
660	Transportation Expenses	\$12,179	\$12,179	\$ 11,169	\$ 11,169	\$ 11,169
664	Other Plant Maintenance	\$749	\$749	\$ 708	\$ 708	\$ 708
670	Office Salaries	\$33,953	\$33,953	\$ 33,953	\$ 33,953	\$ 33,953
671	Management Salaries	\$6,457	\$6,457	\$ 6,457	\$ 6,457	\$ 6,457
674	Employee Benefits	\$25,933	\$25,933	\$ 25,933	\$ 25,933	\$ 25,933
676	Uncollectibles Expense	\$237	\$237	\$ 237	\$ 237	\$ 237
678	Office Services & Rentals	\$5,782	\$5,782	\$ 5,782	\$ 5,782	\$ 5,782
681	Office Supplies & Expenses	\$12,889	\$12,889	\$ 12,889	\$ 12,889	\$ 12,889
682	Professional Services	\$2,590	\$2,590	\$ 2,136	\$ 2,136	\$ 2,136
684	Insurance	\$8,207	\$8,207	\$ 8,207	\$ 8,207	\$ 8,207
688	Regulatory Commission Expense	\$333	\$333	\$ 333	\$ 333	\$ 333
689	General Expenses	\$27,458	\$27,458	\$ 27,458	\$ 27,458	\$ 27,458
	Subtotal	\$ 299,810	\$ 299,810	\$ 297,909	\$ 297,909	\$ 297,909
	Depreciation	\$ 32,372	\$ 32,372	\$ 32,372	\$ 32,372	\$ 32,372
	Taxes other than Income	\$ 19,422	\$ 19,422	\$ 19,422	\$ 19,422	\$ 19,422
	Income Taxes	\$ 6,229	\$ 68,144	\$ 800	\$ 58,021	\$ 60,774
	Total Deductions	\$357,833	\$419,748	\$350,503	\$407,724	\$410,477
	Net Revenue	\$21,438	\$122,924	\$28,768	\$94,476	\$122,866
	Rate Base					
	Average Plant	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218	\$ 2,441,218
	Ave. Accumulated Depreciation	\$ 391,019	\$ 391,019	\$ 391,019	\$ 391,019	\$ 391,019
	Net Plant	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199	\$ 2,050,199
	Less Advances	\$ 717,223	\$ 717,223	\$ 717,223	\$ 717,223	\$ 717,223
	Contributions	\$ 219,784	\$ 219,784	\$ 219,784	\$ 219,784	\$ 219,784
	Plus Working Cash	\$ 24,984	\$ 24,984	\$ 24,984	\$ 24,984	\$ 24,984
	Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
	Rate Base:	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176	\$ 1,138,176
	Rate of Return	1.88%	10.80%	2.53%	8.30%	10.80%

(END OF APPENDIX A)

APPENDIX B
Sheet 1
Del Oro Water Company, Inc.

SCHEDULE NO. RI-1

GENERAL METERED SERVICE
RIVER ISLAND DISTRICT
Test Year 2012

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract No. 389 and vicinity, adjacent to the River Island Golf Course.
Located approximately 4 miles south of Springville, Tulare County.

RATES

Monthly Quantity Rates:

For all water up to 10,000 cu. ft., per 100 cu. ft.	\$2.764	(I)
For all water over 10,001 cu. ft., per 100 cu. ft.	\$3.809	(I)
2009 Purchased Water Surcharge, for all water per 100 cu. ft.	\$0.057	(D)

Monthly Service Charge:

		Per Connection
		<u>Per Month</u>
For	5/8 x 3/4-inch meter	\$ 37.33 (I)
For	3/4 -inch meter	\$ 55.99
For	1-inch meter	\$ 93.32
For	1- 1/2-inch meter	\$ 186.63
For	2-inch meter	\$ 298.61 (I)

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

APPENDIX B
Sheet 1
Del Oro Water Company, Inc.

SCHEDULE NO. RI-3

IRRIGATION SERVICE
RIVER ISLAND DISTRICT
Test Year 2012

APPLICABILITY

Applicable to all metered irrigation service.

TERRITORY

The area known as Tract No. 389 and vicinity, adjacent to the River Island Golf Course. Located approximately 4 miles south of Springville, Tulare County.

RATES

Monthly Quantity Rates:

For all water up to 2,500 cu. ft., per 100 cu. ft.	\$2.350	(I)
For all water over 2,500 cu. ft., per 100 cu. ft.	\$3.614	(I)

Service Charge:

	Per Meter	
	<u>Per Month</u>	
For 5/8 x 3/4 -inch meter	\$ 16.93	(D)
For 1-inch meter	\$ 25.40	
For 2- inch meter	\$ 135.43	(D)

The service charge is a readiness-To-Serve charge which is applicable to all metered service and to which is added the monthly charge computed at the Quantity Rate.

APPENDIX B

Sheet 1

Del Oro Water Company, Inc.

SCHEDULE NO. RI-1

GENERAL METERED SERVICE
RIVER ISLAND DISTRICT
Escalation Year 2013

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract No. 389 and vicinity, adjacent to the River Island Golf Course.
Located approximately 4 miles south of Springville, Tulare County.

RATES

Monthly Quantity Rates:

For all water up to 10,000 cu. ft., per 100 cu. ft.	\$2.893	(I)
For all water over 10,001 cu. ft., per 100 cu. ft.	\$3.988	(I)
2009 Purchased Water Surcharge, for all water per 100 cu. ft.	\$0.057	(D)

Monthly Service Charge:

	Per Connection	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 40.52	(I)
For 3/4-inch meter	\$ 60.78	
For 1-inch meter	\$ 101.29	
For 1- 1/2-inch meter	\$ 202.59	
For 2-inch meter	\$ 324.14	(I)

The service charge is a Readiness-To-Serve charge which is applicable to all metered service and to which is added the monthly charge computed at the Quantity Rate.

APPENDIX B
Sheet 1
Del Oro Water Company, Inc.

SCHEDULE NO. RI-3

IRRIGATION SERVICE
RIVER ISLAND DISTRICT
Escalation Year 2013

APPLICABILITY

Applicable to all metered irrigation service.

TERRITORY

The area known as Tract No. 389 and vicinity, adjacent to the River Island Golf Course.
Located approximately 4 miles south of Springville, Tulare County.

RATES

Monthly Quantity Rates:

For all water up to 2,500 cu. ft., per 100 cu. ft.	\$2.496	(I)
For all water over 2,500 cu. ft., per 100 cu. ft.	\$3.988	(I)

Service Charge:

	Per Meter	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 16.93	(D)
For 1-inch meter	\$ 25.40	
For 2-inch meter	\$ 135.43	(D)

The service charge is a Readiness-To-Serve charge which is applicable to all metered service and to which is added the monthly charge computed at the Quantity Rate.

(END OF APPENDIX B)

APPENDIX C
Del Oro Water Company, Inc
River Island District
Test Year 2012

COMPARISON OF RATES

		Per Service Connection Per Month			
		Present	Recommended	Percent	
		<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	
Service Charge:					
	For 5/8 x 3/4-inch meters	\$ 28.46	\$ 37.33	31.2%	
	For 3/4-inch meters	\$ 42.69	\$ 55.99	31.2%	
	For 1-inch meters	\$ 71.14	\$ 93.32	31.2%	
	For 1-1/2-inch meters	\$ 142.29	\$ 186.63	31.2%	
	For 2-inch meters	\$ 227.66	\$ 298.61	31.2%	
Quantity Charge:					
For all water up to 10,000 cu. ft., per 100 cu. ft.		\$ 2.037	\$ 2.764	35.7%	
For all water over 10,001 cu. ft., per 100 cu. ft.		\$ 2.809	\$ 3.809	35.6%	
Irrigation Service:					
For All water up to 2,500 cu. ft., per 100 cu. ft.		\$ 1.724	\$ 2.350	36.3%	
For all water over 2,500 cu. ft., per 100 cu. ft.		\$ 2.652	\$ 3.614	36.3%	
A monthly bill comparison for a customer with a 5/8 x 3/4-inch meter is shown below:					
Usage		Present	Recommended	Amount	Percent
<u>100 cu. ft.</u>	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>	<u>Increase</u>	
0	28.46	37.33	8.87	31.2%	
5	38.65	51.15	12.50	32.3%	
10	48.83	64.97	16.14	33.0%	
15	59.02	78.79	19.77	33.5%	
20(avg)	69.20	92.61	23.41	33.8%	
30	89.57	120.25	30.68	34.2%	

APPENDIX C
Del Oro Water Company, Inc
River Island District
COMPARISON OF RATES
Escalation Year 2013

			Per Service Connection Per Month		
			2012	Escalation	Percent
			<u>Rates</u>	<u>Rates</u>	<u>Increase</u>
Service Charge:					
For 5/8 x 3/4-inch meters			\$ 37.33	\$ 40.52	8.6%
For 3/4-inch meters			\$ 55.99	\$ 60.78	8.6%
For 1-inch meters			\$ 93.32	\$ 101.29	8.6%
For 1-1/2-inch meters			\$ 186.63	\$ 202.59	8.6%
For 2-inch meters			\$ 298.61	\$ 324.14	8.6%
Quantity Charge:					
For all water up to 10,000 cu. ft., per 100 cu. ft.			\$ 2.764	\$ 2.893	4.7%
For all water over 10,001 cu. ft., per 100 cu. ft.			\$ 3.809	\$ 3.988	4.7%
Irrigation Service:					
For All water up to 2,500 cu. ft., per 100 cu. ft.			\$ 2.350	\$ 2.496	6.2%
For all water over 2,500 cu. ft., per 100 cu. ft.			\$ 3.614	\$ 3.839	6.2%
A monthly bill comparison for a customer with a 5/8 x 3/4-inch meter is shown below:					
Usage	2012		Escalation	Amount	Percent
<u>100 cu. ft.</u>	<u>Rates</u>		<u>Rates</u>	<u>Increase</u>	<u>Increase</u>
0	37.33		40.52	3.19	8.6%
5	51.15		54.98	3.84	7.5%
10	64.97		69.45	4.48	6.9%
15	78.79		83.91	5.13	6.5%
20(avg)	92.61		98.38	5.77	6.2%
30	120.25		127.31	7.06	5.9%

(END OF APPENDIX C)

APPENDIX D
Del Oro Water Company, Inc
River Island District

ADOPTED QUANTITIES

Test Year 2012

1. Purchased Power		
Total Cost	\$56,005	
2. Water Sales in Ccf	104,993	
3. Payroll		
Employee Labor	\$67,277	
Office Salaries	\$33,953	
Management Salaries	\$ 6,457	
4. Payroll taxes	\$9,008	
5. Property Taxes	\$10,414	
6. Service Connections		
5/8 -inch by 3/4 inch	398	
1 -inch	11	
1 ½ -inch	1	
2 -inch	<u>0</u>	
Total	410	
7. Tax Calculation	Test Year	Escalation Year
	<u>2012</u>	<u>2013</u>
Taxable Income for State Tax	\$152,497	\$183,640
State Tax	\$ 13,481	\$ 16,234
Taxable Income for Federal Tax	\$139,017	\$167,407
Federal Tax	\$44,540	\$ 44,540
Total Income Tax	\$ 58,021	\$ 60,774

(END OF APPENDIX D)