



Lake Alpine Water Company

May 23, 2018

LAKE ALPINE WATER COMPANY
Alpine County

Advice Letter No. 115

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
Water.division@cpuc.ca.gov

LAKE ALPINE WATER COMPANY (LAKE ALPINE) hereby transmits for filing the following changes in its tariff schedules which are attached hereto:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Sheet No.</u>
545-W	Sched. #1, Annual Metered Service (Continued)	494-W
546-W	Table of Contents	544-W

Request

By Advice Letter (AL) 115-W, LAKE ALPINE seeks authority under General Order 96-B, Rule 1.7 and Rule 7.6.2, Water Industry Rule 7.3.3(5) and Section 454 of the Public Utilities Code to increase its rates for water service to recover increased operating expenses and earn an adequate return on margin over current rates. The requested rates will be an increase of \$31,505 (5.3%) in gross annual revenue from its present rates which will provide a rate of margin (ROM) of 24% in test year 2018.

Background:

The present rates and last general rate increase were approved by Resolution W-4856 and became effective on December 27, 2010. The resolution authorized a general rate increase of \$97,356 or 18.9% and a rate of return of 13.25%. There have been no CPI or other adjustments to rates since the last general rate case (GRC).

Although the GRC provided an approved revenue of \$612,500 in December, 2010, LAWC has collected less than \$550,000 in revenues in each of the last 3 calendar years.

1. In 2010, there were 496 customers comprising 565 meter equivalents. There are now 486 customers comprising 536 meter equivalents. Rates need to be adjusted to recover the revenues from fewer customers.
2. In 2010, the estimated water sales in CCF was 18,375. Average annual metered water use is now 10,437. Rates need to be adjusted to recover the revenues from less quantity.

The following events and factors have also influenced the financial position and rate base of LAWC.



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1. Shortly after the 2010 GRC, LAWC was engaged in a legal proceeding originating from Application: 11-04-013. LAWC choose not to file for a GRC until the proceedings were over. The final decisions were released in December 2016.
2. In August 2016, the CPUC Division of Water and Audits audited the 2014 and 2015 annual reports filed by LAWC. This was the first CPUC audit for LAWC. Several adjusting entries were made to the plant in service, accumulated depreciation and amortization accounts during the audits resulting in changes to the LAWC rate base.
3. While LAWC has endeavored to decrease and control expenses of labor, chemicals, office supplies and materials other expenses such as dam fees, insurance, benefits, required sampling and property tax have increased and are beyond our control.
4. Changes in our treatment process also changed expenses. Chemical and labor costs decreased while sampling and power costs increased.

Work papers and receipts justifying this increase have been provided to the CPUC Water Branch Staff.

TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

These AL and enclosed tariffs are submitted pursuant to Water Industry Rule 7.3.3(5) of General Order (GO.) 96-B and this advice letter is designated as a Tier 3 filing. This advice letter will become effective upon approval through a Commission Resolution. ¹

NOTICE

A copy of this AL has been served to all parties listed on the service list² on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

RESPONSE OR PROTEST³

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the advice letter;
 2. The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
 3. The analysis, calculations, or data in the advice letter contain material error or omissions;
 4. The relief requested in the advice letter is pending before the Commission in a formal proceeding;
- or

¹ GO. 96-B, Water Industry Rule 7.3.3

²GO. 96-B, Water Industry Rule 4.2

³ GO. 96-B, General Rule 7.4.1



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5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
6. The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a Prior order of the Commission).

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. DWA must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

Mailing Address:

California Public Utilities Commission

Water Division, 3rd Floor

505 Van Ness Avenue

San Francisco, CA 94102

Email Address:

Water.Division@cpuc.ca.gov

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to LAKE ALPINE at:

Mailing Address:

Lake Alpine Water Company

Attn: Kimi Johnson

P.O. Box 5013

Bear Valley, CA 95223

Email Address:

info@lakealpinewater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform DWA, within the 20 day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.



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REPLIES

The utility shall reply to each protest and may reply to any response. Each reply must be received by DWA within five business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response.

CERTIFICATE OF SERVICE

I hereby certify that the service list from this AL has been served a copy of this AL No. 115-W on May 24, 2018.

Executed in Bear Valley, California on May 23, 2018.

LAKE ALPINE WATER COMPANY

By: _____

Kimi Johnson, General Manager

Enclosures