

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 20, 2010

File No. 602-19

Nazar Najor
President
Live Oak Springs Water & Power Co.
PO Box 1241
Boulevard, CA 91905

Dear Mr. Najor:

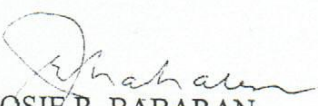
The Commission has received and filed the utility's Advice Letter No. 23-W-A (Supplement to Advice Letter No. 23-W), together with the following revised Cal. P.U.C. tariff sheets that were submitted pursuant to Resolution W-4839 dated August 12, 2010:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
283-W	Schedule No. 1, Metered Service
284-W	Table of Contents

Enclosed is a copy of the advice letter and tariff sheets, with the filing and effective dates shown, for the utility's files.

Please contact Oge Enyinwa at (415) 355-5564 if you have any questions.

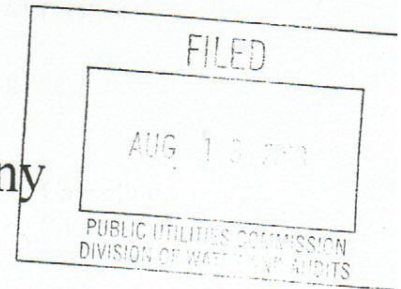
Very truly yours,


JOSIE R. BABARAN
Staff Services Analyst
Water & Sewer Advisory Branch

Enclosures

cc: Frank Brommenschenkel
134 Davis St.
Santa Paula, CA 93060

Live Oak Springs Water Company



August 13, 2010

Advice Letter No. 23-W-A

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Live Oak Springs Water Company (Live Oak) hereby transmits for filing the following changes in its tariff schedules, which are attached hereto:

<u>Cal. P. U. C.</u>	<u>Title of Sheet</u>	<u>Canceling</u>
<u>Sheet No.</u>		<u>Sheet No.</u>
283-W	Schedule No. 1, Metered Service	287-W
284-W	Table of Contents	288-W

The purpose of this filing is to supplement GRC Advice Letter 23-W to comply with Ordering Paragraphs 1 and 2 of Resolution W-4839 dated August 12, 2010 granting a 30.7% General Rate Increase in the amount of \$22,393.

This filing is made under the provisions of General Order No. 96-A.

No further customer notice is required.

Live Oak Springs Water Company

Frank Bremmenschenkel for
By: _____
Nazar Najor, President.

Attachments: Cover Sheet, Tariff sheets, Appendix A, Surcharge Calculations, and Service List

**CALIFORNIA PUBLIC UTILITIES
COMMISSION
DIVISION OF WATER AND
AUDITS
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

FILED

AUG 13 2010

PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS

AL # 23-W-A	Date Mailed to Service List: August 13, 2010	Requested Effective Date: August 18, 2010		Requested Tier: Tier 1 Tier 2 Tier 3	
Supplement to AL 23-W	Authorization for Filing: Res W4839	Compliance Filing? <input type="checkbox"/> Yes No	Rate Impact	\$	22,393
				%	30.7%

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to:

water_division@cpuc.ca.gov

Your protest also must be served on the Utility

(see attached advice letter for more information and grounds for protest)

Company Name: Live Oak Springs Water Company

CPUC Utility Number:

Address: PO Box 1241

WTA _____
WTB _____
WTC _____
WTD 390
SWR _____

City, State, Zip: Boulevard, CA 91905

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	Frank Brommenschenkel	805-525-4200	805-525-7284	Frank.brommen@verizon.net
Alternate	Nazar Najor	619-766-4288	619-766-4944	Nazar@liveoaksprings.com

Description:

In this space or on the back of this form:

1. Explain justification for requested Tier: **Resolution 4839-W**
2. Describe service affected and how it is affected: **30.7% Quantity and Service Charge Increase**
3. Describe differences from related Advice Letters (Similar service, replacement filing)

(FOR CPUC USE ONLY)

WTS Budget/Activity/Type		Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
/ /		20th Day	30th Day
Project Manager:		Suspended on:	
Analyst:		Extended on:	
Due Date:		Resolution No.:	
Completion Date:		AL/Tariff Effective Date:	

Live Oak Springs Water Company

Ordering Paragraph 2 Compliance

Surcharge Calculations

8/13/2010

Interim Increase Granted On May 17, 2010

Effective Date of W-4839 is August 17, 2010

Number of Months to Recover	3
Additional Annual Increase	\$ 22,393.00
Monthly recovery amount	\$ 1,866.08
Monthly recovery amount times 3 months	\$ 5,598.25
To be recovered over a 12 month period	12
Monthly amount to be recovered	\$ 466.52
Number of Customers to be recovered from	97
Monthly Surcharge per customer	\$ 4.81

APPENDIX A LIVE OAK SPRINGS WATER COMPANY

Summary of Earnings Test Year 2010

Item	Utility Estimated Present Rates	Utility Estimated Requested Rates	Branch Estimated Interim Rates	Branch Estimated Requested Rates	Adopted Rates
Operating Revenue					
General Metered Sales	\$ 63,383	\$ 95,283	\$ 72,890	\$ 95,283	\$ 95,283
Reclaimed Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Private Fire	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	\$ 63,383	\$ 95,283	\$ 72,890	\$ 95,283	\$ 95,283
610 Purchased Water	\$0	\$0	\$ -	\$ -	\$ -
615 Purchased Power	\$3,400	\$3,400	\$ 3,400	\$ 3,400	\$ 3,400
618 Other Volume Related Expenses	\$4,393	\$4,393	\$ 4,516	\$ 4,516	\$ 4,516
Ground Water Assessment	\$0	\$0	\$ -	\$ -	\$ -
630 Employee Labor	\$92	\$92	\$ 92	\$ 92	\$ 92
640 Materials	\$400	\$400	\$ 400	\$ 400	\$ 400
650 Contract Work	\$5,807	\$5,807	\$ 5,807	\$ 5,807	\$ 5,807
Water Testing	\$4,393	\$4,393	\$ 4,393	\$ 4,393	\$ 4,393
660 Transportation Expenses	\$975	\$975	\$ 1,003	\$ 1,003	\$ 1,003
664 Other Plant Maintenance	\$3,737	\$3,737	\$ 3,841	\$ 3,841	\$ 3,841
670 Office Salaries	\$3,697	\$3,697	\$ 3,697	\$ 3,697	\$ 3,697
671 Management Salaries	\$13,871	\$13,871	\$ 13,871	\$ 13,871	\$ 13,871
674 Employee Benefits	\$0	\$0	\$ -	\$ -	\$ -
676 Uncollectibles Expense	\$183	\$183	\$ 333	\$ 333	\$ 333
678 Office Services & Rentals	\$4,984	\$4,984	\$ 5,123	\$ 5,123	\$ 5,123
681 Office Supplies & Expenses	\$924	\$924	\$ 950	\$ 950	\$ 950
682 Professional Services	\$3,200	\$3,200	\$ 3,200	\$ 3,200	\$ 3,200
684 Insurance	\$1,495	\$1,495	\$ 1,495	\$ 1,495	\$ 1,495
688 Regulatory Commission Expense	\$1,237	\$1,237	\$ 1,272	\$ 1,272	\$ 1,272
689 General Expenses	\$1,324	\$1,324	\$ 1,361	\$ 1,361	\$ 1,361
Subtotal	\$ 54,112	\$ 54,112	\$ 54,754	\$ 54,754	\$ 54,754
Depreciation	\$ 7,995	\$ 7,995	\$ 8,145	\$ 8,145	\$ 8,145
Taxes other than Income	\$ 3,119	\$ 3,119	\$ 3,119	\$ 3,119	\$ 3,119
Income Taxes	\$ 800	\$ 5,853	\$ 800	\$ 5,675	\$ 5,675
Interest Expense	\$4,059	\$4,059	\$ 4,059	\$ 4,059	\$ 4,059
Total Deductions	\$70,085	\$75,138	\$70,877	\$75,752	\$75,752
Net Revenue	\$-6,702	\$20,145	\$2,013	\$19,531	\$19,531
Rate Base					
Average Plant	\$ 266,514	\$ 266,514	\$ 276,528	\$ 276,528	\$ 276,528
Ave. Accumulated Depreciation	\$ 94,167	\$ 94,167	\$ 91,456	\$ 91,456	\$ 91,456
Net Plant	\$ 172,347	\$ 172,347	\$ 185,072	\$ 185,072	\$ 185,072
Less Advances	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Working Cash	\$ 7,464	\$ 7,464	\$ 7,464	\$ 7,464	\$ 7,464
Materials & Supplies	\$ 1,276	\$ 1,276	\$ 1,276	\$ 1,276	\$ 1,276
Rate Base:	\$ 181,087	\$ 181,087	\$ 193,812	\$ 193,812	\$ 193,812
Rate of Return	-3.70%	11.12%	1.04%	10.08%	10.08%

Advice Letter No. 23-W

COMPLAINT BY
A.L. No. 23-W-A
P.U.C. Sheet No.
283-W 284-W

March 9, 2010

MAR 11 2010

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Live Oak Springs Water Company (Live Oak) hereby transmits for filing the following changes in its tariff schedules, which are attached hereto:

Cal. P. U. C.

Sheet No.

283-W

284-W

Title of Sheet

Schedule No. 1, Metered Service

Table of Contents

Canceling

Sheet No.

281-W-A

282-W-A

This Advice Letter 23-W is submitted pursuant to Standard Practice U-9 page 4 as a part of a General Rate Case filing for a Class D water company, D. 92-03-093 and Resolution W-4540 dated June 16, 2005.

Customer notice has already been provided and the public meeting has been held. See attached Service List for notification of this filing.

Live Oak Springs Water Company

By: Frank Brommenschenkel, for
Nazar Najor, President

Attachments: Tariff Sheet Cover Page, Advice Letter 23-W, Tariff Sheets, Workbook and Supporting documents

Service List
Live Oak Springs Water Company
March 11, 2010

County of San Diego
1600 Pacific Hwy
San Diego, CA 92101

Chamber of Commerce
PO Box 567
Boulevard, CA 91905

California-American Water Company
4701 Beloit Dr.
Sacramento, CA 95838

Copies of this Advice Letter were mailed to the above list on the date herein listed by:

Frank Brommenschenkel

Frank Brommenschenkel
Frank B & Associates

**CALIFORNIA PUBLIC UTILITIES
COMMISSION
DIVISION OF WATER AND
AUDITS
Advice Letter Cover Sheet**

(Date Filed / Received Stamp by CPUC)

MAR 11 2010

AL # 23-W	Date Mailed to Service List: March 11, 2010	Requested Effective Date: April 22, 2010		Requested Tier: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input checked="" type="checkbox"/> Tier 3	
Supplement to	Authorization for Filing: D 92-03-093, Par 9	Compliance Filing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Rate Impact	\$	\$68,193
				%	108%

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

Director
Division of Water and Audits
505 Van Ness Ave.
San Francisco, CA 94102

and if you have email capability, also email to:

water_division@cpuc.ca.gov

Your protest also must be served on the Utility

(see attached advice letter for more information and grounds for protest)

Company Name: Live Oak Springs Water Company

Address: PO Box 1241

City, State, Zip: Boulevard, CA 91905

CPUC Utility Number:
WTA _____
WTB _____
WTC _____
WTD 390
SWR _____

Contact Name:	Phone No.	Fax No.	Email Address:
Frank Brommenschenkel	805-525-4200	805-525-7284	Frank.brommen@verizon.net
Nazar Najor	619-766-4288	619-766-4944	Nazar@liveoaksprings.com

Description:

In this space or on the back of this form:

1. Explain justification for requested Tier: **D. 92-03-093, Res 4540-W, SP U-9-SM**
2. Describe service affected and how it is affected: **108% Quantity and Service Charge Increase**
3. Describe differences from related Advice Letters (Similar service, replacement filing)

(FOR CPUC USE ONLY)

WTS Budget/Activity/Type	Process as: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
Project Manager:	20th Day	30th Day
Analyst:	Suspended on:	
Due Date:	Extended on:	
Completion Date:	Resolution No.:	
	AL/Tariff Effective Date:	

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Live Oak Springs Water Company
March 11, 2010

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Sacramento, CA 95838

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Frank Brommenschenkel

Frank Brommenschenkel
Frank B & Associates

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with information:

<u>Subject matter of Sheet</u>	Cal. P.U.C. <u>Sheet No.</u>
Title page	202-W
Table of Contents	284-W, 277-W (T)
Preliminary Statement	264-W - 266-W
Service Area Map	43-W

Rate Schedules:

Schedule No. 1 - Metered Service	283-W (C)
Schedule No. LC, Late Payment Charge	246-W
Schedule No. UF-Surcharge to Fund Public Utilities Commission Reimbursement Fee	258-W

Rules:

No. 1 Definitions	135-W, 136-W
No. 2 Description of Service	121-W
No. 3 Application for Service	267-W
No. 4 Contracts	75-W
No. 5 Special Information Required on Forms	268-W - 270-W
No. 6 Establishment & Re-establishment of Credit	78-W
No. 7 Deposits	271-W, 272-W
No. 8 Notices	207-W, 208-W
No. 9 Rendering and Payment of Bills	247-W-248-W
No. 10 Disputed Bills	273-W, 274-W
No. 11 Discontinuance and Restoration of Service	249-W - 256-W
No. 12 Information Available to Public	89-W, 90-W
No. 13 Temporary Service	91-W, 92-W
No. 14 Continuity of Service	93-W
No. 15 Main Extensions	211-W - 223-W, 243-W
No. 16 Service Connections, Meters and Customer Facilities	224-W- 230-W
No. 17 Standards for Measurement of Service	166-W
No. 18 Meter Tests and Adjustment of Bills for Meter Error	102-W - 104-W
No. 19 Service to Separate Premises and Multiple Units; and Resale of Water	167-W, 168-W
No. 20 Water Conservation	231-W
No. 21 Fire Protection	232-W

(Continued)

(To be inserted by utility)

Advice Letter No. 23-W-A

Decision No. _____

Issued by

Nazar NajorPresident

(To be inserted by Cal. P.U.C.)

Date Filed AUG 13 2010Effective AUG 18 2010Resolution No. W-4839

DWA/RSK/PTL/OE2:jrb

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION NO. W-4839
August 12, 2010

R E S O L U T I O N

(RES. W-4839), LIVE OAK SPRINGS WATER COMPANY (LIVE OAK SPRINGS) ORDER AUTHORIZING A GENERAL RATE INCREASE (GRC), PRODUCING ADDITIONAL ANNUAL REVENUES OF \$22,393 OR 30.70% FOR TEST YEAR 2010.

SUMMARY

By Advice Letter (AL) 23-W filed March 11, 2010, Live Oak Springs seeks to increase its rates for water service to recover operating expenses and earn an adequate return on its plant investment.

For Test Year 2010, this Resolution grants an increase in gross revenues of \$22,393 or 30.70% which is estimated to provide a rate of return of 10.08%.

BACKGROUND

Live Oak Springs, a Class D water utility, is requesting authority under Rule 7.6.2 of General Order 96-B and Water Industry Rule 7.3.3 (5), and Section 454 of the Public Utilities Code to increase its rates by \$31,900 or 50.30%. The purpose of the rate increase is to recover increased operating expenses and to provide an adequate rate of return. Live Oak Springs request shows 2010 gross revenues of \$63,383 at present rates increasing to \$95,283 at the proposed rates.

The present rates became effective on May 17, 2010, with the approval of AL 25-W, which authorized an interim rate increase of \$9,507 or 15% subject to refund or increase to the rates established in this GRC. The last general rate increase became effective on November 30, 2006, pursuant to Res. W-4615, which granted an increase in revenues of \$46,400 or 320%.

Live Oak Springs currently provides service to approximately 97 metered customers in the unincorporated community of Live Oak Springs, a service area located near the City of Boulevard, San Diego County. Live Oak Springs is owned and run by Mr. Nazor Najor who took over the company from his father in 1982.

The original plant has been in place since the 1940's. The pipe system is over 70 years old and is deteriorating and in some cases runs fairly close to the roadway surface and has major leaks in several sections of it. Live Oak Springs obtains its water supply from two wells. The two operational wells are named Well No. 2 and Well No. 5. The reason the numbers are out of sequence is that the numbering includes old, abandoned wells. For instance, Well No. 3 was recently abandoned due to a high concentration of nitrates. Well No. 2 has a depth of 220 feet and a capacity of 55 gallons per minute. Well No. 5 is used primarily as a back-up and also has a capacity of 55 gallons per minute. Live Oaks Springs is sufficient to meet its customers' demand and is in compliance with the provisions of General Order 103.

NOTICE, PROTESTS, AND PUBLIC MEETING

A notice of the proposed rate increase was mailed to each customer on December 12, 2009. Nine letters questioning the rate increase were received.

An informal public meeting was held on Monday, January 11, 2010, at The Live Oak Springs Restaurant located in the city of Live Oak Springs. The meeting was attended by approximately eighteen customers. The Division of Water and Audits (Division) staff explained to the participants the Commission rate-setting procedures, while Live Oak Springs' representatives cited justifications for the proposed rate increase. Staff and Live Oak Springs responded to various questions from the attendees. Some of the concerns most frequently brought up by customers were the system's dilapidated infrastructure, water quality and the reasons for the rate increase. These concerns, along with others, were also discussed and addressed by Live Oak Springs representatives. The meeting was adjourned at 7:25 pm.

DISCUSSION

The Division staff made an independent analysis of Live Oak Springs' operations. Appendix A shows Live Oak Springs and the Division's estimated summary of earnings at present, proposed, and recommended rates for Test Year 2010. Live Oak Springs is in agreement with the Division's recommended revenue requirement and the rates shown in Appendix B.

The Division staff reviewed Live Oak Springs operating revenues and expenses including purchased power, materials, contract work, water testing, other plant maintenance, office salaries, office services and rentals, office supplies and expenses, professional services, insurance, general expenses, depreciation, and taxes other than income. Staff verified the operating expenses by reviewing annual reports and supporting documents for substantiation and accuracy, and included the amounts that were deemed reasonably necessary.

Staff audited actual bills for expenses to make its estimates, and also used different inflation rates than Live Oak Springs, who used projections across all expenses when recorded information did not apply. Based on the Division of Ratepayer Advocates memorandum of January 31, 2010, the Division uses a non-labor inflation rate of 2.8% and a labor inflation rate of 0.3% for the appropriate operating expense, which Live Oak Springs agrees with.

Live Oak Springs, at 97 service connections for TY 2010, is a Class D water utility for rate-making purposes. The Division's Utility Audit, Finance and Compliance Branch (UAFCB) currently recommends a Rate of Margin of 23.03% and a Rate of Return from 12.50% to 13.50% for a Class D, 100% equity financed utility. The two methods are available for the Division to utilize in the rate-making process: (1) Rate of Return and (2) Rate of Margin.

Per Decision 02-03-093, dated March 31, 1992, the Division must recommend the method that produces the higher revenues. If only the Rate of Return Method was used, a utility with little or no rate base would earn little or no return. Nevertheless, in order to reduce the impact of rate shock on its customers Live Oak Springs has requested a revenue increase of \$22,393 which will yield an annual revenue of \$95,283 from its present revenue of \$72,890. This revenue increase yields a rate of return of 10.08%, which is lower than the allowable rate of return of 12.50%.

Live Oak Springs' current rate structure consists of one schedule: No. 1, Metered Service. The rates proposed by the Division are shown in Appendix B. At the recommended rate of return, the increase in revenue will be \$22,393 or 30.70% for test year 2010. In compliance with the water conservation goals of the state, Live Oak Springs has meters for all its customers.

At the Division's recommended rates, the monthly bill for a 5/8" metered customer using 7 Ccf (reflects the average consumption for a Live Oak Springs customer) would increase from \$52.97 to \$79.55, which is \$26.58, or 50.2%. A comparison of customer bills for present and recommended rates is shown in Appendix C. The adopted quantities and tax calculations are shown in Appendix D.

COMPLIANCE

Live Oak Springs has no outstanding compliance orders. The utility has been filing annual reports as required. As of February 2, 2010, the County of San Diego, Department of Environmental Health (DEH) findings were that the system infrastructure is in dire need of replacement and suggests a written time line be implemented with specific infrastructure upgrades. Upgrades necessary are replacement of distribution mains and laterals, storage tank upgrades and a booster pump for homes at the higher elevations. Any infrastructure replacement must meet

the California Code of Regulations; Waterworks Standards and the American Water Works Association (AWWA) or be National Sanitation Foundation (NSF) ANSI 61 approved. The DEH also requested that it be notified before work is started to assure work is done in a sanitary manner and under the guidance of a Certified Water System Operator.

The Division also recommends that Live Oak Springs update its Schedule No. UF.

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.

The draft resolution was served on the utility and all those who submitted letters to the Division questioning the rate increase for public comment on July 13, 2010. Comments were received from one rate payer, and reply comments addressing the concerns raised by the rate payers were received from the water utility on August 4, 2010. The comments expressed concerns that monies from the rate increase would not be properly utilized to address and replace dilapidated infrastructure and leaks in the system. Also, that timelines be put in place and some enforcement is used to ensure that these improvements and replacements are carried out. After an in-depth review of the comments, the Division found there to be no justification for disallowing the rate increase, since only reasonable and just expenses were allowed in the rates.

FINDINGS

1. Live Oak Springs is an entity under Live Oak Holding LLC and run by Mr. Nazor Najor.
2. The original plant has been in place since the 1940's.
3. The distribution system is over 70 years old, deteriorating and in some cases runs fairly close to the roadway surface and has major leaks in several sections of it.
4. The County of San Diego, Department of Environmental Health finds that the system infrastructure is in dire need of replacement and suggests a written time line be implemented with specific infrastructure upgrades.
5. The present rates became effective on May 17, 2010, with the approval of Advice Letter 25-W, which authorized an interim rate increase of \$9,507 or 15% subject to refund or increase to the rates established in this GRC.
6. Comments on the draft resolution were received from one rate payer on July 30, 2010.

August 12, 2010

7. Replies to the rate payer's comments were received from Live Oak Springs on August 4, 2010.
8. The Division reviewed the comments and found there to be no need for delays or grounds for disallowing the Division's recommended rates, as only reasonable and just expenses have been allowed in the rates.
9. For TY 2010, it is appropriate to grant Live Oak Springs an increase in gross revenues of \$22,393 or 30.70%, which is estimated to provide a rate of return of 10.08%.
10. Live Oak Springs is in agreement with the Division of Water and Audits' (Division) recommended rates.
11. The Division's recommended earnings (Appendix A) are reasonable and should be adopted.
12. The rates recommended by the Division (Appendix B) are reasonable and should be adopted.
13. The quantities (Appendix D) used to develop Division's recommendations are reasonable and should be adopted.

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 to Live Oak Springs Water Company, to file an advice letter incorporating the summary of earnings and the revised rate schedules attached to this resolution as Appendices A and B, respectively, and concurrently cancels its presently effective Schedule No. 1, Metered Service. The effective date of the revised rate schedules shall be five days after the date of its filing.
2. Live Oak Springs Water Company is authorized to file a Tier 1 advice letter within 60 days from the effective date of this Resolution to collect over a twelve-month period the under-collected revenues from the interim rate date to the effective date of this Resolution.

August 12, 2010

3. 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 August 12, 2010; the following Commissioners voting favorably thereon:



PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners

APPENDIX B

Live Oak Springs Water Company

Schedule No. 1

METERED SERVICE
Test Year 2010

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated community of Live Oak Springs and Vicinity, San Diego County.

RATES

Quantity Rates:

First 300 cu. ft., per 100 cu. ft...	\$ 3.33	(I)
Over 300 cu. ft., per 100 cu. ft...	\$ 4.19	(I)

Service Charge:

	Per Meter	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter	\$ 52.80	(I)
For 3/4-inch meter	\$ 79.20	(I)
For 1-inch meter	\$132.00	(I)
For 1-1/2-inch meter	\$264.00	(I)
For 2-inch meter	\$422.40	(I)

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule UF.

APPENDIX C

Live Oak Springs Water Company

Monthly Comparison of Rates

	Per Service Connection Per Month		
	<u>Interim Rates</u>	<u>Recommended Rates</u>	<u>Percent Increase</u>
Service Charge:			
For 5/8 x 3/4-inch meters	\$ 34.81	\$ 52.80	51.7%
For 3/4-inch meters	\$ 52.22	\$ 79.20	51.7%
For 1-inch meters	\$ 87.03	\$132.00	51.7%
For 1-1/2-inch meters	\$174.05	\$264.00	51.7%
For 2-inch meters	\$278.48	\$422.40	51.7%
Quantity Charge:			
First 300 cu. ft., per 100 cu. ft.	\$2.280	\$3.330	46.1%
Over 300 cu. ft., per 100 cu. ft.	\$2.830	\$4.190	48.1%

A monthly bill comparison for a customer with a 5/8 x 3/4-inch meter is shown below:

<u>Usage 100 cu. ft.</u>	<u>Interim Rates</u>	<u>Recommended Rates</u>	<u>Amount Increase</u>	<u>Percent Increase</u>
0	\$34.81	\$ 52.80	\$17.99	51.7%
3	\$41.65	\$ 62.79	\$21.14	50.8%
5	\$47.31	\$ 71.17	\$23.86	50.4%
7	\$52.97	\$ 79.55	\$26.58	50.2%
10	\$61.46	\$ 92.12	\$30.66	49.9%
15	\$75.61	\$113.07	\$37.46	49.5%

APPENDIX D

Live Oak Springs Water Company

ADOPTED QUANTITIES

Test Year 2010

1. Purchased Power	
Total Cost	\$ 3,400
2. Water Sales in Ccf	8,185
3. Payroll	
Office Salaries	\$ 3,697
Management Salaries	\$13,871
4. Property Taxes	\$ 1,386

Metered Rate Service Connections

<u>Service Connections - Meter Size</u>	
5/8 x 3/4"	95
3/4"	1
1"	1
1-1/2"	
2"	
Total Metered	<u>97</u>

Adopted Tax Calculation Test Year 2010

1. Operating Revenues	\$95,283
2. Expenses	\$54,754
3. Depreciation	\$ 8,145
4. Property Taxes	\$ 1,386
5. Payroll Tax	\$ 1,733
6. Taxable Income for State Tax	\$25,206
7. State Tax (min 800)	\$ 2,228
8. Taxable Income for FIT	\$22,978
9. Federal Tax	\$ 3,447