

# CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS

## Advice Letter Cover Sheet

<b>Utility Name:</b> Weimar Water Company, Inc.	<b>Date Mailed to Service List:</b> Mar. 8, 17
<b>District:</b> N/A	
<b>CPUC Utility #:</b> U 100-W	<b>Protest Deadline (20<sup>th</sup> Day):</b> TBD
<b>Advice Letter #:</b> 58-W-A	<b>Review Deadline (30<sup>th</sup> Day):</b> TBD
<b>Tier:</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3 <input type="checkbox"/> Compliance	<b>Requested Effective Date:</b> ASAP
<b>Authorization:</b> GO 96-B 7.6.2 (5), SP U-9 SM	
	<b>Rate Impact:</b> \$131,600 35.76%
<b>Description:</b> GRC	

The protest or response deadline for this advice letter is 20 days from the date that this advice letter was mailed to the service list. Please see the "Response or Protest" section in the advice letter for more information.

**Utility Contact:** Frank Brommenschenkel  
**Phone:** 805-525-4200  
**Email:** [Frank.brommen@verizon.net](mailto:Frank.brommen@verizon.net)

**Utility Contact:** Gerry LaBudde  
**Phone:** 530-637-4441  
**Email:** [glabudde@hydros-engineering.com](mailto:glabudde@hydros-engineering.com)

**DWA Contact:** Tariff Unit  
**Phone:** (415) 703-1133  
**Email:** [Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

DWA USE ONLY
--------------

DATE	STAFF	COMMENTS
_____	_____	_____
_____	_____	_____
_____	_____	_____

[ ] APPROVED

[ ] WITHDRAWN

[ ] REJECTED

**Signature:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_

# WEIMAR WATER COMPANY, INC.

PO BOX 598 Weimar, CA 95736 530-906-4259 glabudde@weimarwater.com

March 8, 2017

Advice Letter No. 58-W-A

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Weimar Water Company, Inc. (Weimar) hereby transmits for filing an original and one copy of this Advice Letter 58-W-A:

## **REQUEST**

By AL 58-W-A, Weimar requests permission to file this supplemental Advice Letter submitting a revised GRC Workbook that includes 2016 recorded data, after filing the 2016 CPI-U 2.1% increase to provide more current information for the application and reduce the amount of the GRC increase.

## **BACKGROUND**

Weimar originally filed AL 58-W on December 9, 2016 and it has been under staff review since that time. During this time Commission staff, has deemed it imperative that 2016 projected data be used, however with it being so close to year end it was more accurate to use recorded 2016 numbers so there is no further question about the numbers. The original request was for a \$154,500 or 36.67% increase with the increase spread over a three-year period. The attached GRC Workbook with recorded 2016 data results in a \$131,600 or 35.76% increase over current revenues and this increase also will be over a three-year period. Of that reduction in the dollar amount of the increase is a result of a CPI-U increase of \$12,000 or 2.1%.

This delay in processing the GRC with the redoing the Workbook was a considerable effort with little change in the results, however it was done as it was in the best interest of the customers.

## **TIER DESIGNATION AND REQUESTED EFFECTIVE DATE**

This AL and the enclosed tariff sheets are submitted pursuant to General Order (GO.) 96-B Section 7.3.3 (5). AL 58-W is designated as a Tier 3 AL and the enclosed tariff sheets are requested to become effective as soon as practical considering the regulatory process.<sup>1</sup>

## **NOTICE**

---

<sup>1</sup> GO. 96-B, Water Industry Rule 7.3.3

# WEIMAR WATER COMPANY, INC.

PO BOX 598 Weimar, CA 95736 530-906-4259 glabudde@weimarwater.com

The Weimar Water Company will provide customer notice at the direction of the staff person assigned to this GRC and their availability for a public meeting using the original draft notice.

## **RESPONSE OR PROTEST<sup>2</sup>**

Anyone may respond to or protest this AL. A response supports the filing and may contain information that proves useful to the Commission in evaluating the AL. A protest objects to the AL 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 AL;
2. The relief requested in the AL 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 AL contain material error or omissions;
4. The relief requested in the AL is pending before the Commission in a formal proceeding;  
or
5. The relief requested in the AL requires consideration in a formal hearing, or is otherwise inappropriate for the AL process; or
6. The relief requested in the AL is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require re-litigating 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:

**Email Address:**

[Water.Division@cpuc.ca.gov](mailto:Water.Division@cpuc.ca.gov)

**Mailing Address:**

California Public Utilities Commission  
Water Division, 3rd Floor  
505 Van Ness Avenue  
San Francisco, CA 94102

On the same day the response or protest is submitted to DWA, the respondent or protestant shall send a copy of the protest to Gerry LaBudde at: Weimar Water Company, Inc.

**Email Address:**

[glabudde@hydros-engineering.com](mailto:glabudde@hydros-engineering.com)

**Mailing Address:**

Weimar Water Company, Inc.  
PO Box 598

---

<sup>2</sup> GO. 96-B, General Rule 7.4.1

# WEIMAR WATER COMPANY, INC.

PO BOX 598 Weimar, CA 95736 530-906-4259 glabudde@weimarwater.com

Weimar, CA 95736

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.

## **REPLIES**

The utility shall reply to each protest and may reply to any response. Any 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 on each person who filed the protest or response to the AL.<sup>3</sup>

---

<sup>3</sup> GO. 96-B, General Rule 7.4.3

# WEIMAR WATER COMPANY, INC.

PO BOX 598 Weimar, CA 95736 530-906-4259 glabudde@weimarwater.com

## SERVICE LIST

- Recipient 1 Placer County Water Agency  
P.O. Box 6570  
144 Ferguson Road  
Auburn, CA 95604  
[BSmith@pcwa.net](mailto:BSmith@pcwa.net)
- Recipient 2 Placer County Planning Department  
3091 County Center Drive #140  
Auburn, CA 95603  
[planning@placer.ca.gov](mailto:planning@placer.ca.gov) 530-745-3000
- Recipient 3 Midway Heights County Water District  
Attn. Jason Tiffany  
PO Box 596,  
Meadow Vista, CA 95722  
[admin@mhcwd.org](mailto:admin@mhcwd.org)
- Recipient 4 Department of Public Health  
Attn. Michael McNamara  
415 Knollcrest Dr. Ste 110  
Redding, CA 96002  
530-224-4800 [Mike.McNamara@waterboards.ca.gov](mailto:Mike.McNamara@waterboards.ca.gov)

I hereby certify that the above service list has been served a copy of AL 58-W-A on March 8, 2017.

Executed in Santa Paula, California on the March 8, 2017.

Weimar Water Company, Inc.

By: /s/Frank Brommenschenkel  
Gerry LaBudde  
President

Enclosures

**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER RATE ADJUSTMENT WORKBOOK**  
For Water Utilities Regulated by the CPUC

*Required Workpapers for rate increases (decreases)*

WATER UTILITY NAME:           **Weimar Water Company**          

ADDRESS OF UTILITY:                           **PO Box 598**                            
Street, P.O. Box and/or suite number

  **Weimar, CA 95736**    
City and Zip Code

PHONE NUMBER:   **530-637-4441**    
area code

CPUC CLASS SIZE:   **"C"**  

Requested Adjustment:   **\$131,600**  

Increase (decrease)   **Increase**    
dollar amount

  **35.76%**    
percent above (below) current revenue requirement

**INFORMATION SHEET**

NAME: **Weimar Water Company** \_\_\_\_\_

ADDRESS: **PO Box 598** \_\_\_\_\_

**Weimar, CA 95736** \_\_\_\_\_

\_\_\_\_\_

NAME OF PERSON TO CONTACT REGARDING THIS FILING:

**Frank Brommenschenkel** \_\_\_\_\_

PHONE: **805-525-4200 or frank.brommen@verizon.net** \_\_\_\_\_

DESCRIBE OWNERSHIP OF COMPANY:

Corporation organized under the laws of the state of California on 11/5/1959 under the name Sleepy Hollow Acres, Inc.

Principal officers: Gerry LaBudde, Pres., Paul Fejes, Vice Pres., Heidi LaBudde, Sec. & Treasurer

Gerry LaBudde holder of 60% and Paul Fejes holder of 40% of common stock in the company.

DATE OF LAST GENERAL RATE CASE FILING: \_\_\_\_\_ May 17, 2004 \_\_\_\_\_

DATE OF LAST OFFSET: \_\_\_\_\_ May 7, 2013 \_\_\_\_\_

**WEIMAR WATER COMPANY**  
**ADVICE LETTER RATE INCREASE**  
**WORKPAPERS**

**Complete all of the following schedules for your**  
**Class B or C water utility**

TABLE OF CONTENTS

FOR TEST YEAR 2017

DATE SUBMITTED TO CPUC: December 8, 2016

	<u>Attachment</u> <u>Sheet</u>	_____
SECTION I	<u>REVENUES AT PRESENT RATES</u>	
	<u>Include the appropriate schedules:</u>	
	Estimate of Metered Customers by Meter Size	I-2
	Estimate of Flat Rate Customers	I-3
	Estimate of Metered Revenues at Present Rates	I-5
	Estimate of Flat Rate Revenues	I-6
SECTION II	<u>OPERATING EXPENSES</u>	
	Summary - Estimate of Operating Expenses	II-1
	Summary of Earnings	II-1A
	Estimate of Water Production (with flat rates)	II-2a
	Other Volume Related Expenses	II-5
	Estimate of Payroll Costs and Expenses	II-6
	Materials	II-7
	Contract Work	II-8
	Transportation Expenses	II-9
	Other Plant Maintenance	II-10
	Employee Pensions/Benefits	II-11
	Uncollectibles	II-12
	Office Services and Rentals	II-13
	Office Supplies and Expense	II-14
	Professional Services	II-15
	Insurance	II-16
	Regulatory Commission Expense	II-17
	General Expense	II-18



Attachment  
Sheet \_\_\_\_\_

SECTION III RETURN

Estimate of Average Utility Plant	III-3
Working Cash	III-5
Estimated Depreciation	III-6

SECTION IV TAXES OTHER THAN INCOME

Property and Payroll Taxes	IV-1a
----------------------------	-------

SECTION VII SUMMARY OF EARNINGS AT PROPOSED RATES

Summary of Earnings at proposed rates	II-1a
---------------------------------------	-------

SECTION VIII RATE DESIGN

Rate Design Worksheet	VIII-1
Tiered Rate Structure and Comparisson	VIII-2

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF METERED CUSTOMERS BY METER SIZE  
 TEST YEAR 2017

A	B	C	D	E	F	G	H
		Number of Customers					
Line No.	Meter Size	End of Prior Year	Estimated Test Year Additions	End of Test Year	Average	Meter Ratios	Meter Equivalencies
		PUC report Sch. D-4		(C + D)	[(C + E) / 2]		(F x G)
1.	5/8" x 3/4"	541	3	544	542.5	1.0	542.5
2.	3/4"	1	0	1	1	1.5	1.5
3.	1"	1		1	1	2.5	2.5
4.	1 1/2"	0	0	0	0	5.0	0
5.	2"	4		4	4	8.0	32
6.	4"	0	0	0	0	25.0	0
7.	6"	0	0	0	0	50.0	0
8.							
9.	Total	547	3	550	548.5		579

	Year	2014	2015	2016	2017
10.	Number of Customers (end of year)	535	549	547	550
11.	Average number of customers [(prior year + current year) / 2]		542	548	548

Note: There were 3 customers added in 2016 and the new total is reflected in the 2017 number above resulting in a total of 548 customers and 579 customer equivalents to be used for the final rate design on page VII-1.

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF FLAT RATE CUSTOMERS  
 TEST YEAR 2017

A	B	C	D	E	F
		Number of Customers			
Line No.	Flat Rate Unit	End of Prior Year	Test Year Additions	End of Year	Average
		PUC report Sch. D-4		(C + D)	[(C + E) / 2]
1.	\$ 12.40	58	2	60	59
2.					
3.					
4.					
5.	Total	58	2	60	59

	Year	2013	2014	2015	2017
6.	Number of Customers (end of year)	57	58	58	60
7.	Average number of customers [(prior year + current year) / 2]		58	58	59

Note: There were no new customers added in 2016.

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF PRIVATE FIRE PROTECTION CUSTOMERS  
 TEST YEAR 2017

**FIRE PROTECTION: NOT APPLICABLE TO WEIMAR WATER COMPANY**

A	B	C	D	E	F	G	H	I
		Number of Customers					Present Rates	
Line No.	Connection Size	End of Prior Year	Additions	End of Year	Average	Annual No. of Bills	Rate Per Unit	Revenues
				(C + D)	[(C + E)/2]	(F x 12)		(G x H)
1.	1"							
2.	1 1/2"							
3.	2"							
4.	3"							
5.	4"			0				\$ -
6.	6"			0				\$ -
7.	8"			0				\$ -
8.								
9.	Total	0		0	0	0		\$ -

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF METERED REVENUES AT PRESENT RATES  
 TEST YEAR 2017

## SERVICE CHARGE REVENUE:

A	B	C	D	E	F	G
				Present Rates		
Line No.	Meter Size	Average No. of Customers	Annual No. of Bills	Service Charge Rates	Service Charge Revenue	
		Sheet I-2	(C x 6)		(D x E)	
1.	5/8" x 3/4"	543	6,510	\$ 48.01	\$ 312,545	
2.	3/4"	1	12	\$ 144.02	\$ 1,728	
3.	1"	3	36	\$ 240.21	\$ 8,648	
4.	1 1/2"	-	-	\$1,080.31	\$ -	
5.	2"	2	24	\$1,728.46	\$ 41,483	
6.	3"	-	-	\$3,240.50	\$ -	
7.	4"	-	-	\$5,400.78	\$ -	
8.	6"	-	-	\$ -	\$ -	
9.	Total	549	6,582		\$ 364,404	

## QUANTITY REVENUE:

	Description	Recorded Year				Test Year	Reference
		2013	2014	2015	2016	2017	
10.	Total water sold (CCF)	158,785	158,664	120,037	133,010		CPUC rpt Sch. D-7
11.	Average number of customers	542	548	544	548		Sheet I-2 Line 11
12.	Average water sold per customer (Line 10/Line 11)	293	290	221	243	251	Average of recorded years
13.	Test year average number of customers					548	Sheet I-2 Col F, Line 9
14.	Test year water sold					137,531	Lines 12 x 13
15.	Tier I Rate					\$ 1.813	
	Tier I Revenue					\$ 249,344	
16.	Tier II Rate						Column F
	Total Revenue Tier II						Lines 9 + 16
	<b>Total Revenue Tier I &amp; II</b>						

Total Sales Quantity and Service Charge

\$ 613,748

Since the last GRC two customers with two inch have been billed as 1" meters and that will change if the proposed rate structure on Sheet VIII-1 is approved with the deviation from the 66% fixed costs.

ESTIMATE OF FLAT RATE REVENUES  
TEST YEAR 2017

A	E	F
Line No.	Present Rates per Unit	Total Revenues
		(D x E)
1.	\$ 12.00	\$ 8,496
2.		
3.		
4.		
5.		
6.		
7.		
8.		\$ 8,496

Note: These flat rate outside irrigation customers are on a separate system and do not have as much operating costs so using a similar rate increase as the potable system is not appropriate. The primary cost of this system is water costs so a 3.3% increase in rates is being recommended in their rate schedule.

**WEIMAR WATER COMPANY**  
**WORKPAPERS - ADVICE LETTER RATE INCREASE**  
**ESTIMATE OF OPERATING EXPENSES - TEST YEAR 2017**

A	B	C	D	E	F	G	H	
			Recorded Year				Test Year	
			2013	2014	2015	2016		
Line No.	Acct. No.	Account Name					Reference/ Instructions	
1.		Volume related expenses:						
2.	610	Purchased water	\$ 52,043	\$ 49,772	\$ 47,749	\$ 47,465	\$ 48,329 Sheet II-3	
3.	615	Power Expense	\$ 43,142	\$ 44,181	\$ 40,128	\$ 47,302	\$ 43,870 Sheet II-4a	
		Power Schedule					Sheet II-4b	
		Power Expense (by Rate Sch)					Sheet II-4c	
		Power Expense (by Power Sch)					Sheet II-4d	
4.	618	Other volume related expenses	\$ 20,715	\$ 18,665	\$ 19,983	\$ 20,430	\$ 19,693 Sheet II-5	
5.		Total volume related exp.	\$ 115,900	\$ 112,618	\$ 107,860	\$ 115,196	\$ 111,892 Add Lines 2-4	
6.		Non-volume related expenses						
7.	630	Employee labor	\$ 130,389	\$ 107,463	\$ 119,903	\$ 119,044	\$ 115,470 Sheet II-6	
8.	640	Materials	\$ 11,577	\$ 11,115	\$ 16,960	\$ 15,715	\$ 14,597 Sheet II-7	
9.	650	Contract work	\$ 4,669	\$ 5,510	\$ 6,940	\$ 11,690	\$ 8,047 Sheet II-8	
10.	660	Transportation expenses	\$ 24,438	\$ 19,530	\$ 14,211	\$ 9,378	\$ 9,378 Sheet II-9	
11.	664	Other plant maintenance expenses	\$ 6,248	\$ 10,008	\$ 9,076	\$ 8,793	\$ 9,292 Sheet II-10	
12.		Total non-volume related exp.	\$ 177,321	\$ 153,626	\$ 167,090	\$ 164,619	\$ 156,784 Add Lines 6-11	
13.		Admin. & general expenses:						
14.	670	Office salaries	\$ 26,285	\$ 26,606	\$ 29,494	\$ 29,513	\$ 28,538 Sheet II-6	
15.	671	Mgmt. salaries	\$ 13,678	\$ 10,763	\$ 6,302	\$ 14,108	\$ 10,391 Sheet II-6	
16.	674	Employee pensions & benefits	\$ 22,627	\$ 41,967	\$ 145	\$ -	\$ - Sheet II-11	
17.	676	Uncollectible accounts expense	\$ 1,940	\$ 1,173	\$ 627	\$ 498	\$ 766 Sheet II-12	
18.	678	Office services & rentals	\$ 34,132	\$ 7,562	\$ 7,023	\$ 7,864	\$ 7,483 Sheet II-13	
19.	681	Office supplies & expenses	\$ 14,200	\$ 17,227	\$ 15,485	\$ 10,632	\$ 14,448 Sheet II-14	
20.	682	Professional services	\$ 10,037	\$ 6,214	\$ 4,823	\$ 4,130	\$ 5,056 Sheet II-15	
21.	684	Insurance	\$ 19,640	\$ 10,046	\$ 10,708	\$ 10,341	\$ 10,365 Sheet II-16	
22.	688	Regulatory commission expense	\$ 7,349	\$ 3,586	\$ 4,363	\$ 3,096	\$ 3,682 Sheet II-17	
23.	689	General expenses	\$ 1,862	\$ 6,746	\$ 1,847	\$ 4,469	\$ 4,354 Sheet II-18	
24.		Total admin. & general expense	\$ 151,750	\$ 131,890	\$ 80,817	\$ 84,652	\$ 85,082 Add Lines 14-23	
25.	800	Expenses capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	
26.		Net admin. & general expenses	\$ 151,750	\$ 131,890	\$ 80,817	\$ 84,652	\$ 85,082 Line 24 - Line 25	
27.		Total operating expenses	\$ 444,971	\$ 398,134	\$ 355,767	\$ 364,466	\$ 353,757 Lines 5 + 12 + 26	

All numbers on this page flow from Sheet II-1A

# Weimar Water Company

## Summary of Earnings GRC

8-Mar-17

	Res W-4473 5/6/2004	Recorded 2014	Recorded 2015	Recorded 2016	2.1% CPI-U 2016	Proposed TY 2017	
<b>Operating Revenues:</b>			% Increase			35.76%	
			Requested Revenue Requirement >>				\$ 131,600
Metered Revenue	\$ 371,356	\$ 588,773	\$ 558,020	\$ 582,565	\$ 12,234	\$ 625,982	
Other Revenue (non-potable)		\$ 7,690	\$ 8,076	\$ 8,216		\$8,496	
Interest Income						\$ -	
Total Operating Revenue	\$ 371,356	\$ 596,463	\$ 566,096	\$ 590,781		\$ 766,078	
<b>Operating Expenses:</b>							
Purchased Water	\$ 43,916	\$ 49,772	\$ 47,749	\$ 47,465		\$ 48,329	
Purchased Power	\$ 41,751	\$ 44,181	\$ 40,128	\$ 47,302		\$ 43,870	
Other Vol. Rel. Exp.	\$ 14,515	\$ 18,665	\$ 19,983	\$ 20,430		\$ 19,693	
Employee Labor	\$ 83,100	\$ 107,463	\$ 119,903	\$ 119,044		\$ 115,470	
Materials	\$ 4,296	\$ 11,115	\$ 16,960	\$ 15,715		\$ 14,597	
Contract Work-General Exp.	\$ 941	\$ 5,510	\$ 6,940	\$ 11,690		\$ 8,047	
Contract Work-Water Testing	\$ 1,669						
Transportation	\$ 4,360	\$ 19,530	\$ 14,211	\$ 9,378		\$ 9,378	
Other Plant Maintenance Exp	\$ 4,147	\$ 10,008	\$ 9,076	\$ 8,793		\$ 9,292	
Office salaries	\$ 20,000	\$ 26,606	\$ 29,494	\$ 29,513		\$ 28,538	
Management	\$ 12,000	\$ 10,763	\$ 6,302	\$ 14,108		\$ 10,391	
Employee Pension & Benefits	\$ 14,262	\$ 41,967	\$ 145				
Uncollectable Accounts Exp	\$ 1,862	\$ 1,173	\$ 627	\$ 498		\$ 766	
Office Services & Rentals	\$ 3,600	\$ 7,562	\$ 7,023	\$ 7,864		\$ 7,483	
Office Supplies & Expense	\$ 7,539	\$ 17,227	\$ 15,485	\$ 10,632		\$ 14,448	
Professional Services	\$ 2,121	\$ 6,214	\$ 4,823	\$ 4,130		\$ 5,056	
Insurance	\$ 14,901	\$ 10,046	\$ 10,708	\$ 10,341		\$ 10,365	
Regulatory Commission Exp	\$ 1,379	\$ 3,586	\$ 4,363	\$ 3,096		\$ 3,682	
General Expenses	\$ 714	\$ 6,746	\$ 1,847	\$ 4,469		\$ 4,354	
Total Operating Expense	\$ 277,073	\$ 398,134	\$ 355,767	\$ 364,466		\$ 353,757	
Depreciation Expense	\$ 19,963	\$ 64,552	\$ 63,336	\$ 62,380		\$ 66,479	
Loan Interest Expense				\$ 14,320		\$ 14,320	
Taxes other than Income	\$ 13,172	\$ 42,502	\$ 12,848	\$ 17,516		\$ 17,516	
Income Taxes & Franchise Fee	\$ 14,341						
State Taxes		\$ 7,622	\$ 12,019	\$ 11,504		\$ 17,768	
Federal Income Tax		\$ 14,644	\$ 29,872	\$ 28,091		\$ 91,963	
Total Deductions	\$ 324,549	\$ 527,454	\$ 473,842	\$ 498,277		\$ 561,803	
<b>Net Revenue</b>	\$ 46,807	\$ 69,009	\$ 92,254	\$ 92,504		\$ 204,275	
<b>Rate Base:</b>							
Plant	\$ 1,129,430	\$ 3,688,650	\$ 3,690,816	\$ 3,686,429		\$ 3,792,529	
Accumulated Depreciation	\$ 552,121	\$ 1,148,479	\$ 1,192,460	\$ 1,284,345		\$ 1,350,824	
Net Plant	\$ 577,309	\$ 2,540,171	\$ 2,498,356	\$ 2,402,084		\$ 2,441,705	
Less: Advances		\$ -					
Contributions	\$ 240,909	\$ 608,429	\$ 585,498	\$ 558,493		\$ 527,488	
Plus: Working Cash	\$ 19,133	\$ 33,178	\$ 29,647	\$ 30,372		\$ 29,480	
Materials & Supplies	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000		\$ 2,000	
Const. Work In Progress	\$ 9,250	\$ -	\$ -	\$ 1,800		\$ -	
Rate Base	\$ 366,783	\$ 1,966,920	\$ 1,944,505	\$ 1,877,763		\$ 1,945,697	
Rate of Return	12.76%	3.51%	4.74%	4.93%		10.50%	
Return on Margin		15.3%	23.7%	28.0%		41.0%	

Note 1: Proposed Test Year 2017 uses an average of 2014-2016 for all expenses with the exception of Transportation Expense and the amount realized in 2016 is a lower estimate and it more accurately reflects the anticipated costs going forward. This cost savings was a result of reorganizing operations with affiliated companies.



WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF WATER PRODUCTION  
 TEST YEAR 2017

**WATER PRODUCTION:  
 (COMPANIES WITHOUT FLAT RATE CUSTOMERS)**

Line No.	Estimated Water (CCF's)	A	B	C		D	E
		2013	2014	2015	2016	Test Year	Reference
1	Total water pumped						PUC report Sch. D-1
2	Total water purchased	188,706	173,182	177,667	188,512		PUC report Sch. D-1
3	Total water produced & purchased	188,706	173,182	177,667	188,512		Lines 1 + 2
4	Total water sold	158,785	158,664	120,037	133,010		PUC report Sch. D-7
5	Total unaccounted for water	29,921	14,518	57,630	55,502		Lines 3 - 4
6	Percentage	15.86%	8.38%	32.44%	29.44%		Line 5 / Line 3
7	Average of recorded years Purchased					179,852	Line 4a, Col. A thru C/3
8	Total water estimated to be sold					137,531	Sheet I-5 Line 14
9	Total water requirements					137,531	
10	Estimated test year water pumped						
11	Estimated test year water purchased					179,852	
12	Total test year water production					179,852	

Note: Total unaccounted for water includes backflow for main flushing, main breaks and other amounts of unmeasured water.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
4.	618	Other volume related expenses

**Other volume related expenses**

List the amount spent on other volume related expenses for the last three record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 20,715
2014	\$ 18,665
2015	\$ 19,983
2016	\$ 20,430
Test Year 2017	\$ 19,693 (1)

**Detail Explanation:**

(1) Other volume related expenses are anticipated to remain commensurate with the volume of water treated and sold. About 55% polymer and 45% chlorine for disinfection plus soda ash. Estimated expense is based on an average of 2014-2016 recorded costs.

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF PAYROLL COSTS AND EXPENSES  
 TEST YEAR 2017

**SEE GENERAL ORDER NUMBER 77 PARTS H AND G SOME SALARIES MUST BE FILED IN THIS REPORT**  
 ESTIMATE OF PAYROLL COSTS:

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7,000	E 7,001 to 55,500	F 55,501 to 130,200	G over 130,200	H Total Payroll
1.		\$ -	\$ -	\$ -					\$ -
2.		\$ -	\$ -	\$ -					\$ -
3.		\$ -		\$ -					\$ -
4.		\$ -		\$ -					\$ -
5.									
6.									
7.									
8.									
9.									
10.	Total	\$ -		\$ -					\$ -

**ALLOCATION OF PAYROLL TO EXPENSE:**

Line No.	Acct. No.	Account Name	Test Year Expense
10.	630	Employee labor	
11.	670	Office salaries	\$ -
12.	671	Management salaries	\$ -
13.		Total Payroll Expenses	\$ -

Note: Weimar Water no longer has any employees. All labor will come from Hydros Consulting and Triton Construction Services. The same applies to Management and Office salaries and the totals for these two items are based on average experience for 2014-2016.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
8.	640	Materials

**Materials**

List the amount spent on materials for the last three record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 11,577
2014	\$ 11,115
2015	\$ 16,960
2016	\$ 15,715
Test Year 2017	\$ 14,597

Purchases are for repair parts and equipment on the water system. Variation from year to year is a result of the amount of maintenance required to be performed on the system and the number of unplanned equipment failures. Test Year 2017 is based on recorded costs using the years 2014-2016.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
9.	650	Contract work

**Contract work**

List the amount spent on contract work for the last three record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 4,669
2014	\$ 5,510
2015	\$ 6,940
2016	\$ 11,690
Test Year 2017	\$ 8,047

Included in this category of cost are the lab analysis cost and other outside contractor. An average of the years 2014-2016 has been used for TY 2017

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
10.	660	Transportation expense

**Transportation expense**

List the type of vehicles used by the water company and allocate the percent used for business purposes. For example, is there one vehicle used solely for the Water Company, or is it used for non-business activities too? Is there a vehicle involved that is part of the Company's Plant in Service and thus is already depreciated?

Vehicle expenses reported using a cost per unit (say 34 cents per mile) have the depreciation factor included. A vehicle which is part of the Plant In Service should show only actual operating and maintenance expenses (oil, gas, repairs, maintenance) excluding insurance. The purpose of this supplemental page is to ensure that vehicle expense will be recorded properly and that vehicle depreciation is not listed twice or totally omitted.

Year	Amount
2013	\$ 24,438
2014	\$ 19,530
2015	\$ 14,211
2016	\$ 9,378
Test Year 2017	\$ 9,378

This reduction in cost is a result of contracting for vehicles and related services resulting in the lower estimate as only one vehicle remains in the fleet. This is one of the cost savings realized with the company reorganization that is the benefit to the customers as overall operating costs have been trending downward. Recorded 2016 is considered to be representative for future years.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
11.	664	Other plant maintenance

**Other plant maintenance**

List the amount spent on other plant maintenance for the last three record periods and estimated for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 6,248
2014	\$ 10,008
2015	\$ 9,076
2016	\$ 8,793
Test Year 2017	\$ 9,292

Includes expenses for pipelines and treatment plant. For test year 2017 we took an average of the last three recorded years as these costs are sum what unpredictable and this provided our best esitmate going forward as catch up maintenance has been for the most part completed.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
16.	674	Employee pensions and benefits

Employee pensions and benefits

List the amount spent on Employee's pensions and benefits for the last three record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all items by category. For example, Pensions includes such items as ESOPs and IRAs. The "Other" column includes such items as dental, vision, life insurance, etc. Also include the number of employees covered and charged to account 674 and indicate the cost per employee. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

List types of Pensions & Benefits:

2013

Year	Total Amount	Pensions	Health	Other
Number of Employees covered:	_____	Employee IRA	EmPLY. Med Exp.	
Cost per Employee:	_____		EmPLY. Insur. Medical Insur.	

List types of Pensions & Benefits:

2014

Year	Total Amount	Pensions	Health	Other
Number of Employees covered:	_____	Employee IRA	EmPLY. Med Exp.	
Cost per Employee:	_____		EmPLY. Insur. Medical Insur.	

List types of Pensions & Benefits:

2015

Year	Total Amount	Pensions	Health	Other
Number of Employees covered:	_____	Employee IRA	EmPLY. Med Exp.	\$ _____
Cost per Employee:	_____		EmPLY. Insur. Medical Insur.	

List types of Pensions & Benefits:

2016

Year	Total Amount	Pensions	Health	Other
Number of Employees covered:	_____	Employee IRA	EmPLY. Insur.	Ins. Settlement
Cost per Employee:	_____		Medical Insur.	

List types of Pensions & Benefits:

2013

Year	Total Amount	Pensions	Health	Other
Number of Employees covered:	_____	Employee IRA	EmPLY. Med Exp.	
Cost per Employee:	_____		EmPLY. Insur. Medical Insur.	

Note: In 2016 all employees will be employed by the Hydros Consulting and Triton Construction Services.



This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
17.	676	Uncollectibles

**Uncollectibles**

List the recorded amount the company was unable to collect for the last three years, and estimate the uncollectible amount for the Test Year. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase.

Year	Amount
2013	\$ 1,940
2014	\$ 1,173
2015	\$ 627
2016	\$ 498
Test Year 2017	\$ 766

Test Year 2017 uncollectibles is considered to be reasonable in relation to the prior year recorded amounts. For TY 2017 an average of the last three recorded years is used.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
18.	678	Office services & rentals

**Office services and rentals**

List the amount spent on office services and rentals for the last three record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 34,132
2014	\$ 7,562
2015	\$ 7,023
2016	\$ 7,864
Test Year 2017	\$ 7,483

Test Year 2017 is an average of 2014-2016 recorded expenses.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
19.	681	Office supplies & expenses

**Office supplies & expenses**

List the amount spent on office supplies and expenses for the last three record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 14,200
2014	\$ 17,227
2015	\$ 15,485
2016	\$ 10,632
Test Year 2017	\$ 14,448

Includes normal office supplies and expenses. No large items. Test year 2017 amount is based on recorded for the years 2014-2016 .

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
20.	682	Professional services

**Professional services**

List the amount spent on professional services for the last three record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 10,037
2014	\$ 6,214
2015	\$ 4,823
2016	\$ 4,130
Test Year 2017	\$ 5,056

Test Year amount is an average of the last three years. Includes consulting and tax preparation services and an average of the years 2014-2016 was used for Test Year 2017.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
21.	684	Insurance

### Insurance

List the amount spent on each insurance policy by indicating the cost, period covered, type of coverage, and the insurance company's name for the last record period and the Test Year. For "type", indicate fire, theft, liability, worker's compensation, vehicle, etc. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

2014 Year	\$ \$ 3,741 Total amount	12/28/15 to 12/28/16 Period Covered	Auto Type	Farmers Company
2015 Year	\$ \$ 6,309 Total amount	8/1/2015 to 8/1/16 Period Covered	General Liability Type	Glatfelter Public Practice Company
2016 Year	\$ \$ 10,341 Total amount \$ 20,391	8/1/2015 to 8/1/2016 Period Covered	Auto - Dump Truck Type	Glatfelter Public Practice Company

### Test Year

2017 Year	\$ \$ 3,243 Total amount	12/28/16 to 12/28/17 Period Covered	Auto Type	Farmers Company
2017 Year	\$ \$ 7,122 Total amount	8/1/2016 to 8/1/17 Period Covered	General Liability Type	Glatfelter Public Practice Company
2017 Year	\$ \$ - Total amount \$ 10,365	8/1/2016 to 8/1/2017 Period Covered	Auto-Dump Truck Type	Glatfelter Public Practice Company

(1) Test Year 2017 includes the following types of policies provided by Glatfelter Public Practice: Property, General Liability, Crime, Inland Marine, Public Officials and Management Liability, Auto and Excess Liability. Test Year 2017 is based on an average recorded for the years 2014-2016.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
22.	688	Regulatory commission expense

**Regulatory commission expense**

List the amount spent on regulatory commission expense for the last three record periods and estimate for the Test Year. Do not include Public Utilities Commission Reimbursement Fees (User Fees). This section is to record Commission filing fees or fees to consultants, attorneys, etc. in formal and informal rate cases, complaints, or other dealings with the Commission, which are not reported under Professional Services. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 7,349
2014	\$ 3,586
2015	\$ 4,363
2016	\$ 3,096
Test Year 2017	\$ 3,682

Includes Public Health Fees in the past however they were moved to General Expense in 2016. An average of prior 3 years 2014 through 2015 is a reasonable estimate to go forward with.

This page is supplemental information. It is required to complete Sheet II-1.

References below refer to Sheet II-1.

<u>Line No.</u>	<u>Account No.</u>	<u>Account Name</u>
23.	689	General expense

**General expense**

List the amount spent on general expense for the last three record periods and estimate for the Test Year. Indicate the kinds of expenses included in this account by identifying all large items. If the estimate for the Test Year is higher than previous years, indicate the reason for the anticipated increase:

Year	Amount
2013	\$ 1,862
2014	\$ 6,746
2015	\$ 1,847
2016	\$ 4,469
Test Year 2017	\$ 4,354

Large Items:

An average of the years 2014 to 2016 is a reasonable estimate to carry forward as it is consistent with 2016 projected year end.

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF UTILITY PLANT  
 TEST YEAR 2017

AVERAGE UTILITY PLANT:

A	B	C	D
Line No.	Description	Amount	Amount
1.	Beginning balance		\$ 3,686,429
2.	Test year plant additions:		
3.	Account 304-Structures		
4.	Account 311-Pumping Equipment	\$ 9,500	
5.	Account 320-Water Treatment Plant	\$ 5,000	
6.	Account 331-Water Mains	\$ 110,000	
7.	Account 340-Office Furniture & Equip		
8.	Account 341-Transportation Equipme		
9.			
10.		\$ -	
11.	Total additions (Add Lines 3 through 10, Col. C)		\$ 124,500
12.	Test year plant retirements:		
13.	Account 304-Structures	\$ -	
14.	Account 311-Pumping Equipment	\$ (1,900)	
15.	Account 320-Water Treatment Plant		
16.	Account 331-Water Mains	\$ (16,500)	
17.	Account 340-Office Furniture & Equip	\$ -	
18.	Account 341-Transportation Equipme		
19.		\$ -	
20.		\$ -	
21.	Total retirements (Add Lines 13 through 20, Col. C)		\$ (18,400)
22.	Ending balance (Line 1 + Line 11 - Line 21)		\$ 3,792,529
23.	Average balance - test year (Line 1 plus Line 22, divided by 2)		\$ 3,792,529



WORKING CASH ALLOWANCE CALCULATIONS  
FOR  
SMALL WATER UTILITIES

1. No working cash allowance is permitted when a utility bills its customers in advance and provides service to flat rate customers only.

2. A utility which has all metered customers and bills monthly shall divide its annual Operating and Maintenance (O&M) expenses (excluding all taxes and depreciation) by 12 to compute its working cash as shown in the following example:

		TY 2017
1. Annual Expenses	\$70,000	\$ 561,803
2. Taxes and depreciation	<u>(10,000)</u>	<u>\$ 193,726</u>
3. Net Expenses (Line 1 - Line 2)	60,000	\$ 368,077
4. Working Cash (Line 3 divided by 12)	\$5,000	\$ 30,673

3. If the utility bills its metered customers on a bi-monthly basis, the above expenses shown on Line 3 should be divided by six resulting in a working cash allowance of \$10,000.

4. An appropriate allocation of operating and maintenance expense should be applied when a utility has a mixture of metered and flat rate customers.

**WEIMAR WATER COMPANY  
WORKPAPERS - ADVICE LETTER RATE INCREASE  
ESTIMATED DEPRECIATION  
TEST YEAR 2017**

Depreciation at the rate of 2.62% is calculated on the beginning depreciable utility plant balance.  
(beginning or average)

	12/31/2015	12/31/2016	Test Year Add	Test Year
<b>BALANCE SHEET DATA</b>				
1 Intangible Plant	\$ 1,547	\$ 1,547	\$ -	\$ 1,547
2 Land and Land Rights	\$ 152,987	\$ 102,903	\$ -	\$ 102,903
3 Depreciable Plant	\$ 3,536,282	\$ 3,581,979	\$ 106,100	\$ 3,688,079
4 Gross Plant in Service	\$ 3,690,816	\$ 3,686,429	\$ 106,100	\$ 3,792,529
5 Less: Accumulated Depreciation	\$ (1,192,460)	\$ (1,284,345)	\$ (66,479)	\$ (1,350,824)
6 Net Water Plant in Service	\$ 2,498,356	\$ 2,402,084	\$ 39,621	\$ 2,441,705
7 Water Plant Held for Future Use	\$ -	\$ -	\$ -	\$ -
8 Construction Work in Progress	\$ -	\$ 1,800	\$ -	\$ -
9 Materials and Supplies	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
10 Less: Advances for Construction	\$ -	\$ -	\$ -	\$ -
11 Less: Contribution in Aid of Construction	\$ (585,498)	\$ (558,493)	\$ 31,005	\$ (527,488)
12 Less: Accumulated Deferred Income and Investment Tax Credits	\$ -	\$ -	\$ -	\$ -
13 Net Plant Investment	\$ 1,914,858	\$ 1,847,391	\$ 70,626	\$ 1,916,217

Dec 29, 16	Dec 29, 15	\$ Change
------------	------------	-----------

**Fixed Assets**

<b>101 - Water Plant in Service</b>			
<b>301 - Intangible Plant</b>	1,547.00	1,547.00	0.00
<b>303 - Land and Easements</b>	146,987.38	146,987.38	0.00
<b>304 - Structures</b>	102,685.72	102,443.90	241.82
<b>311 - Pumping Equipment</b>	110,564.95	100,237.21	10,327.74
<b>320 - Water Treatment Plant</b>	347,998.99	333,454.53	14,544.46
<b>330 - Tanks</b>	620,276.52	620,276.52	0.00
<b>331 - Water Mains</b>	1,709,435.71	1,695,992.49	13,443.22
<b>333 - Services</b>	184,052.43	183,691.30	361.13
<b>334 - Meters</b>	179,676.31	178,185.69	1,490.62
<b>335 - Fire Hydrants</b>	44,358.69	43,545.43	813.26
<b>339 - Other Equipment</b>	178,827.28	171,198.73	7,628.55
<b>340 - Office Equipment</b>	34,204.11	34,204.11	0.00
<b>341 - Transportation Equipment</b>	96,416.51	127,728.51	-31,312.00
<b>Total 101 - Water Plant in Service</b>	3,757,031.60	3,739,492.80	17,538.80

WEIMAR WATER COMPANY  
 WORKPAPERS - ADVICE LETTER RATE INCREASE  
 ESTIMATE OF TAXES OTHER THAN INCOME  
 TEST YEAR 2017

**PROPERTY TAXES:**

A	B	C	D	E
Line No.	Description	Amount	Amount	Reference
1.	Property taxes paid in year prior to test year		\$ 17,516	per property tax bills
2.	Utility plant added in test year	\$ 124,500		Sheet III-3, Line 11
3.	Utility plant added in year prior to test year	\$ 47,467		PUC report Sch A-1a, Line 11
4.	Utility plant retirements in test year	\$ (18,400)		Sheet III-3, Line 21
5.	Utility plant retirements in year prior to test year	\$ (1,500)		PUC report Sch A-1, Line 6
6.	Average net additions	\$ 76,034		Line 2 + 3 - 4 - 5 divided by 2
7.	Property tax rate	0.01		Per latest property tax bill
8.	Test year property tax on additions		\$ 760	Line 6 times Line 7
9.	Increase in prior year property taxes		760	Line 1 times 102%
10.	Test year property tax expense		\$ 18,276	(Line 1 + Line 9, divided by 2) + Line 8

Actual tax bill amount has been reflected in Sheet II-1A disregarding the above amounts

**PAYROLL TAXES:**

A	B	C	D	E	F	G
Line No.	Tax Type	Wage Level	Tax Rate	Taxable Wages	Reference	Tax
					SHEET II-6	(D x E)
11.	FICA	wages to _____	0.06200	\$ -	Lines D + E	\$ -
12.	Medicare	wages to _____	0.0145	\$ -	Lines D + E + F	\$ -
13.	Federal unemployment	wages to _____	0.006	\$ -	Line D	\$ -
14.	State unemployment	wages to _____	0.0062	\$ -	Line D	\$ -
15.	State employment training	wages to _____	0.012	\$ -	Line D	\$ -
16.	Total (add Lines 11 through 14)		0.10070	\$ -		\$ -

**WEIMAR WATER COMPANY  
WORKPAPERS - ADVICE LETTER RATE INCREASE: RATE DESIGN  
TEST YEAR 2017**

Rates designed under criteria established by D.85-06-064:

Line No.	A	B	C
	<b>DETERMINATION OF FIXED COSTS</b>		
1.	Gross revenues at proposed Less \$8,496 Irrig	Sheet VI-1	\$757,582
	Less:		
2.	Purchased power - Account 615	Sheet II-1, line 3	\$ 43,870
3.	Purchased water - Account 610	Sheet II-1, line 2	\$ 48,329
4.	Other volume related - Account 618	Sheet II-1, line 4	\$ 19,693
5.	Income taxes	Sheet VI-3	\$ 109,731
6.	Uncollectibles - Account 676	Sheet II-1, line 17	\$ 766
7.	Franchise fee		
8.	Other		\$ 194,282
9.			
10.	<b>FIXED COSTS</b>		<b>\$ 416,670</b>
11.	<b>% OF FIXED COSTS RECOVERED IN SERVICE CHARGE (Class B = 50%, Class C = 66%)</b>		<b>55%</b>
12.	<b>TO BE RECOVERED THROUGH SERVICE CHARGE</b>		<b>\$ 416,670</b>
	<b>RECAP:</b>		
13.	RECOVERED THROUGH SERVICE CHARGE		\$ 416,670
14.	RECOVERED THROUGH COMMODITY RATE		\$ 340,912
	<b>TOTAL</b>		<b>\$</b>
	<b>TO BE RECOVERED THROUGH SERVICE CHARGE</b>		<b>\$ 416,670</b>
15.	TOTAL METER EQUIVALENTS	Sheet II-2, line 9	579
16.	CHARGE PER 5/8" X 3/4" METER		\$ 60.02
	<b>TO BE RECOVERED THROUGH COMMODITY RATE</b>		<b>\$ 340,912</b>
17.	TOTAL ESTIMATED WATER SALES IN CCF'S	Sheet I-5, line 14	137,531
18.	CHARGE PER CCF		\$ 2.48
	<b>PROPOSED RATES:</b>		
19.	FOR ALL WATER DELIVERED PER 100 CU.FT. SERVICE CHARGE (PER 5/8" X 3/4")		\$ 2.48
20.	5/8 X 3/4" 544	1	\$ 60.02
21.	3/4" 1	1.5	\$ 90.03
22.	1" 1	2.5	\$ 150.05
23.	1 1/2" 0	5	\$ 300.11
24.	2" 4	8	\$ 480.17
25.	3" 0	15	\$ 900.32
26.	4" 0	25	\$ 1,500.54
27.	6" 0	50	\$ 3,001.08
28.	Total Meters 550		

Note: 55% of the total cost is necessary to be recovered in the monthly service charge as this rate structure uses Commission approved meter ratios versus a hybrid that was used in the last GRC to resolve a dispute with a Public Agency in the service area. So the reduced amount is necessary to keep from reducing rates to the public agency when the other customers experience a substantial increase..

Note: With the proposed escalation of operating costs for 2018 and 2019 \$7,900 and \$8,775 has been added to the Revenue on Line one above.

# Weimar Water Company

## Summary of Earnings Escalation Year 2018

5/16/2134

	Test Year 2017	Escalation Factor 2018	Escalation Year 2018
<b>Operating Revenues:</b>			\$ 7,500
	0 \$ 757,582		\$ 765,082
Metered Revenue	\$ 8,496		\$ 8,496
Other Revenue (non-potable)	\$ -		\$ -
Interest Income			\$ -
Total Operating Revenue	\$ 766,078		\$ 773,578
<b>Operating Expenses:</b>			
Purchased Water	\$ 48,329	1.018	\$ 49,199
Purchased Power	\$ 43,870	1.018	\$ 44,660
Other Vol. Rel. Exp.	\$ 19,693	1.018	\$ 20,047
Employee Labor	\$ 115,470	1.025	\$ 118,357
Materials	\$ 14,597	1.018	\$ 14,859
Contract Work-General Exp.	\$ 8,047	1.018	\$ 8,192
Contract Work-Water Testing	\$ -	1.018	\$ -
Transportation	\$ 9,378	1.018	\$ 9,547
Other Plant Maintenance Exp	\$ 9,292	1.018	\$ 9,460
Office salaries	\$ 28,538	1.025	\$ 29,251
Management	\$ 10,391	1.025	\$ 10,651
Employee Pension & Benefits	\$ -		\$ -
Uncollectable Accounts Exp	\$ 766	1.018	\$ 780
Office Services & Rentals	\$ 7,483	1.018	\$ 7,618
Office Supplies & Expense	\$ 14,448	1.018	\$ 14,708
Professional Services	\$ 5,056	1.018	\$ 5,147
Insurance	\$ 10,365	1.018	\$ 10,552
Regulatory Commission Exp	\$ 3,682	1.018	\$ 3,748
General Expenses	\$ 4,354	1.018	\$ 4,432
<b>Total Operating Expense</b>	\$ 353,757		\$ 361,206
Depreciation Expense	\$ 66,479		\$ 66,479
Loan Interest Expense	\$ 14,320		\$ 14,320
Taxes other than Income	\$ 17,516		\$ 17,516
Income Taxes & Franchise Fee	\$ -		\$ -
State Taxes	\$ 17,768		\$ 17,768
Federal Income Tax	\$ 91,963		\$ 91,963
<b>Total Deductions</b>	\$ 561,803		\$ 569,252
<b>Net Revenue</b>	\$ 204,275	\$ -	\$ 204,326
Rate Base:			
Plant	\$3,792,529		\$ 3,792,529
Accumulated Depreciation	\$1,350,824		\$ 1,350,824
Net Plant	\$2,441,705		\$ 2,441,705
Less: Advances			
Contributions	\$ 527,488		\$ 527,488
Plus: Working Cash	\$ 29,480		\$ 29,480
Materials & Supplies	\$ 2,000		\$ 2,000
Const. Work In Progress	\$ -		\$ -
<b>Rate Base</b>	\$1,945,697		\$ 1,945,697
Rate of Return	10.50%		10.50%
Return on Margin	41.0%		40.6%

# Weimar Water Company

Summary of Earnings Escalation Year 2019

5/16/2134

	Test Year 2017	Escalation Factor 2018	Escalation Year 2018	Escalation Factor 2019	Escalation Year 2019
<b>Operating Revenues:</b>			\$ 7,500		\$ 7,800
Operating Revenues:	\$ 757,582		\$ 765,082		\$ 765,082
Metered Revenue	\$ 8,496		\$ 8,496		\$ 8,496
Other Revenue (non-potable)	\$ -		\$ -		\$ -
Interest Income			\$ -		\$ -
Total Operating Revenue	\$ 766,078		\$ 773,578		\$ 781,378
<b>Operating Expenses:</b>					
Purchased Water	\$ 48,329	1.018	\$ 49,199	1.022	\$ 50,281
Purchased Power	\$ 43,870	1.018	\$ 44,660	1.022	\$ 45,643
Other Vol. Rel. Exp.	\$ 19,693	1.018	\$ 20,047	1.022	\$ 20,488
Employee Labor	\$ 115,470	1.025	\$ 118,357	1.024	\$ 121,197
Materials	\$ 14,597	1.018	\$ 14,859	1.022	\$ 15,186
Contract Work-General Exp.	\$ 8,047	1.018	\$ 8,192	1.022	\$ 8,372
Contract Work-Water Testing	\$ -	1.018	\$ -	1.022	\$ -
Transportation	\$ 9,378	1.018	\$ 9,547	1.022	\$ 9,757
Other Plant Maintenance Exp	\$ 9,292	1.018	\$ 9,460	1.022	\$ 9,668
Office salaries	\$ 28,538	1.025	\$ 29,251	1.024	\$ 29,953
Management	\$ 10,391	1.025	\$ 10,651	1.024	\$ 10,906
Employee Pension & Benefits	\$ -		\$ -		\$ -
Uncollectable Accounts Exp	\$ 766	1.018	\$ 780	1.022	\$ 797
Office Services & Rentals	\$ 7,483	1.018	\$ 7,618	1.022	\$ 7,785
Office Supplies & Expense	\$ 14,448	1.018	\$ 14,708	1.022	\$ 15,032
Professional Services	\$ 5,056	1.018	\$ 5,147	1.022	\$ 5,260
Insurance	\$ 10,365	1.018	\$ 10,552	1.022	\$ 10,784
Regulatory Commission Exp	\$ 3,682	1.018	\$ 3,748	1.022	\$ 3,830
General Expenses	\$ 4,354	1.018	\$ 4,432	1.022	\$ 4,530
<b>Total Operating Expense</b>	\$ 353,757		\$ 361,206		\$ 369,469
Depreciation Expense	\$ 66,479		\$ 66,479		\$ 66,479
Loan Interest Expense	\$ 14,320		\$ 14,320		\$ 14,320
Taxes other than Income	\$ 17,516		\$ 17,516		\$ 17,516
Income Taxes & Franchise Fee	\$ -		\$ -		\$ -
State Taxes	\$ 17,768		\$ 17,768		\$ 17,768
Federal Income Tax	\$ 91,963		\$ 91,963		\$ 91,963
<b>Total Deductions</b>	\$ 561,803		\$ 569,252		\$ 577,515
<b>Net Revenue</b>	\$ 204,275	\$ -	\$ 204,326	\$ -	\$ 203,863
Rate Base:					
Plant	\$ 3,792,529		\$ 3,792,529		\$ 3,792,529
Accumulated Depreciation	\$ 1,350,824		\$ 1,350,824		\$ 1,350,824
Net Plant	\$ 2,441,705		\$ 2,441,705		\$ 2,441,705
Less: Advances					
Contributions	\$ 527,488		\$ 527,488		\$ 527,488
Plus: Working Cash	\$ 29,480		\$ 29,480		\$ 29,480
Materials & Supplies	\$ 2,000		\$ 2,000		\$ 2,000
Const. Work In Progress	\$ -		\$ -		\$ -
<b>Rate Base</b>	\$ 1,945,697		\$ 1,945,697		\$ 1,945,697
Rate of Return	10.50%		10.50%		10.48%
Return on Margin	41.0%		40.6%		40.1%

# Weimar Water Company

Proposed 3 year Rate Adjustment  
3/8/2017

## RATES

Monthly Quantity Rate:	Current Rates	Proposed Rates	% Change	12% 1st Year	12% 2nd Year	10.26% 3rd Year
All water used per 100 cubic feet.....	\$ 1.813	\$ 2.48	37%	\$ 2.03	\$ 2.25	\$ 2.48

Service Charge:	Using Meter Ratios		
	<u>Per Meter Per Month</u> <u>Service Charge</u>	Percent Change	<u>Per Meter Per Month</u> <u>Service Charge</u>

		PUC Ratios			2017	2018	2019
For	5/8 x 3/4 inch meter.....	\$ 48.01	\$ 60.02	25%	\$ 52.01	\$ 56.02	\$ 60.02
For	3/4-inch meter.....	\$ 144.02	\$ 90.03	-37%	\$ 78.02	\$ 84.03	\$ 90.03
For	1-inch meter.....	\$ 240.21	\$ 150.05	-38%	\$ 130.03	\$ 140.04	\$ 150.05
For	1-1/2-inch meter.....	\$ 1,080.31	\$ 300.11	-72%	\$ 260.07	\$ 280.09	\$ 300.11
For	2-inch meter.....	\$ 1,728.46	\$ 480.17	-72%	\$ 416.11	\$ 448.14	\$ 480.17
For	3-inch meter.....	\$ 3,240.50	\$ 900.32	-72%	\$ 780.21	\$ 840.27	\$ 900.32
For	4-inch meter.....	\$ 5,400.78	\$ 1,500.54	-72%	\$ 1,300.35	\$ 1,400.44	\$ 1,500.54

## Monthly Flat rate Water Service

## RATES

	Current Per Service Connection <u>Per Month</u>	2017 3.3% Increase Proposed	2018 3.3% Increase Proposed	2019 3.3% Increase Proposed
Per untreated surface water connection:	\$12.25	\$ 12.65	\$ 13.07	\$ 13.50