

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** March 3, 2025

**TO:** Marissa Ramos, Chief of Reliability and Resource Planning, Division of Engineering

**FROM:** Division of Engineering (O. Wooten, Ellis) *OW POE*  
Division of Accounting and Finance (Folkman, Higgins) *DA*  
Division of Economics (Bruce, Hudson, Lenberg, Richards) *SA*  
Office of the General Counsel (Farooqi, Harper) *ACH*

**RE:** Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

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**-STAFF REPORT-**

**This Staff Report is preliminary in nature. The Commission staff's final recommendation will not be filed until after the customer meeting scheduled for April 2, 2025.**

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## Case Background

Alturas Water, LLC, (Alturas or Utility) is a Class C utility providing water service to approximately 53 residential customers and 7 general service customers in Polk County. The Utility's last staff-assisted rate case (SARC) was in 2014.<sup>1</sup> In 2019, the Utility was transferred from Alturas Utilities, L.L.C. to Alturas Water, LLC.<sup>2</sup> In October 2020, the Utility, along with three sister utilities, was approved for a limited alternative rate increase.<sup>3</sup> According to the Utility's 2023 Annual Report, its operating revenues were \$37,457 and operating expenses were \$38,614.

Alturas has been in existence since 1928 and was granted a Grandfather Certificate by the Commission in 1997 in the name of Alturas Waterworks.<sup>4</sup> The Utility's service territory is located in the Southwest Florida Water Management District (SWFWMD) and is subject to a year-round irrigation rule.

On August 12, 2024, the Utility filed an application for a SARC and the official date of filing was established as September 20, 2024. The Utility is requesting pro forma adjustments for replacements of its water storage tank and water treatment plant pump.

This Staff Report is a preliminary analysis of the Utility's books and records prepared by Commission staff to give customers and the Utility an initial understanding of staff's potential recommendations. The final recommendation to the Commission is currently scheduled to be filed May 21, 2025, for the June 3, 2025 Commission Conference. The preliminary recommendation will be revised as necessary using any new or updated information and the results of customer quality of service or other relevant comments, if any, received at the customer meeting scheduled for April 2, 2025.

The Commission has jurisdiction pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, and 367.121, Florida Statutes (F.S.).

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<sup>1</sup> Order No. PSC-16-0128-PAA-WU, issued March 29, 2016, in Docket No. 20140219-WU, *In re: Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C*

<sup>2</sup> Order No. PSC-2019-0304-PAA-WU, issued July 29, 2019, in Docket No. 20180175-WU, *In re: Application to transfer facilities and Certificate No. 628-W in Polk County from Alturas Utilities, L.L.C. to Alturas Water, LLC.*

<sup>3</sup> Order No. PSC-2020-0396-PAA-WS, issued October 22, 2020, in Docket No. 20200152-WS, *In re: Application for a limited alternative rate increase proceeding in Polk and Marion Counties, by Alturas Water, LLC, Sunrise Water, LLC, Pinecrest Utilities, LLC, and East Marion Utilities, LLC.*

<sup>4</sup>Order No. PSC-97-0513-FOF-WU, issued May 5, 1997, in Docket No. 19961109-WU, *In re: Application for Grandfather Certificate to Operate a Water Utility in Polk County by Alturas Water Works.*

## Discussion of Issues

**Issue 1:** Is the quality of service provided by Alturas Water, LLC satisfactory?

**Preliminary Recommendation:** Staff's recommendation regarding quality of service will not be finalized until after the customer meeting scheduled for April 2, 2025. (O. Wooten)

**Staff Analysis:** Pursuant to Section 367.081(2)(a)(1), F.S., and Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in water rate cases, the Commission shall determine the overall quality of service provided by the utility. This determination is made from an evaluation of the quality of the utility's product, and the utility's attempt to address customer satisfaction. The Rule further states that the most recent chemical analyses for the water system, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department, and any DEP and county health department officials' testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by the Commission are also reviewed. The operating condition of the water system is addressed in Issue 2.

### Quality of the Utility's Product

In evaluation of Alturas' product quality, staff reviewed the Utility's compliance with the DEP's primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. In the DEP's last Sanitary Survey Report dated March 20, 2023, no chemical or bacteriological exceedances were noted for the previous 12 months, and the Utility was determined to be in compliance with DEP standards. In the Utility's last Consumer Confidence Report dated April 22, 2024, no violations of contaminant levels were noted for the testing period.

### The Utility's Attempt to Address Customer Satisfaction

Staff reviewed the complaints filed in the Commission's Consumer Activity Tracking System (CATS), received by the Utility, and filed with DEP for the test year and four years prior. There were six complaints filed in CATS. Five of these complaints were related to an outage caused by a lightning strike and one was related to low water pressure. The Utility reported that it received 21 complaints during this timeframe. Of these 21 complaints, 7 were related to billing, 7 were related to low water pressure and 7 were related to utility repair requests. DEP responded that it did not receive any complaints during this timeframe.

### Conclusion

Staff's recommendation regarding quality of service will not be finalized until after the customer meeting scheduled for April 2, 2025.

Date: March 3, 2025

**Issue 2:** Are the infrastructure and operating conditions of Alturas Water, LLC in compliance with DEP regulations?

**Preliminary Recommendation:** Staff's recommendation regarding DEP compliance will not be finalized until after the customer meeting scheduled for April 2, 2025. (O. Wooten)

**Staff Analysis:** Rule 25-30.225(2), F.A.C., requires each water utility to maintain and operate its plant and facilities by employing qualified operators in accordance with DEP rules. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water systems and compliance evaluation inspections for wastewater systems, citations, violations, and consent orders issued to the utility, customer testimony, comments, and complaints, and utility testimony and responses to the aforementioned items.

### **Water System Operating Conditions**

Alturas' water system has a permitted capacity of 108,000 gallons per day (gpd). The Utility's water system has one well with a pumping capacity of 350 gallons per minute (gpm) and one hydropneumatic tank with a capacity of 3,000 gallons. The water system provides finished water obtained from a single well, which draws ground water from the aquifer. The raw water is injected with liquid chlorine prior to entering the hydropneumatic tank, and then pumped into the water distribution system. The distribution system is a composite network mix of polyvinyl chloride (PVC), concrete and galvanized pipe. Staff reviewed Alturas' sanitary survey reports conducted by the DEP to determine the Utility's overall water facility compliance. A review of the inspection conducted on March 20, 2023, indicated that Alturas' water treatment facility is in compliance with the DEP's rules and regulations.

### **Conclusion**

Staff's recommendation regarding DEP compliance will not be finalized until after the customer meeting scheduled for April 2, 2025.

**Issue 3:** What are the used and useful (U&U) percentages of the Alturas Water, LLC water treatment plant (WTP) and water distribution system?

**Preliminary Recommendation:** Alturas' WTP and its distribution system should both be considered 100 percent U&U. Additionally, staff recommends a 26.2 percent adjustment for excessive unaccounted for water (EUW) should be made to operating expenses for chemicals and purchased power. These are preliminary determinations and are subject to change.

**Staff Analysis:** As stated in Issue 2, Alturas' water system is served by a single 6-inch diameter well rated at 350 gpm. The Utility is permitted by DEP to withdraw an average of 34,200 gpd up to 108,000 gpd peak. The distribution system is a composite network mix of PVC, concrete, and galvanized pipe with sizes ranging from 1-inch to 4-inch. According to the Utility, there are no fire hydrants.

### **Water Treatment Plant and Distribution System U&U**

Rule 25-30.4325, F.A.C., addresses the method by which the U&U of a water system is determined. During the previous SARC, both the water treatment plant and distribution system were deemed 100 percent U&U. There have been no major plant additions or growth in the last five years. Therefore, consistent with the prior Commission decision, the water treatment plant and distribution system should be considered 100 percent U&U.

### **Excessive Unaccounted for Water**

Rule 25-30.4325, F.A.C., describes EUW as unaccounted for water in excess of 10 percent of the amount produced. When establishing the Rule, the Commission recognized that some uses of water are readily measurable and others are not. Unaccounted for water is all water produced that is not sold, metered or accounted for in the records of the Utility. The Rule provides that to determine whether adjustments to plant and operating expenses, such as purchased electrical power and chemicals cost, are necessary, the Commission will consider all relevant factors as to the reason for EUW, solutions implemented to correct the problem, and whether a proposed solution is economically feasible.

EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage.

Based on its monthly operating reports, the Utility produced 4,700,969 gallons of water during the test year. Based on its data request responses, the Utility treated 4,999,721 gallons of water during the test year. It should be noted that the Utility was unable to provide complete flow data in the test year due to a flow meter failure. Therefore, staff annualized the Utility's provided flow meter data in order to determine an average daily flow of 13,580 gpd. Using the average daily flow value, staff calculated that the Utility treated 4,999,721 gallons (4,700,969 gallons + 13,580 gpd x 22 days) during the test year. In response to staff's data request, the Utility indicated that it purchased no water and used 163,460 gallons for other uses during the test year. According to the staff audit report, the Utility sold 3,028,000 gallons of water for the test year. The calculation  $([4,999,721 - 163,460 - 3,028,000] / [4,999,721])$  results in 1,808,262 gallons or 36.2 percent that

are unaccounted for. Of the gallons produced, 10 percent is allowed per the Rule; therefore, the EUW is 26.2 percent. As a result, staff recommends an adjustment be made to operating expenses (chemicals and purchased power) due to EUW.

**Conclusion**

Staff recommends Alturas' water treatment plant and its distribution system should both be considered 100 percent U&U. Additionally, staff recommends a 26.17 percent adjustment for EUW should be made to operating expenses for chemicals and purchased power. These are preliminary determinations and are subject to change.

**Issue 4:** What is the appropriate average test year rate base for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate average test year rate base for Alturas is \$80,655. (Folkman, O. Wooten)

**Staff Analysis:** The appropriate components of the Utility’s rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, contributions-in-aid of construction (CIAC), accumulated amortization of CIAC, and working capital. Staff selected the test year ended June 30, 2024, for the instant rate case. Commission audit staff determined that the Utility’s books and records are in compliance with the currently applicable National Association of Regulatory Utility Commissioners’ Uniform System of Accounts (NARUC USOA). A summary of each component and the recommended adjustments are discussed below.

**Utility Plant in Service**

The Utility recorded UPIS of \$77,221. Audit staff decreased this amount by \$2,167 to reflect lack of supporting documents.

**Pro Forma Plant Additions**

Table 4-1 shows Alturas’ two requested pro forma plant projects, (1) an emergency water tank replacement; and (2) a pump replacement.

**Table 4-1  
 Pro Forma Plant Items**

<u>Project</u>	<u>Additions</u>	<u>Retirements</u>
Acct. 330 – Emergency Water Tank Replacement	\$39,648	(\$29,736)
Acct. 311 – Pump Replacement	13,714	(10,285)
Total Pro Forma	<u>\$53,362</u>	<u>(\$40,021)</u>

Source: Utility responses to staff data requests.

As detailed above in Table 4-1, staff increased UPIS by \$53,362. This amount was offset by retirements of \$40,021. Table 4-2 summarizes staff’s adjustments to UPIS.

**Table 4-2  
 Staff Adjustments to UPIS**

<u>Description</u>	<u>Adjustment</u>
To reflect auditing adjustments.	(\$2,167)
To reflect an averaging adjustment.	(1,590)
To reflect pro forma additions.	53,362
To reflect associated pro forma retirements.	(40,021)
Net adjustment to UPIS	<u>\$9,584</u>

Source: Staff calculations.



As described above and summarized in Table 4-2, staff's adjustments to UPIS result in an increase of \$9,584. Therefore, staff recommends an average UPIS balance of \$86,805 (\$77,221 + \$9,584).

### Land and Land Rights

The Utility recorded a land and land rights balance of \$500. Staff made no adjustments to this account, therefore recommends a land and land right balance of \$500.

### Used and Useful

As discussed in Issue 3, the Utility's system is considered 100 percent U&U. Therefore, no U&U adjustment is necessary.

### Accumulated Depreciation

The Utility recorded accumulated depreciation of \$46,391. Audit staff reduced this amount by \$142. Based on the Audit Report, staff reduced accumulated depreciation by \$4,336. Staff further decreased accumulated depreciation by \$39,519 for pro forma additions. Staff's adjustments are summarized in Table 4-3.

**Table 4-3**  
**Staff Adjustments to Accumulated Depreciation**

<u>Description</u>	<u>Adjustment</u>
To reflect auditing adjustments.	(\$142)
To reflect an averaging adjustment.	4,336
To reflect pro forma adjustments.	(39,519)
Total adjustments to accumulated depreciation.	(35,325)

Source: Staff calculations.

As described above and summarized in Table 4-3, staff's adjustments to accumulated depreciation result in a decrease of \$35,325. Therefore, staff recommends an average accumulated depreciation balance of \$11,066 (\$46,391 - \$35,325).

### Working Capital Allowance

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C., staff used the one-eighth operation and maintenance (O&M) expense (less rate case expense) formula for calculating the working capital allowance. Section 367.081(9), F.S., prohibits a utility from earning a return on the unamortized balance of rate case expense. As such, for this calculation staff removed the rate case expense of \$379. This resulted in an adjusted O&M expense balance of \$35,332 (\$35,711 - \$379). Applying this formula, staff recommends a working capital allowance of \$4,417 (\$35,332 ÷ 8).

### Rate Base Summary

Based on the foregoing, staff recommends that the appropriate average test year rate base is \$80,655. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

**Issue 5:** What is the appropriate return on equity and overall rate of return for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate return on equity (ROE) is 9.60 percent with a range of 8.60 percent to 10.60 percent. The appropriate overall rate of return is 8.20 percent. (Folkman)

**Staff Analysis:** The Utility's capital structure consist of long-term debt, common equity, and customer deposits. The Utility's capital structure has been reconciled with staff's recommended rate base. The appropriate ROE is 9.60 percent based on the Commission-approved leverage formula currently in effect.<sup>5</sup> Staff recommends an ROE of 9.60 percent with a range of 8.60 percent to 10.60 percent, and an overall rate of return of 8.20 percent. The ROE and overall rate of return are shown on Schedule No. 2.

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<sup>5</sup>Order No. PSC-2024-0165-PAA-WS, issued May 22, 2024, in Docket No. 20240006-WS; *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

**Issue 6:** What are the appropriate test year operating revenues for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate test year revenues for Alturas are \$40,000. (Lenberg)

**Staff Analysis:** Alturas recorded total test year revenues of \$37,330, which included \$36,173 of service revenues and \$1,169 of miscellaneous revenues. The Utility had a price index that became effective on June 1, 2024, within the test year and a four-year rate reduction subsequent to the test year, which became effective on November 18, 2024. Therefore, staff annualized revenues to reflect the change in rates. By applying the rates subsequent to the test year along with the test year billing determinants, staff determined service revenues should be \$38,851. This results in an increase of \$2,678 ( $\$38,851 - \$36,173$ ) to test year service revenues. Staff also made a couple of adjustments to miscellaneous revenues, which included removing an unapproved non-sufficient funds charge of \$50. The Utility did not record two normal reconnections during the test year, which resulted in the amount of \$30. This results in miscellaneous revenues of \$1,149 ( $\$1,169 + \$30 - \$50$ ). Based on the above, the appropriate test year revenues for Alturas are \$40,000 ( $\$38,851 + \$1,149$ ).

**Issue 7:** What are the appropriate operating expenses for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate amount of operating expense for Alturas is \$45,972. (Folkman)

**Staff Analysis:** The Utility recorded operating expense of \$47,603. The test year O&M expenses have been reviewed by staff, including invoices and other supporting documentation. Staff has made several adjustments to the Utility's operating expense as described below.<sup>6</sup>

## **Operation and Maintenance Expenses**

### ***Salaries and Wages – Employees (601)***

The Utility recorded salaries and wages – employees expense of \$8,915. Staff increased this account by \$576 to reflect an auditing adjustment for allocations from the Utility's source documents. Therefore, staff recommends salaries and wages – employees expense of \$9,491 (\$8,915 + \$576).

### ***Salaries and Wages – Officers and Directors (603)***

The Utility recorded salaries and wages – officers and directors expense of \$1,600. Staff increased this account by \$444 to reflect an auditing adjustment for allocations from the Utility's source documents. Therefore, staff recommends salaries and wages – officers and directors expense of \$2,044 (\$1,600 + \$444).

### ***Employee Pensions and Benefits (604)***

The Utility recorded employee pensions and benefits expense of \$6. Staff decreased this account by \$6 to reflect an auditing adjustment for lack of supporting documentation. Therefore, staff recommends employee pensions and benefits expense of \$0 (\$6 - \$6).

### ***Purchased Power (615)***

The Utility recorded purchased power expense of \$2,241. Staff decreased this account by \$10 to reflect an auditing adjustment for allocations from the Utility's source documents. Therefore, staff recommends purchased power expense of \$2,231 (\$2,241 - \$10).

### ***Chemicals (618)***

The Utility recorded an expense for chemicals of \$2,130. Staff decreased this account by \$202 to reflect an auditing adjustment for allocations from the Utility's source documents. Therefore, staff recommends purchased power expense of \$1,928 (\$2,130 - \$202).

### ***Materials and Supplies (620)***

The Utility recorded materials and supplies expense of \$2,525. Staff decreased this account by \$2,022 to reflect an auditing adjustment for allocations from the Utility's source documents. Therefore, staff recommends purchased power expense of \$503 (\$2,525 - \$2,022).

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<sup>6</sup>Document No. 00071-2025, filed January 6, 2025.

***Contractual Services – Professional (631)***

The Utility recorded contractual services – professional expense of \$265. Staff increased this account by \$1,515 to reflect a source documentation difference of \$75 and to add \$1,440 of expense erroneously entered as contractual services - testing. Therefore, staff recommends contractual services – professional expense of \$1,780 (\$265 + \$1,515).

***Contractual Services – Testing (635)***

The Utility recorded contractual services – testing expense of \$1,460. Staff decreased this account by \$1,460 to reflect an audit adjustment based on allocations from the Utility’s source documents, as the amount was erroneously entered under this account instead of contractual services – professional. Therefore, staff recommends contractual services – testing expense of \$0 (\$1,460 - \$1,460).

***Contractual Services – Other (636)***

The Utility recorded contractual services other expense of \$7,092. Staff decreased this account by \$32 to reflect an auditing adjustment for allocations from the Utility’s source documents. Therefore, staff recommends contractual services – other expense of \$7,060 (\$7,092 - \$32).

***Rents (640)***

The Utility recorded rental of building/real property expense of \$1,155. Staff decreased this account by \$507 to reflect an auditing adjustment for allocations from the Utility’s source documents. Therefore, staff recommends a rents expense of \$648 (\$1,155 - \$507).

***Transportation Expense (650)***

The Utility recorded rental of building/real property expense of \$1,777. Staff decreased this account by \$57 to reflect an auditing adjustment for allocations from the Utility’s source documents. Therefore, staff recommends a transportation expense of \$1,720 (\$1,777 - \$57).

***Insurance Expense (655)***

The Utility recorded an insurance expense of \$4,706. Staff increased this account by \$181 to reflect source documentation. Therefore, staff recommends an insurance expense of \$4,887 (\$4,706 + \$181).

***Rate Case Expense (665)***

The Utility recorded an annual rate case expense of \$1,143. The utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. Staff calculated noticing costs to be \$200. Staff calculated the distance from the Utility to Tallahassee as 226 miles. Based on the 2024 Internal Revenue Service (IRS) business mileage rate of \$0.70, staff calculated round-trip travel and lodging expense to the Commission Conference of \$316.<sup>7</sup> Additionally, the Utility paid a filing fee of \$1,000.

Staff recommends a total rate case expense, consisting of noticing costs, travel and lodging expenses, consulting fees, and filing fee of \$1,516 (\$316 + \$200 + \$1,000), which amortized

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<sup>7</sup> <https://www.irs.gov/newsroom/irs-increases-the-standard-mileage-rate-for-business-use-in-2025-key-rate-increases-3-cents-to-70-cents-per-mile>.

over four years is \$379 ( $\$1,516 \div 4$  years). Therefore, staff recommends a rate case expense decrease of \$764.

### **Bad Debt Expense (670)**

The Utility recorded bad debt expense of \$647. Staff notes that it is Commission practice to calculate bad debt expense using a three-year average when the information is available.<sup>8</sup> In its three most recent Annual Reports (2021, 2022, and 2023), the Utility recorded bad debt expenses of \$115, \$24, and \$647, respectively. Staff calculated the average bad debt expense for these previous three years to be \$262 ( $(\$647 + \$24 + \$115) \div 3$ ) which represents a decrease of \$385. Therefore, staff recommends bad debt expense of \$262 ( $\$647 - \$385$ ).

### **Miscellaneous Expense (675)**

The Utility recorded a miscellaneous expense of \$2,953. However, this balance consisted of \$1,075 direct costs and \$1,878 which is allocated from the Utility. Audit staff reduced the direct costs by \$175 due to lack of supporting documentation. Therefore, staff recommends a miscellaneous expense of \$2,778 ( $\$2,953 - \$175$ ).

### **Operation and Maintenance Expense Summary**

The Utility recorded test year O&M expense of \$38,615. Based on the above adjustments, staff recommends O&M expense be decreased by \$2,904. This results in a total O&M expense of \$35,711 ( $\$38,615 - \$2,904$ ). Staff's recommended adjustments to O&M are shown on Schedule No. 3-C.

### **Depreciation Expense**

The Utility recorded depreciation expense of \$2,448. Using the depreciation rates prescribed in Rule 25-30.140, F.A.C., staff decreased this amount by \$83. Additionally, staff increased depreciation expense by \$502 due to pro forma adjustments. Therefore, staff recommends depreciation expense of \$2,867 ( $\$2,448 - \$83 + \$502$ ).

### **Taxes Other Than Income (TOTI)**

The Utility recorded a TOTI of \$6,540. Audit staff increased TOTI by \$147 to reflect the appropriate regulatory assessment fees (RAFs) based on corrected Utility test year revenues. Based on revenues discussed in Issue 6, TOTI should be decreased by \$27 to reflect RAFs of 4.5 percent of the change in revenues. As discussed in Issue 9, staff recommends revenues be increased by \$12,585 in order to reflect the change in revenue required to cover expenses and allow an opportunity to earn the recommended rate of return. As a result, TOTI should be increased by \$566 to reflect RAFs of 4.5 percent of the change in revenues. Furthermore, staff increased TOTI by \$168 to reflect property taxes associated with pro forma plant additions. Therefore, staff recommends TOTI of \$7,394 ( $\$6,540 + \$147 - \$27 + \$168 + 566$ ).

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<sup>8</sup> Order No. PSC-2022-0043-PAA-WU, issued January 26, 2022, in Docket No. 20210055-WU, *In re: Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.*; Order No. PSC-2021-0106-PAA-WS, issued March 17, 2021, in Docket No. 20200169-WS, *In re: Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.*; Order No. PSC-2021-0107-PAA-WU, issued March 19, 2021, in Docket No. 20200168-WU, *In re: Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.*

**Operating Expense Summary**

The Utility recorded operating expenses of \$47,603. The application of staff's recommended adjustments to the Utility's recommended operating expense results in a total operating expense of \$45,972. Operating expenses are shown on Schedule No. 3-A and the related adjustments are shown on Schedule No. 3-B.

**Issue 8:** Does Alturas Water, LLC meet the criteria for application of the operating ratio methodology?

**Preliminary Recommendation:** No. Alturas does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement. (Folkman)

**Staff Analysis:** Rule 25-30.4575(2), F.A.C., provides that, in rate cases processed under Rule 25-30.455, F.A.C., the Commission will use the operating ratio methodology to establish the utility's revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense, and the use of the operating ratio methodology does not change the utility's qualification for a SARC.

With respect to Alturas, staff has recommended a rate base of \$80,655. After removal of rate case expense, staff has calculated an adjusted O&M expense of \$35,332 (\$35,711 - \$379). Based on staff's preliminary recommended amounts, the Utility's rate base is 228.28 percent of its adjusted O&M expense. Based on this, the Utility does not qualify for application of the operating ratio methodology.



**Issue 9:** What is the appropriate revenue requirement for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate revenue requirement is \$52,585, resulting in an annual increase of \$12,585 (31.46 percent). (Folkman)

**Staff Analysis:** Alturas should be allowed an annual increase of \$12,585 (31.46 percent). This should allow the Utility the opportunity to recover expenses and earn an 8.20 percent return on rate base. The calculations for revenue requirement are shown on Table 9-1.

**Table 9-1**  
**Revenue Requirement**

Water Rate Base	\$80,655
Rate of Return	<u>8.20%</u>
Return on Rate Base	<u>\$6,612</u>
Water O&M Expense	35,711
Depreciation Expense	2,867
Taxes Other Than Income	<u>7,394</u>
Revenue Requirement	<u>\$52,585</u>
Less Test Year Revenues	\$40,000
Annual Increase	\$12,585
Percent Increase	31.46%

Source: Staff calculations.

**Issue 10:** What are the appropriate rate structure and rates for Alturas Water, LLC?

**Preliminary Recommendation:** The recommended rate structure and monthly water rates are shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice. (Lenberg)

**Staff Analysis:** Alturas is located in Polk County within the SWFWMD. The Utility provides water service to 53 residential customers and there are 7 general service customers. Approximately 13 percent of the residential customer bills during the test year had zero gallons, indicating a non-seasonal customer base. The average residential water demand is 4,330 gallons per month. Currently, the Utility's water rate structure consists of a monthly base facility charge (BFC) and a charge per 1,000 gallons for residential and general service customers.

Staff performed an analysis of the Utility's billing data in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that, (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility's customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

For this case, staff recommends that 30 percent of the water revenues be generated from the BFC, which will provide sufficient revenues to design gallonage charges that send pricing signals to customers using above the non-discretionary level. The average people per household served by the water system is 2.70;<sup>9</sup> therefore, based on the number of people per household, 50 gallons per day per person, and the number of days per month, the non-discretionary usage threshold should be 5,000 gallons per month. Staff's review of the billing data indicates that discretionary usage above 5,000 gallons represents approximately 25 percent of the bills, which accounts for approximately 28 percent of water demand. This indicates that there is moderate amount of discretionary usage above 5,000 gallons.

Staff recommends a two-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water rates. The rate blocks are, (1) 0-5,000 gallons; and (2) all usage in excess of 5,000 gallons per month. Due to the moderate usage above 5,000 gallons per month, staff believes that it is appropriate in this case to recommend a rate factor of 1.25 in the second tier because it will target those customers with higher levels of consumption. General service customers should continue to be billed a BFC and uniform gallonage charge.

Based on staff's recommended revenue increase of 32.4 percent, which excludes miscellaneous revenues, the residential consumption can be expected to decline by 2,749,000 gallons resulting

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<sup>9</sup> Average person per household was obtained from [www.census.gov/quickfacts/polkcounty](http://www.census.gov/quickfacts/polkcounty), Florida.

Date: March 3, 2025

in anticipated average residential demand of 4,236 gallons per month. Staff recommends a 2.2 percent reduction in test year residential gallons for rate setting purposes. As a result, the corresponding reductions are \$45 purchased power expense, \$39 for chemicals expense, and \$4 for RAFs to reflect the anticipated repression, which results in a post repression revenue requirement of \$51,348.

The recommended rate structures and monthly water rates are shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

**Issue 11:** What are the appropriate initial customer deposits for Alturas Water, LLC?

**Preliminary Recommendation:** The appropriate initial customer deposit should be \$134 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. (Lenberg)

**Staff Analysis:** Rule 25-30.311, F.A.C., provides the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. An initial customer deposit ensures that the cost of providing service is recovered from the cost causer. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.<sup>10</sup> Currently, the Utility has an initial customer deposit of \$86 for the 5/8 inch x 3/4 inch meter size. However, this amount does not cover two months' average bills based on staff's recommended rates. Based on the staff recommended water rates and the post repression average residential demand of 4,236 the appropriate initial customer deposit should be \$134 to reflect an average residential customer bill for two months. The monthly average residential bill is \$67.

Staff recommends that the appropriate initial customer deposit should be \$134 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

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<sup>10</sup> Order No. PSC-15-0142-PAA-SU, issued March 26, 2015, in Docket No. 20130178-SU, *In re: Application for staff assisted rate case in Polk County by Crooked Lake Park Sewerage Company.*

**Issue 12:** What are the appropriate miscellaneous service charges for Alturas Water, LLC?

**Preliminary Recommendation:** Staff will address the appropriate miscellaneous service charges for the final recommendation. (Lenberg)

**Staff Analysis:** Alturas requested to revise its existing miscellaneous service charges and provided cost justification. However, staff reviewed the cost justification and believes that it is necessary to require further explanation for one or more of the Utility's requested charges. The Utility's existing and requested miscellaneous service charges are shown in Table 12-1.

**Table 12-1**  
**Alturas' Existing and Requested Miscellaneous Service Charges**

	<u>Existing</u>	<u>Requested</u>
Initial Connection Charge	\$15.00	\$30.00
Normal Reconnection Charge	\$15.00	\$30.00
Violation Reconnection Charge	\$15.00	\$30.00
Premises Visit Charge (in lieu of disconnection)	\$10.00	\$30.00
Late Payment Charge	\$5.50	\$7.85
Investigation of Meter Tampering Charge	N/A	Actual Cost
Meter Tampering Charge	NA	Actual Cost

Source: Utility's current tariff & cost justification.

Staff will address the appropriate miscellaneous service charges for the final recommendation.

**Issue 13:** What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect removal of the amortized rate case expense?

**Preliminary Recommendation:** The rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Alturas should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense. (Folkman, Lenberg)

**Staff Analysis:** Section 367.081(8), F.S., requires that the rates be reduced by the amount of the rate case expense previously included in rates immediately following the expiration of the recovery period. With respect to Alturas, the reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is \$397.

Staff recommends that the rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Alturas should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

**Issue 14:** Should the recommended rate be approved for Alturas Water, LLC on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

**Preliminary Recommendation:** Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility. Alturas should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Folkman)

**Staff Analysis:** This recommendation proposes an increase in rates. A timely protest might delay a rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the utility, staff recommends that the proposed rates be approved on a temporary basis. Alturas should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by staff's recommended rates and collected by the Utility should be subject to the refund provisions discussed below.

Alturas should be authorized to initiate the temporary rates upon staff's approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security should be in the form of either a bond or letter of credit in the amount of \$8,638. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit for securing the potential refund, the letter of credit should contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.



<b>ALTURAS WATER, LLC.</b>		<b>SCHEDULE NO. 1-A</b>		
<b>TEST YEAR ENDED 06/30/2024</b>		<b>DOCKET NO. 20240119-WU</b>		
<b>SCHEDULE OF WATER RATE BASE</b>				
<b>DESCRIPTION</b>	<b>BALANCE PER UTILITY</b>	<b>STAFF ADJ.</b>	<b>BALANCE PER STAFF</b>	
1. UTILITY PLANT IN SERVICE	\$77,221	\$9,584	\$86,805	
2. LAND & LAND RIGHTS	500	0	500	
3. ACCUMULATED DEPRECIATION	(46,391)	35,325	(11,066)	
4. CIAC	0	0	0	
5. ACCUM. AMORT. CIAC	0	0	0	
6. WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>4,417</u>	<u>4,417</u>	
WATER RATE BASE	<u>\$31,330</u>	<u>\$49,325</u>	<u>\$80,655</u>	

<b>ALTURAS WATER, LLC.</b>	<b>SCHEDULE NO. 1-B</b>
<b>TEST YEAR ENDED 06/30/2024</b>	<b>DOCKET NO. 20240119-WU</b>
<b>ADJUSTMENTS TO RATE BASE</b>	
	<b>WATER</b>
<b>UTILITY PLANT IN SERVICE</b>	
1. To reflect audit adjustments.	(\$2,167)
2. To reflect an averaging adjustment.	(1,590)
3. To reflect pro forma additions.	53,361
4. To reflect pro forma retirements.	(40,021)
Total	<u>\$9,584</u>
<b>ACCUMULATED DEPRECIATION</b>	
1. To reflect audit adjustments.	\$142
2. To reflect an averaging adjustment.	(4,336)
3. To reflect pro forma adjustments.	39,519
Total	<u>\$35,325</u>
<b>WORKING CAPITAL ALLOWANCE</b>	
To reflect 1/8 of test year O&M expenses (less RCE).	<u>\$4,417</u>

<b>ALTURAS WATER, LLC</b> <b>TEST YEAR ENDED 06/30/2024</b> <b>SCHEDULE OF CAPITAL STRUCTURE</b>				<b>SCHEDULE NO. 2</b> <b>DOCKET NO. 20240119-WU</b>			
	<b>CAPITAL                      COMPONENT</b>	<b>PER                      UTILITY</b>	<b>PRO                      RATA                      ADJ.</b>	<b>BALANCE                      PER                      STAFF</b>	<b>PERCENT                      OF                      TOTAL</b>	<b>COST</b>	<b>WEIGHTED                      COST</b>
1.	LONG-TERM DEBT	\$15,275	(\$12,608)	\$27,883	34.57%	6.00%	2.07%
2.	COMMON EQUITY	28,009	(23,119)	51,128	63.39%	9.60%	6.08%
3.	CUSTOMER DEPOSITS	<u>1,644</u>	<u>0</u>	<u>1,644</u>	<u>2.04%</u>	2.00%	<u>0.04%</u>
	TOTAL CAPITAL	<u>\$44,928</u>	<u>(\$35,727)</u>	<u>\$80,655</u>	<u>100.00%</u>		<u>8.20%</u>
			<b><u>RANGE OF REASONABLENESS</u></b>			<b><u>LOW</u></b>	<b><u>HIGH</u></b>
			RETURN ON EQUITY			8.60%	10.60%
			OVERALL RATE OF RETURN			7.56%	8.83%

ALTURAS WATER, LLC. TEST YEAR ENDED 06/30/2024 SCHEDULE OF WATER OPERATING INCOME			SCHEDULE NO. 3-A DOCKET NO. 20240119-WU		
	TEST YEAR PER UTILITY	STAFF ADJUST- MENTS	STAFF ADJUSTED TEST YEAR	ADJ. FOR INCREASE	REVENUE REQUIREMENT
1. <b>TOTAL OPERATING REVENUES</b>	\$37,329	\$2,671	\$40,000	\$12,585 31.46%	\$52,585
<b>OPERATING EXPENSES:</b>					
2. OPERATION & MAINTENANCE	\$38,615	(\$2,904)	\$35,711		\$35,711
3. DEPRECIATION	2,448	\$419	2,867		2,867
4. TAXES OTHER THAN INCOME	6,540	288	6,828	566	7,394
<b>TOTAL OPERATING EXPENSES</b>	<u>\$47,603</u>	<u>(\$2,197)</u>	<u>\$45,406</u>	<u>566</u>	<u>\$45,972</u>
5. <b>OPERATING INCOME/(LOSS)</b>	(\$10,274)		(\$5,406)		\$6,612
6. <b>WATER RATE BASE</b>	\$31,330		49,325		\$80,655
7. <b>RATE OF RETURN</b>					8.20%

<b>ALTURAS WATER, LLC.</b>		<b>SCHEDULE 3-B</b>
<b>TEST YEAR ENDED 6/30/2024</b>		<b>DOCKET NO. 20240119-WU</b>
<b>ADJUSTMENTS TO OPERATING INCOME</b>		<b>WATER</b>
<b>OPERATING REVENUES</b>		
	To reflect auditing adjustments to Service Revenues.	\$3,260
	To reflect the appropriate test year Service Revenues.	(582)
	To reflect the appropriate test year Miscellaneous Revenues.	<u>(7)</u>
	Total	<u>\$2,671</u>
<b>OPERATION &amp; MAINTENANCE EXPENSE</b>		
1.	Salaries and Wages – Employees (601) To reflect an auditing adjustment.	\$576
2.	Salaries and Wages – Officers and Directors (603) To reflect an auditing adjustment.	444
3.	Employee Pensions and Benefits (604) To reflect an auditing adjustment.	(6)
4.	Purchased Power (615) To reflect an auditing adjustment.	(10)
5.	Chemicals Expense (618) To reflect an auditing adjustment.	(202)
6.	Materials and Supplies (620) To reflect an auditing adjustment.	(2,022)
7.	Contractual Services – Professional (631) To reflect an auditing adjustment.	1,515
8.	Contractual Services – Testing (635) To reflect an auditing adjustment.	(1,460)
9.	Contractual Services – Other (636) To reflect an auditing adjustment.	(32)
10.	Rental Expense (640) To reflect an auditing adjustment.	(507)
11.	Transportation Expense (650) To reflect an auditing adjustment.	(57)
12.	Insurance Expense (655) To reflect an auditing adjustment.	181
13.	Rate Case Expense (665) To reflect 1/4 rate case expense.	(764)

14.	Bad Debt Expense (670)	
	To reflect three years of Bad Debt expense average.	(385)
15.	Miscellaneous Expenses (675)	
	To reflect an auditing adjustment.	<u>(175)</u>
	<b>TOTAL OPERATION &amp; MAINTENANCE ADJUSTMENTS</b>	<u><b>(\$2,904)</b></u>
	<b>DEPRECIATION EXPENSE</b>	
	To reflect appropriate depreciation expense.	(\$83)
	To reflect pro forma additions.	<u>502</u>
	Total	<u><b>\$419</b></u>
	<b>TAXES OTHER THAN INCOME</b>	
	To reflect auditing adjustments.	\$147
	To reflect appropriate test year RAFs.	(27)
	To reflect property taxes associated with pro-forma plant additions.	<u>168</u>
	Total	<u><b>\$288</b></u>
	<b>TOTAL OPERATING EXPENSE ADJUSTMENTS</b>	<u><b>(\$2,197)</b></u>

<b>ALTURAS WATER, LLC.</b>		<b>SCHEDULE NO. 3-C</b>		
<b>TEST YEAR ENDED 06/30/2024</b>		<b>DOCKET NO. 20240119-WU</b>		
<b>ANALYSIS OF WATER O&amp;M EXPENSES</b>				
<b>ACCT.#</b>	<b>DESCRIPTION</b>	<b>TOTAL PER UTILITY</b>	<b>STAFF ADJUST- MENT</b>	<b>TOTAL PER STAFF</b>
601	Salaries and Wages – Employees	\$8,915	\$576	\$9,491
603	Salaries and Wages – Officers and Directors	1,600	444	2,044
604	Employee Pensions and Benefits	6	(6)	0
615	Purchased Power	2,241	(10)	2,231
618	Chemicals	2,130	(202)	1,928
620	Materials and Supplies	2,525	(2,022)	503
631	Contractual Services – Professional	265	1,515	1,780
635	Contractual Services – Testing	1,460	(1,460)	0
636	Contractual Services – Other	7,092	(32)	7,060
640	Rents	1,155	(507)	648
650	Transportation Expense	1,777	(57)	1,720
655	Insurance Expense	4,706	181	4,887
665	Regulatory Commission Expense	1,143	(764)	379
670	Bad Debt Expense	647	(385)	262
675	Miscellaneous Expenses	<u>2,953</u>	<u>(175)</u>	<u>2,778</u>
	Total O&M Expense	<u>\$38,615</u>	<u>(\$2,904)</u>	<u>\$35,711</u>
	Working Capital is 1/8 of O&M less RCE			\$4,417

<b>ALTURAS WATER, LLC.</b>		<b>SCHEDULE NO. 4</b>	
<b>TEST YEAR ENDED 06/30/2024</b>		<b>DOCKET NO. 20240119-WU</b>	
<b>MONTHLY WATER RATES</b>			
	<b>UTILITY CURRENT RATES</b>	<b>STAFF RECOMMENDED RATES</b>	<b>4 YEAR RATE REDUCTION</b>
<b><u>Residential and General Service</u></b>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$17.85	\$18.99	\$0.14
3/4"	\$26.77	\$28.49	\$0.21
1"	\$44.62	\$47.48	\$0.35
1-1/2"	\$89.25	\$94.95	\$0.70
2"	\$142.80	\$151.92	\$1.12
3"	\$285.60	\$303.84	\$2.25
4"	\$446.25	\$474.75	\$3.51
6"	\$892.50	\$949.50	\$7.03
Charge per 1,000 gallons	\$8.05	N/A	N/A
Residential			
0 - 5,000 gallons	N/A	\$11.36	\$0.08
Over 5,000 gallons	N/A	\$14.20	\$0.11
Charge per 1,000 gallons - General Service	N/A	\$12.11	\$0.09
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
5,000 Gallons	\$58.10	\$75.79	
10,000 Gallons	\$98.35	\$146.79	
15,000 Gallons	\$138.60	\$217.79	