

Decision 89 05 045 MAY 26 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Mailed

In the Matter of the Application of)
California-American Water Company)
(U 210 W) for an order authorizing)
it to increase its rates for water)
service in its Village District.)

Application 89-02-047
(Filed February 24, 1989)

MAY 26 1989

O P I N I O N

California-American Water Company (Cal-Am) seeks authority to increase its rates in its Village District by 3.13% or \$245,000 annually to recover costs associated with completion and placement in operation of its Janss Reservoir.

Ordering Paragraph 4 of Decision (D.) 87-03-030 in Application (A.) 86-05-016 and A.86-05-017 provided that:

"Cal-Am may file an application(s) reflecting the completion and placing in operation of its major plant additions. With respect to the plant additions Cal-Am shall file complete work papers providing information on the cost of the plant and capitalized interest."

The application states that the Janss Reservoir was completed and placed in service in January 1988. The only construction that was incomplete as of January 1988 was the visual mitigation required by the City of Thousand Oaks. The visual mitigation construction was completed in December 1988.

The Commission's Water Utilities Branch has reviewed the application and has prepared a report which is received in evidence as Exhibit 1. In its report the Water Utilities Branch recommends that the application be granted ex parte.

The report further recommends that all metered quantity rates be increased by the amounts proposed by Cal-Am, namely, 4.2% or \$0.0428 per hundred cubic foot (Ccf) for General Metered Service and \$0.0601 per Ccf for Metered Construction Service. The report points out that the requested increase is caused by changes in plant which are directly related to rate base. Ordinarily such charges should be recovered by increasing service charges rather than commodity charges. In D.87-03-030 in Finding of Fact 16 we stated:

"The metered service charges in the Village District should not be increased until service charges drop below 50% of its fixed charges. Its initial commodity rate should be phased out."

Page 5 of the Report is a Summary of Earnings Table which discloses that the adoption of the rate design recommendation will maintain Cal-Am's rate of return at its currently authorized level of 10.94%.

Copies of the application were mailed to the parties listed in Exhibit D attached to the application. A notice of the general terms was published in the News Chronicle on March 3, 1989, a newspaper of general circulation in Ventura County, which is where Cal-Am's Village District is located. No protests to the application have been received.

Findings of Fact

1. The Janss Reservoir was placed in service in January 1988.
2. This application was filed pursuant to Ordering Paragraph 4 of D.87-03-030.
3. The increased rates authorized herein allow Cal-Am a return on its cost of Janss Reservoir which is an addition to its rate base.

5. The increased rates authorized herein will maintain Cal-Am's rate of return at its currently authorized level of 10.94%.

6. A notice of the general terms of the application was published in the News Chronicle, a newspaper of general circulation in Ventura County, on March 3, 1989.

7. No protest to the granting of the application have been received.

8. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. The effective date of this order should be the date of signature because of the immediate need for the additional revenues.

ORDER

IT IS ORDERED that:

1. After the effective date of this order, California-American Water Company is authorized to file the revised rate schedules attached to this order as Appendix A and to concurrently withdraw and cancel its present schedules for such service. Such filings shall comply with General Order Series 96.

2. The effective date of the revised schedules authorized by Ordering Paragraph 1 shall be no earlier than 5 days after the date of filing. The revised schedules shall apply only to service rendered on and after their effective date.

This order is effective today.

Dated MAY 26 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Victor Weisner
Victor Weisner, Executive Director

APPENDIX A
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California-American Water Company
Village District

SCHEDULE NO. V-1

GENERAL METERED SERVICE

Applicability

Applicable to all metered water service.

Territory

Portion of Thousand Oaks, Newbury Park, an area adjacent to Camarillo, and vicinity, Ventura County.

Rates

Service Charge:		Per Meter Per Month *

For 5/8 x 3/4-inch meter		\$ 8.60
For 3/4-inch meter		9.50
For 1-inch meter		12.80
For 1 1/2-inch meter		17.30
For 2-inch meter		23.50
For 3-inch meter		44.00
For 4-inch meter		59.00
For 6-inch meter		97.00
For 8-inch meter		145.00
For 10-inch meter		179.00
For 12-inch meter		186.00

Quantity Rates

For all water delivered, per 100 cu. ft. \$1.0547 (I)

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

(D)

* All rates are subject to the reimbursement fee set forth on Schedule No. UF.

APPENDIX A
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California-American Water Company
Village District

SCHEDULE NO. V-9MC

GENERAL CONSTRUCTION SERVICE

Applicability

Applicable to all water service furnished for construction purposes.

Territory

Portions of Thousand Oaks, Newbury Park, an area adjacent to Camarillo, and vicinity, Ventura County.

Rates

Quantity Rates

For all water delivered, per 100 cu. ft. PER MONTH
\$1.4801 (I)

Minimum Charge

For all sizes of meters PER DAY
\$19.25 (I)

The Minimum Charge will entitle the customer to quantity of water which that minimum charge will purchase at the Quantity Rates.

SPECIAL CONDITIONS

1. Construction water service under this schedule will be furnished only when surplus water is available over the requirements for domestic service and under conditions which will not adversely affect domestic service. The utility will be the sole judge as to the availability of such surplus water.

2. Applicants for metered construction service will be required to apply for the service at least 48 hours in advance of the time of delivery of water is requested and to pay the costs and charges as provided in Rule 13, Temporary Service.

(END OF APPENDIX A)