

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

W-4

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to Executive Director

RESOLUTION NO. W-3306

EVALUATION & COMPLIANCE DIVISION  
BRANCH/SECTION: Water Utilities  
DATE: March 19, 1986

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Director  
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Numerical File  
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Accounting Officer

R E S O L U T I O N

ARVIN WATER COMPANY (AWC). ORDER AUTHORIZING  
AN OFFSET RATE INCREASE PRODUCING \$10,957 OR  
2.3% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 21, filed February 18, 1986, AWC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset a \$10,957 increase in purchased power costs. AWC serves about 3,516 flat rate and 110 metered customers in Carmichael and vicinity, Sacramento County.

The present rates have been in effect since November 18, 1985, pursuant to Resolution W-3287, November 6, 1985 in which the Commission last authorized a general rate increase and a rate of return on rate base of 11.00%. This offset increase will not result in a rate of return greater than last authorized.

Consistent with past Commission policy for offsets, the percentage increase to flat and metered rate customers is about the same percentage as the overall increase or 2.3%.

Since the increase caused by changes in the cost of purchased power is related to water consumption, it is applied to the single quantity block for metered commercial customers. There is no lifeline quantity rate block for these customers.

The flat rates have been increased by the adopted gross percentage amount or 2.3%. For the average flat rate customer, the rate will increase by \$0.20 per month.

The Water Utilities Branch (Branch) has reviewed the latest pump efficiency tests and found them satisfactory.

AWC has given public notice of the request for increase by publishing in the local newspaper on February 10, 1986. No customer protests or correspondence has been received.

Service is satisfactory. The Commission ordered AWC to implement a three-year water quality improvement program to eliminate deadends in the water system in Resolution No. W-3287. AWC is carrying out the program accordingly.

The tables below show typical bills for residential flat rate customers and commercial metered customers:

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
For each residential unit including a lot having an area of:			
7,000 sq.ft., or less.....	\$ 8.10	\$8.30	2.31
Over 7,001 sq.ft., to 9,000 sq.ft.....	8.75	8.95	2.3
Over 9,001 sq.ft., to 11,000 sq.ft.....	9.45	9.70	2.3
Over 11,001 sq.ft., to 13,000 sq.ft.....	10.10	10.30	2.3
Over 13,001 sq.ft., to 14,000 sq.ft.....	10.85	11.10	2.3
Over 15,001 sq.ft., to 20,000 sq.ft.....	12.60	12.90	2.3
Over 20,000 sq.ft., for each additional 1,000 sq.ft. or fraction thereof...	.21	.215	2.3

Commercial Metered Service (1-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
1,000	\$15.20	\$15.28	0.531
3,000	21.60	21.44	1.11
5,000	28.00	28.40	1.43
10,000	44.00	44.80	1.82
15,650 (Ave.)	62.08	63.33	2.02
20,000	76.00	77.60	2.11

After investigation by the Branch, the Commission finds that the requested rate increase is reasonable, and to the extent provided by the following resolution is justified. AWC is directed to establish a purchased power balancing account as required by Public Utilities Code Section 792.5.

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are for the future, unjust and unreasonable.

IT IS RESOLVED that Arvin Water Company is authorized, on the effective date herein, to make effective revised Schedule Nos. 1 and 2R, attached to Advice Letter No. 21 and to cancel the presently effective rate schedule for water service.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 19, 1986. The following Commissioners approved it:

DONALD WAL  
President  
VICTOR CALVO  
PRISCILLA C. GREW  
WILLIAM T. BAGLEY  
FREDERICK R. DUDA  
Commissioners

*Joseph E. Bodovitz*  
JOSEPH E. BODOVITZ  
Executive Director