

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Orig. and copy  
to Executive Director

RESOLUTION NO. W-3318

EVALUATION & COMPLIANCE DIVISION  
BRANCH/SECTION: Water Utilities  
DATE: May 28, 1986

- \_\_\_\_\_  
Director
- \_\_\_\_\_  
Numerical File
- \_\_\_\_\_  
Alphabetical File
- \_\_\_\_\_  
Accounting Officer

R E S O L U T I O N

YUCCA WATER COMPANY, LIMITED, (YWCL). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$32,100 OR 7.9% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 27, filed April 11, 1986. YWCL requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset a \$32,100 increase by the Hi-Desert Water District in assessments on ground water used in the Warren Valley Basin. YWCL serves about 19 flat rate and 2,500 metered customers in Yucca Village and vicinity, San Bernardino County.

The present rates became effective on February 16, 1983 pursuant to Resolution W-3080 in which the Commission found the rate of return on rate base of 11.75% reasonable for 1983. 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 (within the limitations of rounding) as the overall increase or about 7.9%.

Since the increase caused by ground water assessments is related to water consumption, it is applied to the quantity blocks for metered customers. Rates for all quantities were increased by \$0.07/Ccf. For the average flat rate customer, the rate will increase by \$0.55 per month.

YWCL has given public notice of the request for increase by publishing in the local newspaper on April 4, 1986. No customer protests or correspondence have been received.

Service is marginal due to YWCL's failure to provide for an adequate water supply as required by the California Department of Health Services. Although there are no Commission orders requiring system improvements, YWCL recognizes that it has some serious service problems and has a request for a Safe Drinking Water Bond Act loan before the California Department of Water Resources to improve its system. The Branch believes that if granted, the system improvements financed by the loan will resolve YWCL's service problems.

The tables below shows typical bills for residential customers at various usage levels at present and proposed rates:

General Metered Service (5/8 x 3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 6.25	\$ 6.46	3.4
1,000	9.96	10.66	7.0
1,500	12.61	13.66	8.3
2,000	15.26	16.66	9.2
2,500	17.91	19.66	9.8
3,000	20.56	22.66	10.2

Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
<u>Single Family Unit</u>	\$ 7.20	\$ 7.75	7.6

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. YWCL is directed to establish a ground water assessment 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 Yucca Water Company, Limited is authorized, on the effective date herein, to make effective revised Schedules Nos. 1, 9RL and 9 attached to Advice Letter No. 27 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 May 28, 1986. The following Commissioners approved it:

DONALD VIAL  
President  
VICTOR CALVO  
PRISCILLA C. GREW  
FREDERICK R. DUDA  
STANLEY W. HULETT  
Commissioners

*Howard A. Sarasohn*  
Howard A. Sarasohn  
Acting Executive Director.