

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. W-3322

EVALUATION & COMPLIANCE DIVISION
BRANCH/SECTION: Water Utilities
DATE: July 2, 1986

- _____ Director
- _____ Numerical File
- _____ Alphabetical File
- _____ Accounting Officer

R E S O L U T I O N

CALIFORNIA WATER SERVICE COMPANY'S SELMA DISTRICT (CWS). ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$22,400 OR 2.6% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 1022, filed May 20, 1986, CWS requests authority under Section VI of General Order 96-A, Section 454 and Section 792.5 of the Public Utilities Code to increase rates to offset: (1) a \$11,300 increase in purchased power costs, (2) a \$100 increase in ground water charges, (3) a \$900 decrease in ad valorem tax; (4) a \$300 increase in postage rates, and an \$11,600 increase due to an undercollection in the water production balancing accounts. CWS serves about 2,430 flat rate and 1,110 metered customers in Selma District and vicinity, Fresno County.

The present rates became effective on January 1, 1986 pursuant to Decisions (D.) 83-12-038 and 84-05-011, in which the Commission found the rates of returns on rate base of 12.36% for 1984, 12.40% for 1985, and 12.46% for 1986 reasonable, with a 14.5% return on equity. This offset increase will not result in a rate of return greater than that authorized by the above decisions.

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 2.6%.

For the average flat rate customer, the rate will increase by \$0.38 per month. Since the increase is caused primarily by changes in the cost of purchased power and in the water production balancing accounts, both of which are related to water consumption, it is applied to the quantity blocks for metered customers. The rates for all quantities were increased by \$0.016/Ccf.

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

CWS has given public notice of the request for increase by publishing in the local newspaper on May 22, 1986. No customer protests or correspondence have been received.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

The table 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.	\$ 6.90	\$ 6.95	1.007%
1,000	9.56	9.72	1.017
2,000	13.34	13.67	1.025
3,000	17.13	17.62	1.029
4,000	20.92	21.57	1.031
5,000	24.71	25.52	1.033

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
<u>Single Family Residential Unit</u>	\$15.33	\$15.71	1.025%
<u>Additional Units</u>	10.85	11.15	1.028

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. CWS is directed to maintain its balancing accounts 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 California Water Service Company is authorized, on the effective date herein, to make effective revised Schedules Nos. SL-1 and SL-2R attached to Advice Letter No. 1022 and to cancel the presently effective rate schedules 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 July 2, 1986. The following Commissioners approved it:

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



VICTOR R. WEISSER
Executive Director