

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. W-3323

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

 Director
 Numerical File
 Alphabetical File
 Accounting Officer

RESOLUTION

CALIFORNIA WATER SERVICE COMPANY'S (CWS), VISALIA DISTRICT.
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$53,800
OR 1.8% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 1023, filed May 20, 1986, CWS requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$52,700 increase in purchased power costs, (2) a \$200 decrease in ad valorem taxes, and (3) a \$1,300 increase in postage rates. CWS serves about 14,710 flat rate and 3,780 metered customers in Visalia and vicinity, Tulare County.

The present rates became effective on January 1, 1986 pursuant to Decisions Nos. 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 14.50% 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 1.8%.

For the average flat rate customer, the rate will increase by \$0.15 per month. Since the increase is mostly caused by changes in the cost of purchased power which is related to water consumption, it is applied to the quantity blocks for metered customers. Therefore, all quantity blocks were increased by \$0.008/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.	\$ 4.69	\$ 4.71	0.43%
1,000	6.60	6.68	1.21
2,000	9.33	9.48	1.61
3,000	12.06	12.29	1.91
4,000	14.79	15.11	2.16
5,000	17.52	17.92	2.28

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Residential Unit	\$8.70	\$8.85	1.7%
Additional Units	7.20	7.33	1.8

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. VS-1 and VS-2R attached to Advice Letter No. 1023 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, 1966. 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