

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3410
September 14, 1988

R E S O L U T I O N

(RES. W-3410) CALIFORNIA UTILITIES SERVICE (SEWER) (CUS).
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$9,239 OR 12.9% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 5, filed August 16, 1988, CUS requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset a \$9,239 increase in purchased power. CUS provides sewer service to about 839 customers in an unincorporated area, known as Corral DeTierra, located approximately 12 miles southwest of Salinas, Monterey County.

The present rates became effective on June 1, 1979 pursuant to Resolution W-2515 which authorized a general rate increase and in which the Commission found that the increase was sufficient to cover the utility's expenses with no return on investment. This offset increase will not result in a rate of return greater than last authorized.

CUS has given public notice of its request by mailing to individual customers on August 4, 1988. No customer protests or correspondence has been received.

CUS took over this system in March, 1986 as authorized by Commission Decision 87-05-033. Before CUS stepped in, the system had been effectively abandoned by its previous owners; it was in a bad state of disrepair and was being run on an ad hoc basis by local interests. CUS is in the midst of a much needed rebuilding and expansion program to bring the system up to contemporary standards. Six of its seven pumps have been overhauled during the past year; the seventh is used for standby.

CUS's service is satisfactory. There are no Commission orders requiring system improvement, and there are no significant service problems requiring corrective action.

The increase is caused by changes in the cost of purchased power and has been applied to the flat rate charge. All monthly rates will increase by \$0.97 as shown below:

	<u>Present Rates</u>	<u>Proposed Rates</u>
General Residential Service:		
Single family residence, per month	\$ 7.50	\$ 8.47
Multiple residence, per month per residential dwelling unit	7.50	8.47

At the proposed rates, the monthly bill for all customers will increase from \$7.50 to \$8.47 or 12.9%.

After investigation by the Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. CUS is directed to establish and maintain its balancing account as required by Public Utilities Code Section 792.5.

IT IS RESOLVED that California Utilities Service is authorized, on the effective date herein, to make effective revised Schedule No. 1 attached to Advice Letter No. 5 and to cancel the presently effective rate schedule for sewer service.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on September 14, 1988. The following commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



VICTOR R. WEISSER
Executive Director