

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3415
November 23, 1988R E S O L U T I O N

(RES. W-3415) CALIFORNIA WATER SERVICE COMPANY (CWS),
BEAR GULCH DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$79,200 OR 1.2% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1078, filed September 29, 1988, 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 \$22,700 increase in purchased power costs, (2) a \$51,700 increase in purchased water costs, (3) a \$6,300 increase in postage rates, (4) a \$2,000 decrease in ad valorem taxes, (5) a \$300 decrease in general office expenses, and (6) \$800 in related uncollectibles and franchise fees. CWS serves about 16,400 metered customers in its Bear Gulch District which includes the communities of Atherton, Menlo Park, Portola Valley, Woodside and vicinity, San Mateo County.

The present rates became effective on January 1, 1987 as filed by Advice Letter No. 1031 which implemented a step rate increase pursuant to the provisions of Decisions 85-03-054 and 85-07-028 in which the Commission found rates of return on rate base of 12.44% for 1985, 12.44% for 1986 and 12.43% for 1987 reasonable with a 14.50% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Since the increase is caused primarily by changes in the cost of purchased power and purchased water, both of which are related to water consumption, it is applied to the quantity blocks for metered customers. Rates for the first 300 cubic feet were increased by \$0.015 per Ccf (one Ccf equals one hundred cubic feet), while rates for the two higher blocks were increased by \$0.017 per Ccf. No rate change is proposed for the service charges or the flat rate fire protection service because those charges are related to availability rather than the use of water.

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

CWS has a variety of programs designed to promote water conservation including monthly reminders in water bills, leak detection service, free customer conservation pamphlets, free water conservation kits and a variety of conservation literature for presentation to schools and public information meetings. In addition, customers in the Bear Gulch District are under a water rationing plan approved by Resolution W-3404.

CWS has given public notice of this increase request by publishing in the local newspaper on October 13, 1988. No customer protests or correspondence has 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:

<u>General Metered Service (5/8 x 3/4-inch meters)</u>			
<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 8.52	\$ 8.56	0.47%
1,000	16.14	16.30	0.99
2,000	27.03	27.36	1.22
3,000	37.92	38.42	1.32
4,000	48.81	49.48	1.37
5,000	59.70	60.54	1.41

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

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised Schedule No. BG-1 attached to Advice Letter No. 1078 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 November 23, 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