

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3416
November 23, 1988R E S O L U T I O N

(RES. W-3416) CALIFORNIA WATER SERVICE COMPANY (CWS),
SELMA DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$20,400 OR 1.8% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1085, 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) an \$8,100 increase in purchased power costs, (2) a \$1,600 increase in postage rates, (3) a \$3,300 decrease in ad valorem taxes, and (4) a \$14,000 increase due to an undercollection in the balancing account. CWS serves about 2,615 flat rate and 1,206 metered customers in its Selma District, Fresno County.

The present rates became effective on January 1, 1988 as filed by Advice Letter No. 1066 which implemented a step rate increase pursuant to Decision 87-03-078 in which the Commission found rates of return on rate base of 11.70% for 1987, 11.69% for 1988, and 11.70% for 1989 reasonable with a 13.00% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Flat rates have been increased by 2.2%. The average flat rate customer's bill will increase by \$0.46 per month, including a surcharge to amortize the undercollection in the balancing account.

Since the increase is caused primarily by changes in the cost of purchased power and the balancing account, most of which is related to water consumption, it is applied to the quantity block for metered customers. Quantity charge rates were increased by \$0.003 per Ccf (one Ccf equals one hundred cubic feet). No change is proposed for the service charges or for the flat rate fire protection service because those charges are related to availability rather than the use of water. There will be a \$0.007 per Ccf surcharge on the metered rate schedule for all water sold in order to amortize the undercollection in the balancing account.

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

CWS has given public notice of this increase request by publishing in the local newspaper on October 5, 1988. No customer protests or correspondence has been received.

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.

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.	\$ 8.45	\$ 8.48	0.36%
1,000	11.49	11.59	0.87
2,000	15.83	16.03	1.26
3,000	20.17	20.47	1.49
4,000	24.51	24.91	1.63
5,000	28.85	29.35	1.73

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates*</u>	<u>Percent Increase</u>
Single-family residential unit 6-10,000 sq.ft.	\$ 21.20	\$ 21.66	2.17%
Additional units	12.60	12.87	2.14

* The proposed rates include balancing account amortization surcharges.

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 Rate Schedules Nos. SL-1 and SL-2R attached to Advice Letter No. 1085 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 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