

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3417
November 23, 1988

R E S O L U T I O N

(RES. W-3417) CALIFORNIA WATER SERVICE COMPANY (CWS),
LIVERMORE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$303,600 OR 7.1% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1080, 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 \$300 decrease in purchased power costs, (2) a \$135,500 increase in purchased water costs, (3) a \$5,200 increase in postal rates, (4) a \$161,500 accumulated deficit due to an undercollection in the district's balancing account, and (5) \$1,700 in related uncollectibles and franchise fees. CWS serves approximately 13,500 metered customers in the city of Livermore, Alameda County.

The present rates became effective on January 1, 1988, as filed by Advice Letter No. 1061 which implemented a step rate increase pursuant to the provisions of Decisions Nos. 85-12-090 and 86-03-053 dated December 18, 1985 and March 19, 1986 respectively. In Decision No. 85-12-090 the Commission found that rates of return of 12.35%, 12.40% and 12.51% were reasonable for the years 1986, 1987 and 1988, respectively, with a 14.25% 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 water which is related to water consumption, it is applied to the quantity blocks for metered customers. Rates for the first 300 cubic feet were increased by \$0.043 per Ccf (one Ccf equals one hundred cubic feet), rates for the next 29,700 cubic feet were increased by \$0.041 per Ccf, and rates for all quantities over 30,000 cubic feet were increased by \$0.042 per Ccf. No rate changes are 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. There will be a \$0.047 per Ccf surcharge 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 a variety of programs designed to promote water conservation including monthly reminders in the 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.

CWS has given public notice of this increase request by publishing in the local newspaper on October 7, 1988. No customer protests or correspondence has been received.

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

The following table 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.	\$ 9.66	\$ 9.93	2.80%
1,000	15.64	16.53	5.69
2,000	24.19	25.96	7.32
3,000	32.74	35.39	8.09
4,000	41.29	44.82	8.55
5,000	49.84	54.25	8.85

*The proposed rates include the \$0.047 per Ccf balancing account surcharge.

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 Schedule No. LV-1 attached to Advice Letter No. 1080 and to cancel the presently effective rate schedule for water service.

This resolution is effective today.

I certify that this resolution was approved 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