

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
WATER UTILITIES BRANCH

RESOLUTION NO. W-3420
November 23, 1988

R E S O L U T I O N

(RES. W-3420) CALIFORNIA WATER SERVICE COMPANY (CWS),
LOS ALTOS-SUBURBAN DISTRICT. ORDER AUTHORIZING AN
OFFSET RATE INCREASE PRODUCING \$151,100 OR 2.4%
ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 1081, 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 \$ 22,600 decrease in purchased power costs, (2) a \$165,600 increase in purchased water costs, (3) a \$65,800 increase in ground water charges, (4) a \$8,700 increase in ad valorem taxes, (5) a \$6,400 increase in postal rates, (6) a \$75,000 accumulated surplus due to an overcollection in the Los Altos-Suburban District's balancing account, and (7) \$2,200 in related uncollectibles and franchise fees. CWS serves about 17,000 metered customers in the City of Los Altos and vicinity, Santa Clara County.

The present rates became effective on April 17, 1985 pursuant to Resolution W-3271 which authorized an offset rate increase. The last general rate increase became effective on December 15, 1982 pursuant to Decision 82-12-098 in which the Commission found rates of return on rate base of 12.12% for 1983, 12.58% for 1984, and 12.58% for 1985 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 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 \$0.029 per Ccf (one Ccf equals one hundred cubic feet), rates for the next 29,700 cubic feet were increased by \$0.027 per Ccf, and rates for all quantities over 30,000 cubic feet were increased by \$0.029 per Ccf. No rate changes are proposed in the service charges or the flat rate fire protection service because those charges are related to availability rather than the use of water.

Customers who receive water deliveries for agricultural purposes under the General Metered Service schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by Santa Clara Valley Water District (SCVWD) for agricultural water, will receive a credit of \$0.172 per Ccf on each water bill for quantities of water used during the period covered by the bill. The credit of \$0.172 per Ccf is based on the SCVWD rates that became effective July 1, 1987.

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.

CWS has given public notice of the increase request by publishing in the local newspaper on October 5, 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 following table 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.	\$ 7.49	\$ 7.58	1.20%
1,000	14.06	14.33	1.92
2,000	23.44	23.98	2.30
3,000	32.82	33.63	2.47
4,000	42.20	43.28	2.56
5,000	51.58	52.93	2.62


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. IS-1 attached to Advice Letter No. 1081 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