

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
WATER UTILITIES BRANCHRESOLUTION NO. W-3421
November 23, 1988R E S O L U T I O N

(RES. W-3421) CALIFORNIA WATER SERVICE COMPANY (CWS),
SAN CARLOS DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$78,400 OR 2.7% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1083, 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 \$6,500 increase in purchased power costs, (2) a \$66,700 increase in purchased water costs, (3) a \$200 increase in ad valorem taxes, (4) a \$3,700 increase in postal rates, and (5) \$1,300 in related uncollectibles and franchise fees. CWS serves approximately 9,850 metered customers in the City of San Carlos and vicinity, San Mateo County.

The present rates became effective on January 1, 1988 as filed by Advice Letter No. 1064 which implemented a step rate increase pursuant to the provisions of Decision 85-12-088 in which the Commission found rates of return on rate base of 12.35% for 1986, 12.40% for 1987, and 12.51% for 1988 reasonable 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 power and water 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 \$0.041 per Ccf (one Ccf equals one hundred cubic feet), while rates for the two higher blocks were increased by \$0.042 per Ccf. No rate 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.

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 San Carlos 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 3, 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.	\$ 8.47	\$ 8.59	1.42%
1,000	16.26	16.68	2.58
2,000	27.39	28.23	3.07
3,000	38.52	39.78	3.27
4,000	49.65	51.33	3.38
5,000	60.78	62.88	3.46

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. SC-1 attached to Advice Letter No. 1083 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