

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION  
WATER UTILITIES BRANCHRESOLUTION NO. W-3422  
November 23, 1988R E S O L U T I O N

(RES. W-3422) CALIFORNIA WATER SERVICE COMPANY (CWS),  
SAN MATEO DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING \$260,800 OR 3.9% ADDITIONAL ANNUAL  
REVENUE.

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By Advice Letter No. 1084, 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 \$6,100 increase in purchased power costs, (2) a \$169,400 increase in purchased water costs, (3) a \$2,000 decrease in ad valorem taxes, (4) a \$10,200 increase in postal rates, (5) a \$76,800 accumulated deficit in the San Mateo District's balancing account, and (6) \$300 in related uncollectibles. CWS serve about 24,600 metered customers in City of San Mateo and vicinity, San Mateo County.

The present rates became effective on January 1, 1988 pursuant to the provisions of 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.

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 \$0.031 per Ccf (one Ccf equals one hundred cubic feet), while rates for the two higher blocks were increased by \$0.034 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 \$0.014 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 water bills, leak detection service, free customer conservation pamphlets, free water conservation kits and a variety of conservation literature for presentation at schools and public information meetings. In addition, customers in the San Mateo 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 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.	\$ 6.81	\$ 6.95	2.06%
1,000	13.52	13.99	3.48
2,000	23.10	24.05	4.11
3,000	32.68	34.11	4.38
4,000	42.26	44.17	4.52
5,000	51.84	54.23	4.61

\* The proposed rates include the \$0.014 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. SM-1 attached to Advice Letter No. 1084 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