

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3452
July 19, 1989R E S O L U T I O N

(RES. W-3452) CALIFORNIA WATER SERVICE COMPANY (CWS),
BEAR GULCH DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$495,600 OR 7.2% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1106, filed May 24, 1989, 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 \$20,000 increase in purchased power costs, (2) a \$472,200 increase in purchased water costs, (3) a \$1,500 decrease in ad valorem taxes, (4) a \$4,100 increase in local taxes, and (5) \$800 in related increases in uncollectibles. CWS serves about 16,354 metered customers in the communities of Atherton, Menlo Park, Portola Valley, Woodside, and vicinity, San Mateo County.

The present rates became effective on November 23, 1988 pursuant to Resolution W-3415. The latest Commission decisions on this district are Decisions 85-03-054 and 85-07-028 in which the Commission found rates of return on rate base of 12.44% for 1985, 12.44% for 1986, and 12.43% for 1987 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 power and purchased water, both of which are related to water consumption, it is applied to the quantity blocks for metered customers. Rates for the first 300 cubic feet will be increased by \$0.101 per Ccf (One Ccf equals one hundred cubic feet), while rates for over 300 cubic feet will be increased by \$0.105 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. 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. Resolution W-3449, on May 26, 1989, rescinded the water rationing plan for the Bear Gulch District.

CWS has given public notice of this increase request by publishing in the local newspaper on May 26, 1989. No customer protests or correspondence have 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 below 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.	\$ 8.56	\$ 8.86	3.50%
1,000	16.30	17.34	6.38
2,000	27.36	29.45	7.64
2,400 (Avg.)	31.78	34.29	7.90
3,000	38.42	41.56	8.17
4,000	49.48	53.67	8.47
5,000	60.54	65.78	8.66

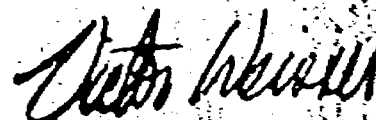
After investigation by the Water Utilities Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. CWS is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised Schedule No. EG-1 attached to Advice Letter No. 1106 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 July 19, 1989. The following commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners


VICTOR R. WEISSER
Executive Director

Commissioner Patricia M. Eckert, being necessarily absent, did not participate.