

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

H-2

COMMISSION ADVISORY AND COMPLIANCE DIVISION
WATER UTILITIES BRANCH

RESOLUTION NO. W-3453
July 19, 1989

R E S O L U T I O N

(RES. W-3453) CALIFORNIA WATER SERVICE COMPANY (CWS),
SAN CARLOS DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$255,300 OR 8.6% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1107, 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 \$8,100 increase in purchased power costs, (2) a \$213,100 increase in purchased water costs, (3) a \$200 increase in ad valorem taxes, (4) a \$30,000 increase to amortize an undercollection in the water production balancing account, and (5) \$3,900 in related uncollectibles and franchise requirements. CWS serves approximately 9,698 metered customers in the City of San Carlos and vicinity, San Mateo County.

The present rates became effective on November 23, 1988 pursuant to Resolution W-3421. The latest Commission decision on this district is 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 directly 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 \$0.121 per Ccf (one Ccf equals one hundred cubic feet), while rates for the next two blocks will be raised \$0.120 per Ccf. Additionally, there is a surcharge of \$0.016 per Ccf to amortize the balancing account. No rate changes are proposed for 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 to schools and public information meetings. Resolution W-3449, on May 26, 1989, rescinded the water rationing plan for the San Carlos District.

CWS has given public notice of this increase request by publishing in the local newspaper on May 29, 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.	\$ 8.59	\$ 9.00	4.77%
1,000	16.68	18.04	8.15
1,405 (Avg.)	21.36	23.20	8.61
2,000	28.23	30.95	9.64
3,000	39.78	43.86	10.26
4,000	51.33	56.77	10.60
5,000	62.88	69.68	10.81


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. 1107 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.