

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3454
July 19, 1989

RESOLUTION

(RES. W-3454) CALIFORNIA WATER SERVICE COMPANY (CWS),
SAN MATEO DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$651,100 OR 9.2% ADDITIONAL ANNUAL
REVENUE.

By Advice Letter No. 1108, 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 \$9,500 increase in purchased power costs, (2) a \$639,300 increase in purchased water costs, (3) a \$1,000 increase in ad valorem taxes, and (4) \$1,300 in related uncollectibles and franchise requirements. CWS serves about 24,662 metered customers in the City of San Mateo and vicinity, San Mateo County.

The present rates became effective on January 1, 1989 pursuant to 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.

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 \$0.1212 per Ccf (One Ccf equals one hundred cubic feet), while rates for the higher block will be increased by \$0.1182 per Ccf leaving one quantity rate of \$1.1102 per Ccf, thus phasing out the lifeline rate. 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 \$0.014 surcharge for all water sold to amortize the undercollection in the balancing account will remain in effect until November 23, 1989.

The Water Utilities Branch has reviewed the latest pump efficiency tests and found them satisfactory.

CWS has given public notice of this increase request by publishing in the local newspaper on May 29, 1989. 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.

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 Mateo District.

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.	\$ 7.36	\$ 7.72	4.89%
1,000	14.40	15.59	8.26
1,760 (avg.)	22.05	24.13	9.43
2,000	24.46	26.83	9.69
3,000	34.52	38.08	10.31
4,000	44.58	49.32	10.63
5,000	54.64	60.56	10.83

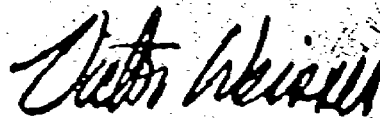
After investigation by the Water Utilities Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. CWS is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised Schedule No. SM-1 attached to Advice Letter No. 1108 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.