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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3455
July 19, 1989

R E S O L U T I O N

(RES. W-3455) CALIFORNIA WATER SERVICE COMPANY (CWS),
SOUTH SAN FRANCISCO DISTRICT. ORDER AUTHORIZING AN
OFFSET RATE INCREASE PRODUCING \$323,800 OR 8.6% ADDITIONAL
ANNUAL REVENUE.

By Advice Letter No. 1109, 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 \$6,100 increase in purchased power costs, (2) a \$317,200 increase in purchased water costs, (3) a \$300 increase in ad valorem taxes, and (4) \$200 in related uncollectibles and franchise requirements. CWS serves about 14,426 metered customers in the City of South San Francisco and vicinity, San Mateo County.

The present rates became effective on May 1, 1989 pursuant to the provisions of Decision 89-04-060 in which the Commission found rates of return on rate base of 11.33% for 1989, 11.33% for 1990 and 11.33% for 1991 reasonable, with a 12.25% 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 purchased water, which are directly related to water consumption, it is applied to the quantity blocks for metered customers. Rates for the first 50,000 cubic feet will be increased by \$0.101 per Ccf (One Ccf equals one hundred cubic feet), while rates for over 50,000 cubic feet will be increased by \$.098 per Ccf. No rate changes are proposed for service charges on 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 given public notice of this increase request by publishing in the local newspaper on May 29, 1989. One customer protest of the rate offset has been received and the Branch has responded to the customer explaining the cause of the increase and the resulting increase in the quantity rates.

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 South San Francisco District.

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.	\$ 7.81	\$ 8.12	3.97%
1,000	12.69	13.68	7.80
1,560 (Avg.)	16.59	18.13	9.28
2,000	19.66	21.63	10.02
3,000	26.63	29.58	11.08
4,000	33.60	37.53	11.70
5,000	40.57	45.48	12.10

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. SSF-1 attached to Advice Letter No. 1109 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.