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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory & Compliance Division
Water Utilities Branch

RESOLUTION NO. W-3466
September 7, 1989

RESOLUTION

(RES. W-3466), HILLVIEW WATER COMPANY, INC. (HWC).
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$23,400 OR 7.6% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 31, filed April 21, 1989, HWC 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 \$20,530 increase in water testing costs, and (2) a \$2,870 increase due to an undercollection in the purchased power balancing account. HWC serves about 800 metered customers in seven communities in and around Oakhurst, Madera County.

The present rates became effective on June 3, 1987 pursuant to Decision 87-01-055 which established a new Safe Drinking Water Bond Act (SDWBA) surcharge. The latest Commission decision relating to a general rate increase is Decision 82-08-83, in which the Commission found a rate of return on rate base of 11.75% reasonable for 1982. The requested increase would not result in a rate of return greater than last authorized for HWC.

Since the increase caused by changes in undercollection in purchased power balancing account is related to water consumption, it is applied to the quantity blocks. The increase caused by changes in the cost of water testing, which is fixed and not related to water consumption, is applied to the service charge.

HWC has given public notice of the request for increase by publishing in the local newspaper on July 13, 1989. No customer protests or correspondence have been received.

HWC's wells are in good condition and there is an adequate water supply. No additional conservation measures are needed.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

The table below shows typical bills for residential customers at various usage levels at present and proposed rates:

General Metered Service (3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu. ft.	\$15.39	\$17.40	13.1%
1,000	24.63	26.78	8.7
2,000 (average)	37.83	40.18	6.2
3,000	51.03	53.58	5.0
4,000	64.23	66.98	4.3
5,000	77.43	80.38	3.8

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. HWC is directed to maintain its balancing accounts as required by Public Utilities Code Section 792.5.

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present are for the future, unjust and unreasonable.

IT IS ORDERED that Hillview Water Company is authorized, on the effective date herein, to make effective revised Schedule Nos. 1, 4, and 9M attached to Advice Letter No. 31 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 September 7, 1989. The following Commissioners approved it:

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

Wesley Franklin
 WESLEY FRANKLIN
 Acting Executive Director