

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3480
January 9, 1990

R E S O L U T I O N

(RES. W-3480) BUHL WATER SYSTEM (BWS). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$3,282 OR 12.0% ADDITIONAL ANNUAL REVENUE

By Advice Letter No. 16 filed December 7, 1989, BWS 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 \$1,760 increase in plant for the installation of production measuring devices (\$302 additional annual revenue requirement), and (2) a \$2,980 increase in water testing costs (\$2,980 additional annual revenue requirement). BWS serves 205 flat rate customers in an unincorporated area located 3 miles southwest of the City of Visalia, Tulare County.

The present rates became effective February 24, 1988, pursuant to Resolution No. W-3386 dated February 24, 1988, which authorized a general rate increase, found a rate of return on rate base of 10.50% for 1987 reasonable, and ordered BWS to comply with General Order 103, "Rules Governing Water Service Including Minimum Standards for Design and Construction," by installing a suitable measuring device or otherwise determining production at each source of supply. The Branch subsequently inspected BWS's system and confirmed that measuring devices have been installed as ordered. The Branch examined BWS's workpapers submitted with the draft of the Advice Letter and determined that \$2,980 is the proper amount for the increase in water testing costs. This offset will not result in a rate of return greater than last authorized.

BWS notified its customers of the proposed increase by a separate mailing on December 5, 1989. No protests or other customer correspondence were received.

BWS's service is satisfactory. There are no outstanding Commission orders requiring system improvements.

BWS's multiple sources of water and boosting facility together provide ample water supply. No additional water conservation measures are needed at this time.

Since the entire amount of the increase is not dependent on the quantity of water used, the entire increase is applied to the service charge part of metered rates and to the flat rate charges as a constant percentage increase.

There are no metered customers presently; however, B&S maintains a metered schedule which enables B&S to meter a customer should there be need to do so.

A comparison of present and proposed rates is shown below:

General Metered Service

| | <u>Per Meter Per Month</u> | |
|--------------------------------|----------------------------|-----------------------|
| | <u>Present Rates</u> | <u>Proposed Rates</u> |
| <u>Quantity Rates:</u> | | |
| All water, per 100 cu.ft. | \$ 0.26 | \$ 0.26 |
| <u>Service Charge:</u> | | |
| For 5/8 x 3/4-inch meter | 4.50 | 5.05 |
| For 3/4-inch meter | 6.00 | 6.75 |
| For 1-inch meter | 9.00 | 10.10 |
| For 1-1/2-inch meter | 12.00 | 13.50 |
| For 2-inch meter | 17.50 | 19.60 |

Residential Flat Rate Service

| | <u>Per Service Connection Per Month</u> | |
|--|---|-----------------------|
| | <u>Present Rates</u> | <u>Proposed Rates</u> |
| For each single-family residential unit including premises not exceeding 11,000 sq.ft. in area. | \$10.90 | \$12.20 |
| a. For each additional single-family residential unit on the same premises and served from the same service connection. | 4.45 | 5.00 |
| b. For each 100 sq.ft. of premises in excess of 11,000 sq.ft. | 0.08 | 0.09 |

At the proposed rates, the monthly bill for the single-family flat rate customer will increase from \$10.90 to \$12.20 per month or 11.9%.

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.

THE COMMISSION FINDS that the requested rate increase is justified, and the resulting rates hereby authorized are reasonable.

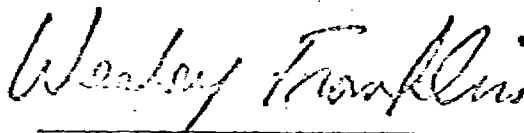
IT IS ORDERED that Buhl Water System is authorized, on the effective date herein, to make effective revised Schedules Nos. 1, 2R, UF, and the Table of Contents attached to Advice Letter No. 16 and to cancel the presently effective rates schedules for water service.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on January 9, 1990. The following commissioners approved it:

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

Commissioner Stanley W. Hulett,
being necessarily absent, did
not participate.



Wesley Franklin
Acting Executive Director