

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3490  
May 4, 1990R E S O L U T I O N

(RES. W-3490), CALIFORNIA WATER SERVICE COMPANY (CWS), CHICO-HAMILTON DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$219,500 OR 5.1% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (A.L.) 1125, filed March 16, 1990, 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 \$128,200 increase in purchased power costs, (2) a \$6,800 increase in postage rates, (3) a \$4,700 decrease in district ad valorem taxes, (4) a \$100 decrease in general office ad valorem taxes, (5) a \$89,000 increase due to an undercollection in the balancing account, and (6) \$300 in related increases in uncollectibles. CWS serves about 10,842 flat rate and 5,846 metered customers in Chico and vicinity, Butte County and Hamilton City and vicinity, Glenn County.

The present rates became effective on January 1, 1988 pursuant to the provisions of Decision No. 87-03-078 in which the Commission found the rates of return on rate base of 12.78% for 1987, 12.89% for 1988, and 13.00% for 1989 reasonable, with a 15.0% 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 which are directly related to water consumption, it is applied to the one quantity block for metered customers and to all flat rate customers. Rates for all cubic feet will be increased by \$0.015 per Ccf (one Ccf is equal to one-hundred cubic feet). The flat rates have been increased by the approximate gross percentage increase. For the average flat rate customer, the rate will increase by \$0.91 per month. There is an additional \$0.010/Ccf surcharge to amortize over 12 months the undercollection in the balancing account. For the average flat rate customer, an additional amount of \$0.37 per month will be added over 12 months to amortize the uncollection in the balancing account.

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.

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

C&S has given public notice of the request for increase by publishing in the local newspaper on March 23, 1990. No customer protests or correspondence have been received.

The 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 1/</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 7.58	\$ 7.65	0.92%
1,000	9.97	10.22	2.51
2,000 (Avg.)	13.39	13.89	3.73
3,000	16.81	17.56	4.46
4,000	20.23	21.23	4.94
5,000	23.65	24.90	5.29

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates 1/</u>	<u>Percent Increase</u>
<u>Single Family Residential Unit</u>			
6,000 sq.ft., or less	\$13.60	\$14.33	5.37%
6,001 to 10,000 sq.ft. (Avg.)	16.35	17.25	5.50
10,001 to 16,000 sq.ft.	20.25	21.35	5.43
16,001 to 25,000 sq.ft.	25.80	27.20	5.43

Additional Units

or			
<u>Area</u>	9.60	10.12	5.42

1/ Includes a 12-month amortization of balancing account.

Pursuant to Public Utilities Code Section 792.5, C&S is directed to maintain its balancing accounts.

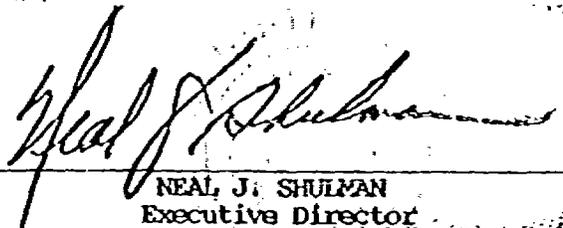
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised rate Schedules Nos. CH-1 and CH-2R attached to Advice Letter No. 1125 and to cancel the presently effective rate 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 May 4, 1990. The following commissioners approved it:

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

  
NEAL, J. SHULMAN  
Executive Director