

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3491
May 4, 1990

R E S O L U T I O N

(RES. W-3491), CALIFORNIA WATER SERVICE COMPANY (CWS), DIXON DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$37,600 OR 5.7% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (A.L.) 1126, 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 \$10,500 increase in purchased power costs, (2) a \$600 increase in district ad valorem taxes, (3) a \$26,500 increase due to an undercollection in the water production balancing account. CWS serves about 2,628 metered customers in Dixon and vicinity, Solano County.

The present rates became effective on January 1, 1990 pursuant to Decision No. 89-04-005 in which the Commission found the 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 which is directly related to water consumption, it is applied to the quantity blocks for metered customers. Rates for the first three Ccf will be increased by \$.017 per Ccf (One Ccf is equal to one-hundred cubic-feet) while rates for over three Ccf will be increased by \$0.015 per Ccf.

In addition, the Branch recommends, in accordance with the Commission's balancing account policy for water utilities, that the undercollection in the water production balancing account be amortized over a 24-month period by adding a surcharge of \$0.0365 per Ccf.

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.

CWS 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.	\$ 7.66	\$ 7.82	2.09%
1,000	11.62	12.19	4.91
1,900 (Avg.)	16.83	17.81	5.82
2,000	17.40	18.44	5.98
3,000	23.13	24.68	6.70
4,000	28.86	30.93	7.17
5,000	34.59	37.17	7.46

1/ Includes a 24-month amortization of balancing account.

Pursuant to Public Utilities Code Section 792.5, CWS is directed to maintain its balancing accounts.

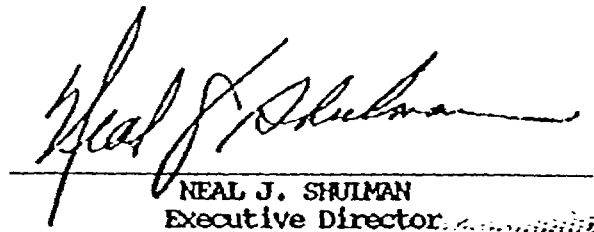
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised rate Schedules Nos. DX-1 attached to Advice Letter No. 1126 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 May 4, 1990. The following commissioners approved it:

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


NEAL J. SHULMAN
Executive Director