

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3492
May 4, 1990

R E S O L U T I O N

(RES. W-3492), CALIFORNIA WATER SERVICE COMPANY (CWS), WESTLAKE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$152,250 OR 5.2% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (A.L.) 1128, 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 \$31,000 increase in purchased power costs, (2) a \$46,700 increase in purchased water costs, (3) an \$800 increase in postage rates, (4) a \$90,850 increase due to an undercollection in the balancing account, (5) a \$17,700 decrease in district ad valorem taxes, (6) a \$100 decrease in general office ad valorem taxes, and (7) \$700 in related increases in uncollectibles and franchise requirements. CWS serves about 4,701 metered customers in Westlake Village, in the southern part of Ventura County, within the City of Thousand Oaks and vicinity.

The present rates became effective on January 1, 1986 pursuant to Decision 85-07-028 in which the Commission found the rates of return on rate base of 12.44% for 1985, 12.44% for 1986, and 12.43% for 1987 reasonable, with a 14.5% return on equity. This offset increase would 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, water, and production costs which are directly related to water consumption, it is applied to the quantity rates. Rates for all three blocks of water would be increased by \$0.025 per Ccf (One Ccf is equal to one-hundred cubic-feet.) In addition, the Branch recommends, in accordance with the Commission's balancing account policy for water utilities, that the undercollection in the balancing account be amortized over a 24-month period by adding a surcharge of \$0.0371 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 27, 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.	\$ 9.24	\$ 9.43	2.06%
1,000	14.70	15.32	4.22
2,000	22.50	23.74	5.51
3,000	30.30	32.16	6.14
3,100 (Avg)	31.08	33.01	6.21
4,000	38.10	40.58	6.51
5,000	45.90	49.01	6.78

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

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

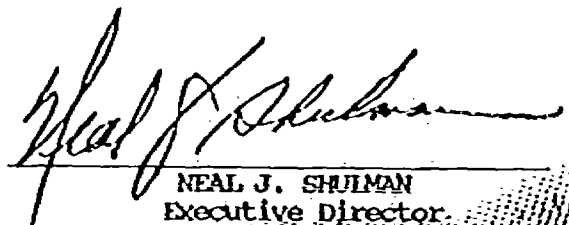
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service Company is authorized, on the effective date herein, to make effective revised rate Schedule No. WK-1 attached to Advice Letter No. 1128 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