

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3504
July 18, 1990

R E S O L U T I O N

(RES. W-3504) CALIFORNIA-AMERICAN WATER COMPANY
(CAL-AM), VILLAGE DISTRICT. ORDER AUTHORIZING AN
OFFSET RATE INCREASE PRODUCING \$161,987 OR 1.78%
ADDITIONAL ANNUAL REVENUES.

By Advice Letter No. 344, filed April 26, 1990, Cal-Am requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) \$159,571 increase in purchased water costs and (2) \$2,416 increase in related franchise fees and uncollectibles. Cal-Am serves about 16,690 metered customers in portions of Thousand Oaks, Newbury Park, and areas adjacent to Camarillo, and vicinity, Ventura County.

The present rates became effective on March 18, 1990 pursuant to the provisions of Decision 90-03-034 in which the Commission found the rate of return on rate base of 10.70% reasonable. This offset increase will not result in a rate of return greater than last authorized.

Since the increase caused by changes in the cost of purchased water is related to water consumption, it is applied to the quantity block. The rates for all quantities will increase by \$0.0233 per Ccf (one Ccf equals one hundred cubic feet).

Cal-Am has given public notice of this increase request by publishing in the local newspaper on May 4, 1990. No protest or correspondence has been received.

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

Cal-Am has a variety of programs designed to promote water conservation including pamphlets, bill inserts, and water conservation kits.

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</u>	<u>Percent Increase</u>
0 cu.ft.	\$ 8.30	\$ 8.30	0.00%
300	11.46	11.53	0.61
500	13.57	13.69	0.88
1,000	18.85	19.08	1.22
2,000	29.39	29.86	1.60
2,264 (avg.)	32.18	32.71	1.65
4,000	50.49	51.42	1.84
10,000	113.77	116.10	2.05

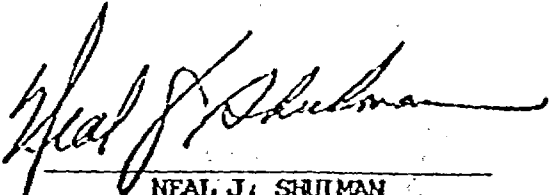
After investigation by the Water Utilities Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. Cal-Am is directed to maintain its balancing account as required by Public Utilities Code 792.5.

IT IS ORDERED that California-American Water Company is authorized, on the effective date herein, to make effective revised Schedule No. V-1 attached to Advice Letter No. 344 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 July 18, 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