

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3509  
August 8, 1990R E S O L U T I O N

(RES. W-3509) JENSEN WATER COMPANY (JWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$6,803 OR 12.6% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 19, filed May 24, 1990, JWC 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) a \$440 increase in purchased power costs, (2) a \$6,110 increase in water testing costs, and (3) a \$253 increase in postage costs. JWC serves about 351 metered customers in Cabazon, Riverside County.

The present rates became effective on June 8, 1988, pursuant to Resolution W-3397, dated June 8, 1988 which authorized an offset rate increase of \$422 or 0.78%. The last general rate increase became effective on June 16, 1987 pursuant to Resolution W-3360 dated May 13, 1987 in which the Commission found the rate of return on rate base of 10.50% reasonable. This offset will not result in a rate of return greater than last authorized.

Since the increase caused by changes in the cost of purchased power is related to water consumption, it is applied to the quantity blocks. The increase caused by changes in the cost of water testing and postage, which is fixed and not related to water consumption, is applied to the service charge.

The Water Utilities Branch (Branch) has reviewed the latest pump efficiency tests and found them satisfactory.

A notice of the proposed rate increase was mailed to each customer on May 18, 1990. A petition signed by 61 individuals was received in response to the notice. The petition objected to JWC's rate increase request and stated that JWC's water service and customer public relations were unsatisfactory. Some of the customer dissatisfaction was probably due to a water outage in April, 1990, caused by a truck accidentally running over and tearing out a fire hydrant and a portion of connecting water main. The problem was compounded when high winds, at the same time, knocked down telephone lines in the area, thus completely shutting down communication between JWC and its customers. Water service was restored within two hours after emergency repairs on the water system were completed; however, communication service provided by another utility was not restored until two days later. The Branch contacted JWC management and informed it about customers' dissatisfaction. JWC management assured the Branch that it would make every effort to improve its customer relations. The spokesperson for the customers appears to be satisfied with the Branch's resolution of this problem. Investigation by the Branch indicates that JWC's overall water service is satisfactory.

JWC's multiple sources of water supply and a large storage facility provide ample source of water supply for its customers. Therefore, the Branch does not recommend that additional conservation measures be ordered at this time.

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.	\$ 4.80	\$ 6.30	31.25%
500	8.85	10.40	17.51
1,000 (Avg.)	12.90	14.50	12.40
1,500	16.95	18.60	9.73
2,000	21.00	22.70	8.10
3,000	29.10	30.90	6.19
5,000	45.30	47.30	4.42

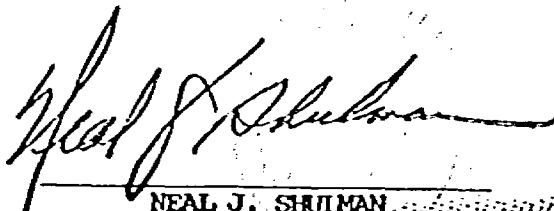
After investigation by the Branch, the Commission finds that the requested rate increase is justified, and the resulting rates are reasonable. JWC is directed to maintain its balancing account as required by Public Utilities Code 792.5.

IT IS ORDERED that Jensen Water Company is authorized, on the effective date herein, to make effective revised Schedule No. 1 attached to Advice Letter No. 19 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 August 8, 1990. The following Commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director