

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3511
September 12, 1990

R E S O L U T I O N

(RES. W-3511), CALIFORNIA WATER SERVICE (CWS), LIVERMORE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$95,700 OR 2.15% ADDITIONAL ANNUAL REVENUE.

By Advice Letter 1135, filed July 17, 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 \$66,100 increase in purchased water costs, (2) a \$26,700 increase in purchased power, (3) a \$1,600 increase in ad valorem taxes, and (4) \$1,300 in related increases in uncollectibles and franchise requirements. CWS serves about 13,500 metered customers in the City of Livermore, Alameda County.

The present rates became effective on November 23, 1989 pursuant to Resolution W-3417. The last general rate increase became effective on December 18, 1985, pursuant to Decision 85-12-090 in which the Commission found the rates of return on rate base of 12.35% for 1986, 12.40% for 1987, and 12.51% for 1988 reasonable, with a 14.25% return on equity.

CWS purchases power from PG&E and the rates were increased effective January 1, 1990. The Water Utilities Branch (Branch) reviewed the pump efficiencies and found them to be satisfactory.

CWS's water is purchased from the Alameda County Flood Control District. Since the last increase pursuant to Resolution W-3417, there have been increases in the cost of purchased water on January 1, 1989 and January 1, 1990 which are included in the purchased water cost.

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, increases in these items that have occurred since the present rates became effective. The requested increase would not result in a rate of return greater than last authorized for CWS.

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

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. No other conservation measures should be ordered at this time.

CWS has given public notice of the request for increase by publishing in the local newspaper on July 21, 1990. No customer protests or correspondence have been received.

Since the requested increase is caused primarily by changes in expenses directly related to water consumption, the Branch recommends that it be applied to the quantity rates. Under the Branch's recommendation, the rate for the first 300 cubic feet of water delivered would be increased by \$0.027 per Ccf (One Ccf is equal to one hundred cubic feet.) The rates for the balance of water delivered would be increased by \$0.028 per Ccf.

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>
300 cu.ft.	\$ 9.78	\$ 9.87	0.8%
1,000	16.06	16.33	1.7
2,000	25.02	25.57	2.2
2,100 (avg.)	25.91	26.50	2.3
3,000	33.98	34.81	2.5
4,000	42.94	44.05	2.6
5,000	51.90	53.29	2.7

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

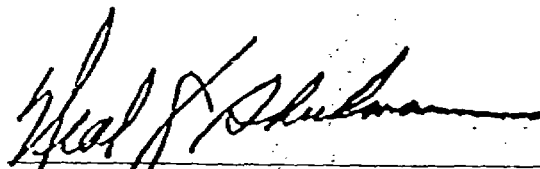
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service Company is authorized to make effective revised Schedule No. LV-1 attached to Advice Letter No. 1135 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 September 12, 1990. The following Commissioners approved it:

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


NEAL J. SHULMAN
Executive Director

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.