

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3512  
September 12, 1990

## R E S O L U T I O N

(RES. W-3512), CALIFORNIA WATER SERVICE (CWS), LOS  
ALTOS-SUBURBAN DISTRICT. ORDER AUTHORIZING AN  
OFFSET RATE INCREASE PRODUCING \$585,600 OR 7.9%  
ADDITIONAL ANNUAL REVENUE.

By Advice Letter 1136, 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 \$355,700 increase in purchased water costs, (2) a \$182,900 increase in pump taxes, (3) a \$37,500 increase in purchased power, (4) a \$1,500 increase in ad valorem taxes, and (5) \$8,000 in related increases in uncollectibles and franchise requirements. CWS serves about 17,300 metered customers in Santa Clara County.

The present rates became effective on January 1, 1990 pursuant to Decision 89-04-060 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.

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 Santa Clara Valley Water District. The groundwater charges (pump taxes) are assessed by the Santa Clara Valley Water District. 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.

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. This district is one which has a rationing program with penalties for over-use. 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 19, 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 \$0.103 per Ccf (One Ccf is equal to one hundred cubic feet.) The rates for the balance of water delivered would be increased by \$0.104 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.	\$ 9.26	\$ 9.57	3.3%
1,000	16.48	17.52	6.3
2,000	26.80	28.88	7.7
2,700 (avg)	34.03	36.83	8.2
3,000	37.12	40.24	8.4
4,000	47.44	51.60	8.8
5,000	57.76	62.96	9.0

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

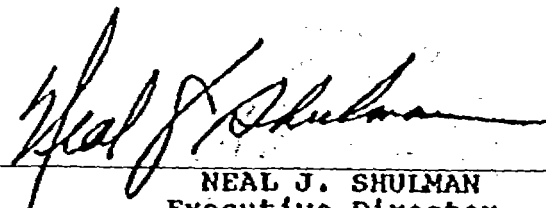
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service is authorized to make effective revised Schedule No. LS-1 attached to Advice Letter No. 1136 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.