

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3513
September 12, 1990R E S O L U T I O N

(RES. W-3513), CALIFORNIA WATER SERVICE (CWS), BEAR
GULCH DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$537,900 OR 6.7% ADDITIONAL
ANNUAL REVENUE.

By Advice Letter 1134, 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 \$533,400 increase in purchased water costs, (2) a \$400 decrease in ad valorem taxes, and (3) \$4,900 in related increases in uncollectibles and franchise requirements. CWS serves about 16,900 metered customers in San Mateo County.

The present rates became effective on March 14, 1990 pursuant to Decision 90-03-007 in which the Commission found the rates of return on rate base of 11.25% for 1990, 11.20% for 1991, and 11.18% for 1992 reasonable, with a 12.25% return on equity.

CWS's water is purchased from the San Francisco Water Department. The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes 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.

The Water Utilities Branch (Branch) reviewed the pump efficiencies which and found them to be satisfactory. All of the lower efficiency pumps which were cost effective to repair have been refurbished and will soon be retested.

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 rates for all quantities of water delivered would be increased by \$0.1101 per Ccf (One Ccf is equal to one hundred cubic feet.)

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.	\$11.18	\$11.51	3.0%
1,000	19.75	20.85	5.6
2,000	32.00	34.20	6.9
2,400 (avg.)	36.90	39.54	7.2
3,000	44.25	47.55	7.5
4,000	56.50	60.90	7.8
5,000	68.75	74.26	8.0

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

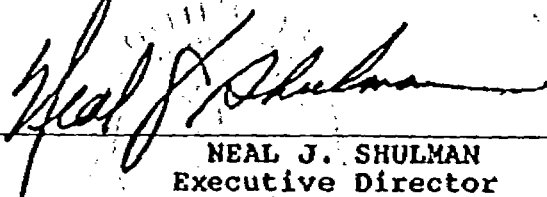
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service is authorized to make effective revised Schedule No. BG-1 attached to Advice Letter No. 1134 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.