

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION W-3514  
September 12, 1990**R E S O L U T I O N**

(RES. W-3514), CALIFORNIA WATER SERVICE COMPANY (CWS),  
SAN CARLOS DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING \$234,700 OR 7.3% ADDITIONAL ANNUAL  
REVENUE.

By Advice Letter 1137, 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 \$233,400 increase in purchased water costs, (2) a \$3,000 decrease in ad valorem taxes, and (3) \$4,300 in related increases in uncollectibles and franchise requirements. CWS serves about 9,900 metered customers in the city of San Carlos and adjacent areas 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 grater 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 newspapers on July 18 and 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 Water Utilities Branch (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 \$0.131 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.	\$ 9.95	\$10.34	3.92%
1,000	18.57	19.88	7.05
1,380 (Avg.)	23.25	25.06	7.78
2,000	30.89	33.51	8.48
3,000	43.21	47.14	9.10
4,000	55.53	60.77	9.44
5,000	67.85	74.40	9.65

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

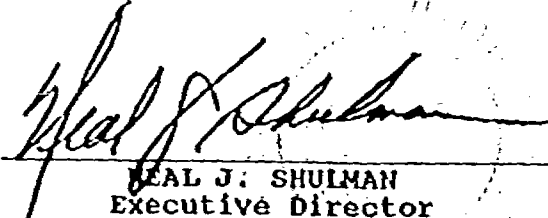
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service Company is authorized to make effective revised Schedule No. SC-1 attached to Advice Letter No. 1137 and to cancel the effective rate schedule for water service.

This resolution is effective today.

I hereby 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.