

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3517
September 12, 1990R E S O L U T I O N

(RES. W-3517), CALIFORNIA WATER SERVICE (CWS), WESTLAKE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$59,300 OR 2.0% ADDITIONAL ANNUAL REVENUE.

By Advice Letter 1140, 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 \$58,400 increase in purchased water costs, (2) a \$ 200 increase in postage, and (3) \$ 700 in related increases in uncollectibles and franchise requirements. CWS serves about 6,400 metered customers in Ventura County.

The present rates became effective on May 4, 1990 pursuant to Resolution W-3492. The last general rate increase became effective January 1, 1986, pursuant to Decision 85-07-028 in which the Commission found the rates of return on rate base of 12.44% for 1985, 12.44% for 1986, and 12.43% for 1987 reasonable, with a 14.50% return on equity.

CWS's water is purchased from the Russell Valley Municipal Water District. The offset increase requested herein is primarily for the purpose of recovering in rates, on a dollar-for-dollar basis, the 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.

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 additional conservation measures should be ordered at this time.

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

CWS has given public notice of the request for increase by publishing in the local newspaper on July 20, 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 \$0.0242 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.	\$ 9.43	\$ 9.50	0.74%
1,000	17.10	17.34	1.40
2,000	28.05	28.53	1.71
3,000	39.00	39.72	1.85
3,100 (average)	40.09	40.84	1.87
4,000	49.95	50.91	1.92
5,000	60.90	62.11	1.99

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

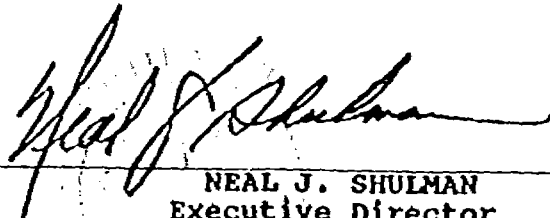
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that California Water Service is authorized to make effective revised Schedule No. WK-1 attached to Advice Letter No. 1140 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.