

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3533  
December 19, 1990RESOLUTION

(RES. W-3533) PENNGROVE WATER COMPANY (PWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$2,408 OR 2.6% ADDITIONAL ANNUAL REVENUE

By Advice Letter 16, filed November 13, 1990, PWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset: (1) an \$827 increase in purchased power cost and (2) a \$1,581 increase in purchased water cost. PWC serves about 397 metered customers in two areas of Penngrove and vicinity, Sonoma County.

The present rates became effective on December 21, 1987 pursuant to Decision (D.) 87-11-054, dated November 13, 1987 which granted a general rate increase of \$1,120 or 1.23% in additional annual revenue. In D.87-11-054, the Commission found a rate of return of 10.25% reasonable for 1988.

PWC purchases its power from Pacific Gas and Electric Company and water from the Sonoma County Water Agency. The offset increase requested herein is primarily for the purpose of recovering in rates, on a dollar-for-dollar basis, the increases in purchased power and purchased water costs 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 PWC.

Service is satisfactory. In D.87-11-054 the Commission ordered the utility to undertake a comprehensive improvement program to correct serious deficiencies in the water system. The Water Utilities Branch (Branch) will thoroughly review PWC's progress in this area in the utility's current general rate increase request filed on October 5, 1990.

PWC has not experienced any reductions in its source of water supply during the current drought and as a result has not adopted any water conservation measures. The utility has declared its intention to develop a water conservation program, which is being reviewed by the Branch in the utility's current general rate case filing.

PWC mailed a notice of this increase request to its customers on October 5, 1990. No protest or correspondence has been received.

The increase which is a result of a change in the cost of purchased power is directly related to water consumption in the Canon Manor service area and is applied to the quantity blocks for metered service in that service area. The quantity rates will be increased by \$0.05 per Ccf (one Ccf equals one hundred cubic feet). PWC provides water service to about 60 customers in the Canon Manor service area.

The increase which is a result of a change in the cost of purchased water is directly related to water consumption in the Penngrove service area (serving about 337 customers) and is applied to the quantity blocks for metered service in that service area. The quantity rates will be increased by \$0.03 per Ccf.

The tables below show typical bills for residential customers at various usage levels at present and proposed rates:

General Metered Service (5/8 x 3/4-inch meters) Canon Manor Service Area

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
0 Ccf	\$ 3.00	3.00	0.00%
5	3.65	3.90	6.85
10	6.65	7.15	7.52
15	9.65	10.40	7.77
20 (avg)	12.65	13.65	7.91
30	18.65	20.15	8.04
50	30.65	33.15	8.16
100	60.65	65.65	8.24

General Metered Service (5/8 x 3/4-inch meters) Penngrove Service Area

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
0 Ccf	\$ 3.00	3.00	0.00%
5	8.45	8.60	1.78
10	14.75	15.05	2.03
17 (avg)	23.57	24.08	2.16
20	27.35	27.95	2.19
30	39.95	40.85	2.25
50	65.15	66.65	2.30
100	128.15	131.15	2.34

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

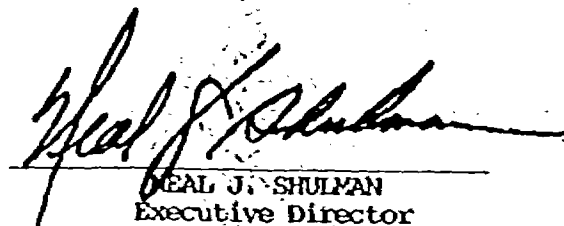
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rates are just and reasonable.

IT IS ORDERED that Penngrove Water Company is authorized, on the effective date herein, to make effective revised Schedule Nos. P-1 and C.M.-1, attached to Advice Letter 16, and to cancel the presently effective rate schedules for metered water service in Penngrove and Canon Manor.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on December 19, 1990. The following commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director