

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory & Compliance Division
Water Utilities Branch

RESOLUTION NO. W-3552
April 10, 1991

RESOLUTION

(RES. W-3552), ARMSTRONG VALLEY WATER COMPANY (AVWC).
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$1,525 OR 1.91% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter 38, filed March 1, 1991, AVWC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset a \$1,525 increase in purchased power costs from Pacific Gas and Electric Company (PG&E). AVWC serves 301 metered rate customers in areas located about 1-1/2 miles north of, and 2-1/2 miles east of, the city limits of Guerneville, Sonoma County.

The present rates became effective on September 14, 1989 pursuant to Resolution No. W-3464 dated September 7, 1989 which authorized a rate of return of 10.75% for test year 1989.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in items that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

The reason for the \$1,525 increase in purchased power costs is due to PG&E's increase in its electricity quantity rates from \$0.10956 to \$0.14004 per kilowatt-hour (kWh) in summer and from \$0.09004 to \$0.11513 per kWh in winter effective January 1, 1991.

This increase is the result of changes related to water consumption, so it is applied to the quantity block for metered service. The total quantity rate will increase by \$0.044 per Ccf (One Ccf is equal to one-hundred cubic-feet).

To determine if purchased power is being used efficiently, the Water Utilities Branch (Branch) reviewed the latest pump efficiency tests and found them satisfactory.

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

To promote conservation, AVWC has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption.

This increase will result in a \$0.42 per month or 1.9% increase for the average customer using 9.7 Ccf/mo. The average monthly bill will increase from \$22.03 to \$22.45 or 1.9%.

PROTEST

AWC has given public notice of the request for increase by publishing in the local newspaper on February 27, 1991. No customer protests or correspondence have been received.

FINDINGS

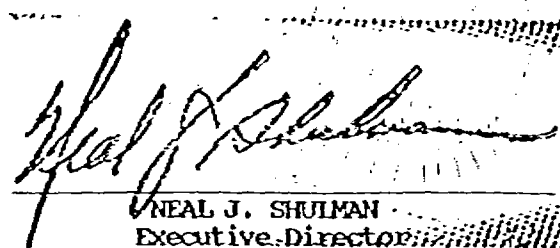
Armstrong Valley Water Company is directed to maintain its balancing account(s) as required by Public Utilities Code Section 792.5.

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 Armstrong Valley Water Company is authorized, on the effective date herein, to make effective revised Schedules No. A-1A and N-1A attached to Advice Letter No. 38 and to cancel the presently effective rate schedules 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 April 10, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHIMWAY
Commissioners