

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3574  
June 5, 1991

## R E S O L U T I O N

(RES. W-3574), CALIFORNIA WATER SERVICE COMPANY (CWS),  
MARYSVILLE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$38,100  
OR 4.0%.

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BACKGROUND

By Advice Letter 1188, filed April 9, 1991, CWS requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) a \$18,200 increase in purchased power expense from Pacific Gas and Electric Company (PG&E), (2) a \$1,700 increase in postage expense, (3) a \$19,200 increase due to an undercollection in the purchased power balancing account, and (4) a \$1,000 decrease in ad valorem taxes. CWS serves about 1,068 metered customers and 2,689 non-metered customers in the Marysville District.

The present rates became effective on January 1, 1991, pursuant to Decision 89-04-005 which authorized a \$38,700 increase.

DISCUSSION

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

The reasons for the above cost changes are as follows: (1) an \$18,200 increase in purchased power expense to reflect an increase in the average cost of electric energy from \$0.10520 per kilowatt-hour (kWh) based on PG&E's January 1, 1990 rates to an average cost of \$0.11220 per kWh based on PG&E's January 1, 1991 rates, (2) a \$1,700 increase in postage expenses to reflect an average percentage increase of CWS cost of mail of 16.5% due to the United States Postal Service postage rate increases effective February 3, 1991, and (3) an undercollection of \$19,200 in the purchased power balancing account, and (4) a \$1,000 decrease in ad valorem taxes.

The requested expense offset will result in a 4.17% in quantity rate and a 1.72% increase in residential flat rate service.

To ensure that purchased power is being used economically, the Branch reviewed the latest pump efficiency tests for this district and found the results to be satisfactory.

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

To promote water conservation, CWS has established a water conservation program in the Marysville District which includes leak repair and main replacement programs, conservation brochures, bill inserts, water kit distributions, paid conservation advertisements and conservation displays in the office. No other water conservation measures are required at this time.

At the proposed rates, the typical residential metered customer's bill will increase from \$12.29 to \$12.50 per month or 1.71% for an average use of 1,500 cubic feet.

PROTESTS

CWS published a legal notice in the "Appeal-Democrat", a local newspaper, on April 16, 1991. No protests have been received.

FINDINGS

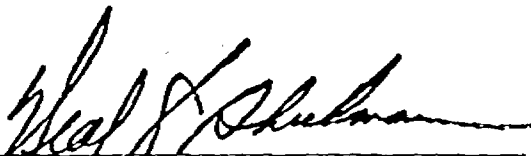
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that California Water Service Company is directed to maintain its balancing account as required by the Public Utilities Code Section 792.5. California Water Service Company is authorized, on the effective date herein, to make effective revised Schedule No. MR-1, General Metered Service, and Schedule No. MR-2R, Residential Flat Rate Service, as attached to Advice Letter No. 1188 and to cancel the presently effective Schedules Nos. MR-1 and MR-2R.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 5, 1991. The following Commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director