

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3577
June 5, 1991

R E S O L U T I O N

(RES. W-3577), CALIFORNIA WATER SERVICE COMPANY (CWS),
DIXON DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$11,100
OR 1.6%.

BACKGROUND

By Advice Letter 1186, filed April 9, 1991, CWS requested authority under Section VI of General Order 96-A to increase rates for water service for its Dixon District to offset: (1) a \$9,900 increase in purchased power expense from Pacific Gas and Electric Company (PG&E), and (2) an \$1,200 increase in postage expense. CWS serves about 2,600 metered customers in its Dixon District.

The present rates for the Dixon District became effective on January 1, 1991, pursuant to Decision No. 89-04-005, dated April 12, 1989.

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 expense changes are as follows: (1) a \$9,900 increase in purchased power expense to reflect an increase in the average cost of electric energy from \$0.11321 per kilowatt-hour (kwh) based on PG&E's January 1, 1990 rates to an average cost of \$0.12689 per kwh based on PG&E's January 1, 1991, and (2) a \$1,200 increase in postage expenses to reflect an average percentage increase for CWS's cost of mail of 16.5% due to the United States Postal Service postal rates increase effective February 3, 1991.

The requested expense offset will result in an increase in quantity rates of \$0.0154 per Ccf.

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

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 water conservation programs in the Dixon District which include leak repair and main replacement programs, conservation brochures, bill inserts, water kit distributions, paid conservation advertisements and conservation displays in the office.

At the proposed rates, the typical residential customer's bill will increase from \$17.85 to \$18.15 per month or 1.68% for an average use of 1,940 cubic feet.

PROTESTS

CWS published a notice of this increase request in a local newspaper on April 12, 1991. No protests have been received.

FINDINGS

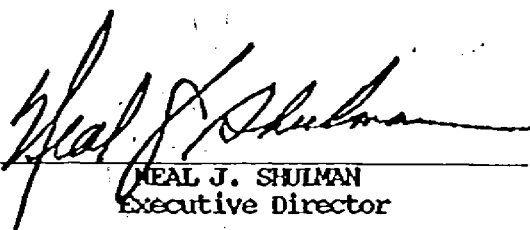
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. California Water Service Company is authorized, five days after the effective date herein, to make effective revised Schedule No. DX-1, General Metered Service, as attached to Advice Letter No. 1186 and to cancel the presently effective Schedule No. DX-1.
2. California Water Service Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.
3. 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