

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3578
June 5, 1991R E S O L U T I O N

(RES. W-3578), CALIFORNIA WATER SERVICE COMPANY (CWS),
SELMA DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$12,600
OR 1.0%.

BACKGROUND

By Advice Letter 1189, filed April 9, 1991, CWS requested authority under Section VI of General Order 96-A to increase rates for water service for its Selma District to offset: (1) a \$13,100 increase in purchased power expense due to Pacific Gas and Electric Company (PG&E)'s rate increase, (2) a \$1,700 increase in postage expense, and (3) a \$2,200 decrease in ad valorem taxes. CWS serves about 4,050 metered and flat rate customers in its Selma District.

The present rates for the Selma District became effective on March 18, 1991, pursuant to Decision No. 91-03-014, dated March 13, 1991.

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 \$13,100 increase in purchased power expense to reflect an increase in the average cost of electric energy from \$0.10513 per kilowatt-hour (kwh) based on PG&E's January 1, 1990 rates to an average cost of \$0.11329 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 for CWS's cost of mail of 16.5% due to the United States Postal Service postal rates increase effective February 3, 1991, and (3) a \$2,200 reduction in ad valorem taxes to reflect a composite tax rate of 0.783%, which is lower than the adopted composite tax rate of 0.841%.

The requested expense offset will result in a 1.30% increase in quantity rates and a 1.09% increase in residential flat rate service.

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.

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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's has established water conservation programs in the Selma 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 \$26.09 to \$26.33 per month or 0.92% for an average use of 3,893 cubic feet.

PROTESTS

CWS's published a notice of this increase request in a local newspaper on April 17, 1991. No protests have been received.

FINDINGS

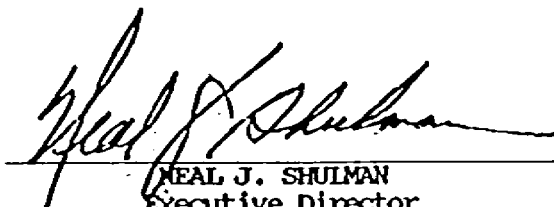
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. California Water Service Company is authorized, five days after the effective date herein, to make effective revised Schedule No. SL-1, General Metered Service, and Schedule No. SL-2R, Residential Flat Rate Service, attached to Advice Letter No. 1189 and to cancel the presently effective Schedules Nos. SL-1 and SL-2R.
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