

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3581  
June 19, 1991

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

(RES. W-3581), GREAT OAKS WATER COMPANY (GOWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING ADDITIONAL  
ANNUAL REVENUES OF \$987,564 OR 24.0%.

**BACKGROUND**

By Advice Letter 130, filed May 20, 1991, GOWC requested authority under Section VI of General Order 96-A to increase rates for water service to offset: (1) a \$904,037 increase in pump tax, (2) a \$8,997 increase in postage expense, and (3) a \$74,530 undercollection in its balancing account. GOWC serves about 18,000 metered customers within the city of San Jose, Santa Clara County.

The present rates became effective on September 25, 1991, pursuant to Resolution No. W-3519.

**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 increase caused by changes in the costs of the pump tax and postage is applied to the quantity blocks for metered customers. (1) The pump tax increased from the July 1, 1990 rate of \$175/acre feet to the July 1, 1991 rate of \$262/acre feet. (2) The postage rate increased from \$0.25 to \$0.29 from 1990 to 1991. (3) The undercollection in the balancing account is \$74,530 and should be amortized over a 12-month period.

The requested expense offset will result in a 24.0% increase in quantity rates.

To ensure that purchased power is being used economically, the Water Utilities Branch (Branch) reviewed the latest pump efficiency tests for this utility 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, GOWC's has established water conservation programs in the service area which include leak repair and main replacement programs, conservation brochures, bill inserts, water kit distributions, paid conservation advertisements and conservation displays in the office.

June 19, 1991

At the proposed rates, the typical residential customer's bill will increase from \$14.43 to \$18.02 per month or 24.9% for an average use of 1,500 cubic feet.

PROTESTS

GOWC has sent a notice of this increase to each customer because the increase is over 10%. Nine customers' protests were received and the Branch has responded.

FINDINGS

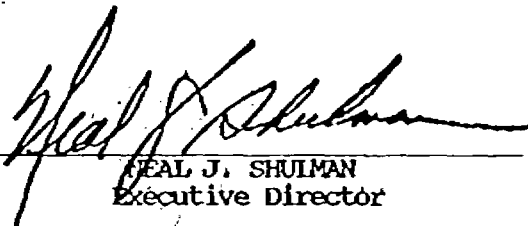
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

**IT IS ORDERED that:**

1. Great Oaks Water Company is authorized, on July 1, 1991, to make effective revised Schedule No. 1, General Metered Service, attached to Advice Letter No. 130 and to cancel the presently effective Schedule No. 1.
2. Great Oaks Water 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 19, 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