

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3585
July 2, 1991**R E S O L U T I O N**

**(RES. W-3585), CALIFORNIA-AMERICAN WATER COMPANY (CAWC),
VILLAGE DISTRICT. ORDER AUTHORIZING AN OFFSET
RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF
\$1,372,882 OR 14.76%.**

BACKGROUND

By Advice Letter 373, filed May 20, 1991, CAWC 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 \$1,227,294 increase in purchased water expense, (2) a \$3,549 increase in purchased power expense, (3) a \$10,477 increase in postage expense, (4) a corresponding \$18,781 increase in franchise and uncollectibles expenses, and (5) a \$112,782 increase for balancing account undercollections. CAWC serves about 17,068 metered customers in the Village District.

The present rates became effective on July 18, 1990, pursuant to Resolution No. W-3504 which authorized a \$161,987 increase for purchased water.

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 increase are as follows: (1) effective July 1, 1991, the Calleguas Municipal Water District will increase the purchase water costs from \$271 per acre foot to \$457 per acre foot. This increase from the Calleguas Municipal Water District is due to major capital construction projects and increased wholesale costs from Metropolitan Water District, (2) an increase in the rates for Southern California Edison, and (3) an increase in postage rates, effective April 1, 1991.

The requested expense offset will result in an increase in quantity rate of \$0.1886 per Ccf. Due to the undercollection in the balancing account, a surcharge of \$0.0169 per Ccf is to be added to the quantity rates for a 12-month period.

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.

July 2, 1991

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

To promote water conservation, CAWC has established a water conservation program in the Village 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 \$4.31 from \$30.94 to \$35.25 per month or 13.93% for an average use of 2100 cubic feet.

PROTESTS

CAWC has notified each customer about the increase because it is greater than 10%. Seventeen protests have been received about the increase and the Branch has responded to them.

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-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedule Nos.: V-1, General Metered Service; V-9FL, Residential Flat Rate Service; V-4, Private Fire Protection; and V-9MC, Metered Construction Service, as attached to Advice Letter No. 373 and to cancel the presently effective Schedules Nos. V-1, V-9FL, V-4, and V-9MC.
2. California-American Water Company is directed to maintain its balancing account as required by the 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 July 2, 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