

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3629  
January 10, 1992

## RESOLUTION

(RES. W-3629), BAKMAN WATER COMPANY (BWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$22,471 OR 4.1% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter No. 45, filed December 13, 1991, BWC requested authority under Section VI of General Order No. 96-A and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$10,900 increase in water testing costs; (2) a \$5,400 increase in the underground recharge program; and (3) a \$6,171 increase due to plant additions authorized by Resolution No. W-3502. BWC presently serves approximately 33 metered and 1,968 flat rate customers in an area about 1.5 miles east of downtown Fresno, Fresno County.

The present rates became effective May 25, 1991, pursuant to Decision No. 91-03-065 which authorized a surcharge to repay a Safe Drinking Water Bond Act Loan. The last general rate increase became effective on July 17, 1990, pursuant to Resolution No. W-3502 which granted \$94,124 or 21.0% in additional annual revenue.

DISCUSSION

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

The reasons for the increase are as follows: (1) effective July 1, 1991, the State Department of Health Services required additional testing for bacteriological, organic, dibromochloropropane (DBCP) and nitrate contaminants; (2) effective April 24, 1991, the Fresno County Health Department and the City of Fresno required participation in a groundwater recharge program at a cost of \$5,400; and (3) in 1990 and 1991 BWC drilled and connected two new wells (well Nos. 8-A and 13-A) partially paid for by BWC.

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

To promote water conservation, BWC has an ongoing conservation program including distribution of free conservation kits containing low-flow washers and conservation literature.

The increase will result in a \$0.45 per month or a 4.5% increase for a typical flat rate residential customer whose rates will change from \$9.90 to \$10.35 per month, and a \$0.67 per month or a 1.0% increase for a typical large commercial metered customer using an average of 16,800 cubic feet of water per month whose rates will change from \$68.69 to \$69.36 per month.

RATE DESIGN

The \$22,471 increase is applied to the quantity charge portion of metered rates and to flat rates. The quantity rates for general metered service will be increased by \$0.004 per Ccf (one Ccf equals one hundred cubic feet). The typical flat rate residential customer's rates will change from \$9.90 to \$10.35 per month.

NOTICE AND PROTEST

BWC has given public notice of this increase request by publishing in a local newspaper on December 11, 1991. No letters protesting the increase have been received.

FINDINGS

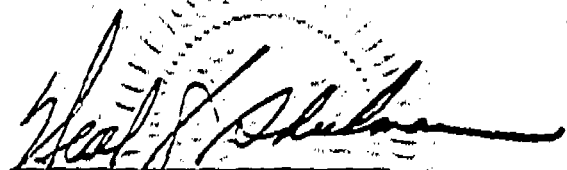
THE COMMISSION FINDS, after investigation by the Branch, that the requested rate increase hereby authorized is justified and the resulting rates are reasonable.

IT IS ORDERED that:

1. Bakman Water Company is authorized, five days after the effective date herein, to make effective revised rate Schedules 1, 2, and 4, attached to Advice Letter No. 45, and to cancel the presently effective rate schedules for water service. Its filing shall comply with General Order 96-A.
2. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on January 10, 1992. The following Commissioners approved it:

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

  
NEAL J. SHULMAN  
Executive Director