

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3646
June 3, 1992

R E S O L U T I O N

(RES. W-3646), CENTRAL VALLEY WATER COMPANY, (CVWC).
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
ADDITIONAL ANNUAL REVENUE OF \$556 OR 3.24% IN 1991.

BACKGROUND

By Advice Letter 18-A Supplement, filed September 26, 1991, CVWC 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 a \$3,237 increase in plant for the installation of production measuring devices to produce \$556 additional annual revenue requirement. Tulare County Water Company, Inc. and CVWC are small water utilities under common ownership and operation. CVWC serves 89 flat rate customers and a metered customer in a subdivision adjacent to the City of Dinuba in Tulare County.

The present rates became effective on July 3, 1989, pursuant to Resolution No. W-3450 which authorized a general rate increase producing \$6,969 or 68.4% additional annual revenue with a 10.75% rate of return on rate base for the test year 1989.

DISCUSSION

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

General Order No. 103, Rules Governing Water Service Including Minimum Standards For Design and Construction, requires each water utility to install a suitable measuring device, or otherwise determine production, at each source of supply in order that a record may be maintained of the quantity of water produced by each source. With this additional plant installed, the revenue requirement increases by \$556 per year to provide a return on the additional plant and to cover additional taxes, depreciation, and uncollectibles.

Since the amount of increase is not dependent on the quantity of water used, the increase is applied to the service charge portion of the the metered rates. This increase is \$0.50 per month for all meter sizes. The flat-rate charge has been increased by system-wide average increase.

To determine if purchased power is being used efficiently, the Water Utilities Branch reviewed the latest available pump efficiency tests and found the results satisfactory.

Service is generally satisfactory. There are no Commission orders requiring system improvements, nor are there significant service problems requiring corrective action. The Tulare County Department of Health Services has indicated that CVWC's water meets all drinking water standards currently in effect.

To promote water conservation, CVWC has distributed water saving packages to its customers.

At the proposed rates, the typical residential flat rate customer's bill will increase from \$14.45 to \$14.95 per month or approximately 3%.

NOTICE AND PROTESTS

CVWC mailed a notice of this increase request to all customers on October 24, 1991. No protests have been received. The Commission's Consumer Affairs Branch has not received any informal complaints involving CVWC in the last two years.

FINDINGS


1. CVWC's proposed summary of earnings in Advice Letter 18-A Supplement is reasonable and should be adopted.
2. The rate increase proposed by CVWC in Advice Letter 18-A Supplement is reasonable and should be adopted.
3. The rate increase authorized herein is justified and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. Authority is granted under Public Utilities Code Section 454 for Central Valley Water Company to make effective five (5) days after the effective date herein, revised Schedules Nos. 1, General Metered Service and 2R, Residential Flat Rate Service attached to Advice Letter 18-A Supplement, and concurrently to cancel its presently effective rates Schedules Nos. 1 and 2R.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 3, 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