

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION W-3665
August 11, 1992

RESOLUTION

(RES. W-3665), CALIFORNIA WATER SERVICE COMPANY (CWS),
LIVERMORE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$578,300 OR 12.2% ADDITIONAL ANNUAL
REVENUE.

BACKGROUND

By Advice Letter 1248, filed June 11, 1992, CWS requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates by \$578,300 to offset: (1) a \$551,900 increase in purchased water costs, (2) a \$31,900 increase in purchased power costs, (3) a \$12,400 decrease in ad valorem taxes, and (4) a \$6,900 increase in uncollectibles and franchise requirements. CWS serves about 14,500 metered customers in the city of Livermore and adjacent unincorporated areas of Alameda County.

The present rates became effective on January 1, 1992, pursuant to the provisions of Decision No. 91-03-014 which granted a general rate increase.

DISCUSSION

CWS's water is supplied from two sources, wells and a connection to the Alameda County Flood Control and Water Conservation District. Its electricity is supplied by Pacific Gas and Electric Company. The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in those offsettable items that have occurred since the present rates became effective. The requested increase will not result in a rate of return greater than last authorized.

Since the requested increase is caused primarily by changes in expenses directly related to water consumption, the Water Utilities Branch (Branch) recommends that it be applied to the quantity rates. Under the Branch's recommendation, the rates for all quantities of water delivered would be increased by \$0.1596 per Ccf (one Ccf is equal to one hundred cubic feet.) This rate change will increase the bill of the average user of 2,500 cu.ft. of water per month from \$32.56 to \$36.55 or 12.2%.

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

There are no Commission orders requiring system improvements at this time.

To promote conservation, CWS has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption.

NOTICE AND PROTEST

CWS has given public notice of the request for increase by enclosing a bill insert in the water bills. Two customer protests or correspondence have been received. Both have been answered.

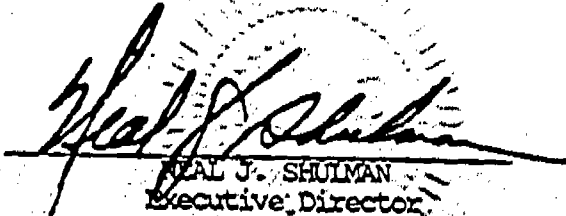
FINDINGS

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. IV-1 attached to Advice Letter No. 1248, and to cancel the presently effective rate schedule for water service.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 11, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.