

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO W-3666  
August 11, 1992

## RESOLUTION

(RES. W-3666), GERBER WATER WORKS, INCORPORATED (GWW),  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$2,806, OR 4.4% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter No. 27, filed May 8, 1992, GWW requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset a \$2,806 increase in purchased power costs. GWW serves 296 flat rate customers and 18 metered customers in Gerber and vicinity in Tehama County.

The present rates became effective on January 28, 1991, pursuant to Ordering Paragraph No. 2 of Commission Resolution W-3486, dated March 14, 1990. Resolution W-3486 found the rates of return on rate base of 10.64% for 1989, 10.58% for 1990, and 9.92% for 1991 reasonable.

DISCUSSION

GWW's power is purchased from Pacific Gas and Electric Company (PG&E). The offset increase requested herein is for the purpose of recovering the increases in electric power costs that have occurred since the present rates became effective. The requested rate increase will not result in a rate of return greater than the 9.92% last authorized for GWW.

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

GWW has requested PG&E to test the efficiency of its pumps; however, PG&E has not yet scheduled the tests. GWW informed the Branch that one of its two pumps was replaced in January of 1991.

The table below shows the effect this increase would have on the typical bills for flat rate customer and metered customers at various usage levels at present and proposed rates per month:

<u>Flat Rate:</u>	<u>Present</u>	<u>Proposed</u>
1. For a single-family residential unit including premises not exceeding 7,500 sq.ft. in area.....	\$16.70	\$17.40
a. For each 100 sq.ft. of premises in excess of 7,500 sq.ft. ....	\$0.088	\$0.092
2. For each small store or business ....	\$12.55	\$13.10

General Metered Service:  
For 5/8 x 3/4-inch meters:

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
5	\$13.68	\$13.90	1.61
11 (avg)	20.02	20.51	2.45
15	24.23	24.90	2.77
20	29.50	30.40	3.05
30	40.05	41.40	3.37
50	61.15	63.40	3.68

NOTICE AND PROTEST

GWW has given public notice of the request for increase by publishing in the Red Bluff Daily News on June 6, 1992. The Water Utilities Branch (Branch) received three letters protesting the increase. The Branch responded to the three letters.

FINDINGS

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

IT IS ORDERED that:

1. Gerber Water Works Incorporated is authorized, five days after the effective date herein, to make effective revised Schedule Nos. 1 and 2, attached to Advice Letter No. 27, and to cancel the presently effective Schedule Nos. 1 and 2.
2. This resolution is effective August 11, 1992.

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

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

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



NEAL J. SHULMAN  
Executive Director