

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3667
August 11, 1992

RESOLUTION

(RES. W-3667) CALIFORNIA WATER SERVICE COMPANY (CWS),
SOUTH SAN FRANCISCO DISTRICT. ORDER AUTHORIZING AN
OFFSET RATE INCREASE PRODUCING \$422,300 OR 7.7%
ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter 1246, filed June 1, 1992, CWS 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 \$1,400 increase in purchased power cost from Pacific Gas & Electric Company (PG&E), (2) a \$427,300 increase in purchased water costs from the San Francisco Water Department (SFWD), (3) a \$6,800 decrease in ad valorem taxes, and (4) a \$400 increase in uncollectibles. CWS serves approximately 14,923 customers in the City of South San Francisco, San Mateo County.

The present rates became effective January 1, 1992, pursuant to Advice Letter No. 1222, which authorized a step rate increase. The last general rate increase became effective April 26, 1989, pursuant to Decision No. 89-04-060 which authorized an increase of \$349,500, or 10.24% for 1989, \$190,700 or 5.07% for 1990, and \$57,400 or 0.7% for 1992. The rates of return on rate base of 11.33% for 1989, 1990, and 1991 were found to be reasonable.

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 purchased power cost increase is due to a rate increase by PG&E of \$0.00105 effective January 1, 1992. The purchased water cost increase is due to a 18.75% increase in wholesale water rates by the SFWD. The ad valorem taxes have been reduced by \$6,800 and the uncollectibles have increased \$400.

The balancing account undercollection for water production costs as of March 31, 1992, totals \$60,000. This amount does not need to be amortized at this time because it is only .01% of gross revenue.

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

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

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

The increase will result in a \$1.91 per month or 7.59% increase for the average 5/8 x 3/4-inch residential customer using 15 Ccf per month (One Ccf equals one hundred cubic feet). The average monthly metered bill will increase from \$25.17 to \$27.08.

RATE DESIGN

The increases, which are the result of changes in the cost of purchased power and purchased water are related to water consumption and are applied to the quantity block for metered service. The quantity rate for general metered service will be increased by \$0.1273 per Ccf for the 0 - 500 Ccf block and by \$0.1273 for the over 500 Ccf block.

NOTICE AND PROTEST

CWS has given public notice of this increase request by publishing in a local newspaper on June 6, 1992. No letters protesting the increase have been received.

FINDINGS

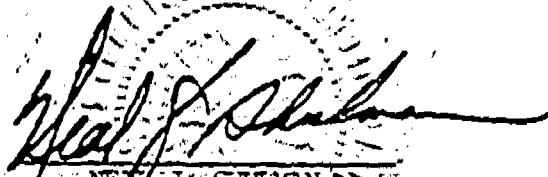
The Commission finds, after investigation by the Branch, that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable.

IT IS ORDERED that:

1. California Water Service Company is authorized, to make effective, five days after the date herein, revised Schedule No. SS-1 attached to Advice Letter No. 1246 and to cancel the presently effective rate schedules for water service.
2. This resolution is effective today.

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


NEIL J. SHULMAN
Executive Director

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