

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3679  
September 2, 1992

## RESOLUTION

(RES. W-3679), PENNGROVE WATER COMPANY (PWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$7,732 OR  
4.00% ADDITIONAL ANNUAL REVENUE.

**BACKGROUND**

By Advice Letter 21, filed July 8, 1992, PWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset a \$7,732 increase in purchased water costs. PWC serves approximately 407 metered customers in two areas of Penngrove and vicinity, Sonoma County.

The present rates became effective on April 10, 1991, pursuant to Resolution W-3553 which authorized an increase in gross annual revenue of \$77,431, or 72.0% for test year 1991.

**DISCUSSION**

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

The reason for the \$7,732 increase in purchased water costs is due to increases in purchased water charges from Sonoma County Water Agency (SCWA). The purchased water rate increased from \$268.21 per Acre-Foot to \$318.08 per Acre-Foot.

The increase in purchased water costs has been applied to the quantity portion of the rates since it is a variable cost directly related to water consumption. The rates for all quantities of water delivered would be increased by \$0.0800 per Ccf (One Ccf is one hundred cubic feet).

Service is generally satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

PWC has not experienced any reductions in its source of water supply during the current drought and as a result has not adopted any water conservation measures.

The table below shows the effect this rate increase would have on typical bill for a residential customer at present and proposed rates:

GENERAL METERED SERVICE (5/8 X 3/4-INCH METERS)

<u>MONTHLY USAGE (Cf)</u>	<u>PRESENT RATES</u>	<u>PROPOSED RATES</u>	<u>PERCENT INCREASE</u>
0	\$ 6.00	\$ 6.00	0.00%
300	12.15	12.40	2.00
500	16.25	16.65	2.50
1,000	26.50	27.30	3.00
1,300 (avg.)	32.65	33.70	3.20
2,000	47.00	48.60	3.40
3,000	67.50	69.90	3.60
5,000	108.50	112.50	3.70

At the proposed rates, the typical residential customer's bill will increase from \$32.65 to \$33.70 per month or 3.20% for an average use of 13 Ccf per month.

NOTICE AND PROTEST

Penngrove Water Company mailed a notice of this increase request to its customers on July 7, 1992. One customer letter was received objecting to the rate increase. The Branch has mailed a letter to this customer explaining the reason for the rate increase authorized by this resolution.

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.

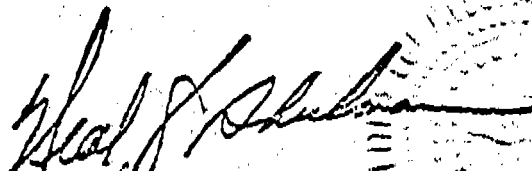
IT IS ORDERED that:

1. Penngrove Water Company is authorized, five days after the effective date herein, to make effective the revised schedule No. P-1 attached to Advice Letter 21 and to cancel the presently effective rate schedule No. P-1.
2. Penngrove is directed to establish and maintain a balancing account for purchased water as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 2, 1992. The following Commissioners approved it:

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

Commissioner Patricia M. Eckert,  
being necessarily absent, did not  
participate."

  
NEAL J. SHULMAN  
Executive Director

