

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3681
September 2, 1992

RESOLUTION

(RES. W-3681), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM),
VILLAGE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE
PRODUCING \$1,450,454 OR 13.13% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER 401-A SUPPLEMENTAL, FILED AUGUST 12, 1992.

BACKGROUND

By Advice Letter 401, filed May 27, 1992, amended on July 8, 1992, and by Advice Letter 401-A supplemental, filed August 12, 1992, Cal-Am requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$886,558 increase in purchased water expenses; (2) \$13,426 in related increases in uncollectibles and franchise taxes; and (3) a \$550,470 increase to amortize the undercollection in the balancing account. Cal-Am serves about 16,600 metered customers in the Village District, which includes portions of the cities of Thousand Oaks, Newbury Park and Camarillo, and adjacent unincorporated portions of Ventura County.

The present rates for the Village District became effective on May 16, 1992, pursuant to Decision No. 91-10-042 which authorized a voluntary conservation surcharge.

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 that previously authorized. The increase in purchased water is shown in the following table:

	<u>Adopted</u> <u>Rate</u> Per A.F.	<u>Present</u> <u>Rate</u> Per A.F. ¹	<u>Effective</u> <u>Date</u>
<u>Purchased Water</u> Calleguas MWD	\$347	\$408	7/1/92

1 A.F. = Acre foot of water

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity block. The rate for the quantity block will be increased by \$0.1496 per Ccf. One Ccf is one hundred cubic feet.

Village District's balancing account as of April 30, 1992, showed an undercollection of \$550,470. A surcharge of \$0.0915 per Ccf will be added to the quantity rates for 12 months.

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

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

The following table shows the effect that this rate increase will have on typical bills for a residential customer at present and proposed rates:

General Metered Service (5/8 X 3/4-inch Meters)

<u>Monthly Usage</u> (cf)	<u>Present Rates</u>	<u>Proposed Rates</u> ²	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
300	\$12.48	\$13.21	\$ 0.73	5.9%
500	15.13	16.34	1.21	8.0
1,000	21.77	24.19	2.42	11.1
2,000	35.03	39.87	4.84	13.8
2,264 (avg.)	38.53	43.99	5.46	14.2
3,000	48.30	55.54	7.24	15.0
5,000	74.83	86.89	12.06	16.1

For the average customer who uses 22.64 Ccf per month and has a 5/8 x 3/4-inch meter, this rate change will result in an increase of \$5.46 per month or 14.2%.

NOTICE AND PROTESTS

Cal-Am has given public notice of the request by mailing a Special Notice to all customers on May 21, 1992. The Water Utilities Branch has received 40 letters protesting the magnitude of the rate increase. The staff has reviewed and responded to each protest.

² Includes balancing account surcharge.

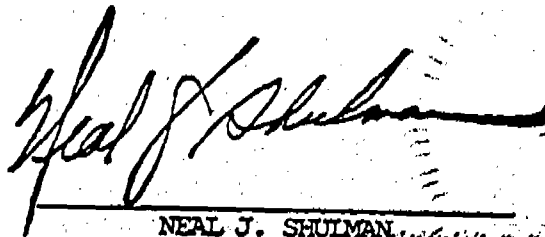
FINDINGS

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-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedule Nos. V-1 and V-9MC attached to Advice Letter 401-A Supplemental, and concurrently to cancel its presently effective rate Schedule Nos. V-1 and V-9MC. All rate schedules attached to the original Advice Letter 401 are hereby withdrawn and superseded.
2. California-American Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

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



NEAL J. SHULMAN
Executive Director

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

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