

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION W-3918
May 10, 1995

R E S O L U T I O N

(RES. W-3918) CALIFORNIA WATER SERVICE COMPANY, (CWS),
SALINAS DISTRICT. ORDER AUTHORIZING A RATE BASE
OFFSET RATE INCREASE PRODUCING \$28,700 OR 0.37%
ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER 1385, FILED FEBRUARY 22, 1995.

S U M M A R Y

This Resolution authorizes CWS to increase rates by \$28,700 or 0.37% to offset a rate base plant addition for its Salinas District in 1995. The increase will not result in a rate of return greater than last authorized for CWS.

B A C K G R O U N D

CWS requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code for a rate base plant addition and corresponding rate adjustment for the land purchase for the Dayton Street tank site in its Salinas District. This project was authorized by Ordering Paragraph 7 of Decision No. (D.) 94-07-047. CWS serves approximately 22,261 customers in Salinas and vicinity, Monterey County.

The present rates became effective January 1, 1995, pursuant to D.94-07-047, which authorized a general rate increase of \$192,070 or 2.5% for 1994, \$372,900 or 5.1% for 1995, \$330,800 or 4.5% for 1996, and \$330,800 or 4.3% for 1997. The rate of return on rate base of 9.29% was found to be reasonable for the test years.

D I S C U S S I O N

The rate base 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.

D.94-07-047 authorized CWS to file a rate adjustment upon the land purchase for the Dayton Street tank site. The decision allowed \$217,800 for the project in test year 1994. The Water Utilities Branch (Branch) reviewed CWS' calculations and concurs with its proposed rates. Branch confirmed that the land purchase has been completed.

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

The increase will result in a \$0.09 per month or 0.38% increase for the average 5/8 x 3/4-inch customer using 18.6 Ccf per month (one Ccf equals one hundred cubic feet). The average monthly metered bill will increase from \$23.73 to \$23.82.

RATE DESIGN

In accordance with the adopted rate design in D.94-07-047, 50% of the increase is applied to the service charge and the remaining 50% to the quantity rate. The quantity rate for general metered service will be increased by \$0.0026 per Ccf.

PROTESTS

As CWS included notice of the increase with the general rate increase application, no additional notice was made.

FINDINGS

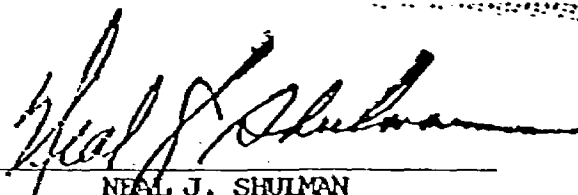
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. California Water Service Company is authorized, five days after the effective date herein, to make effective revised Schedules SA-1, SA-BK-1, SA-LL-1, and SA-OH-1, General Metered Service, attached to Advice Letter 1385 and to cancel the corresponding, 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 May 10, 1995. The following Commissioners approved it:

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
Commissioners


NEAL J. SHULMAN
Executive Director