

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3957  
January 10, 1996

**R E S O L U T I O N**

(RES. W-3957), CALIFORNIA WATER SERVICE COMPANY (CWS),  
SALINAS DISTRICT. ORDER AUTHORIZING A RATE BASE  
OFFSET RATE INCREASE PRODUCING \$99,500 OR 1.3%.

BY ADVICE LETTER NO. 1396, FILED OCTOBER 2, 1995.

SUMMARY

This Resolution authorizes CWS to increase rates by \$99,500 or 1.3% 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.

BACKGROUND

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 field office remodel and a one million gallon (MG) tank. 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, 1996, with the filing of Advice Letter No. 1411, a step rate increase of \$247,300 or 3.2%, pursuant to D.94-07-047, dated July 20, 1994.

DISCUSSION

The rate base offset increase requested herein is for the purpose of recovering in rates the cost of field office remodeling and the addition of a 1.0 MG tank. 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 completion of the field office remodel and the 1.0 MG tank. The decision allowed \$652,254 for the projects 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 \$0.32 per month or 1.3% 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 \$24.55 to \$24.87.

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 \$0.0091 per Ccf.

PROTESTS

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

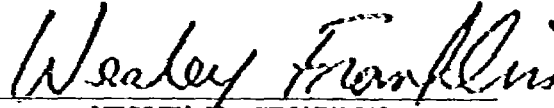
FINDINGS

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 Schedules SA-1, SA-BK-1, SA-LL-1, and SA-OH-1, General Metered Service, attached to Advice Letter 1396 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 January 10, 1996. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEPPER  
Commissioners