

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3961*
JANUARY 10, 1996

RESOLUTION

(RES. W-3961), BIG HILL WATER COMPANY (BHC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$11,217 OR
17.12% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER 19, FILED SEPTEMBER 29, 1995.

SUMMARY

This Resolution authorizes BHC to increase rates by \$11,217 or 17.12% to offset charges in operating costs that have occurred since its present rates became effective. The increase will not result in a rate of return greater than last authorized to BHC.

BACKGROUND

BHC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to offset a \$33,651 increase due to an undercollection in its purchased power balancing account. BHC serves about 281 metered customers in its two service areas located in Tuolumne County.

The present rates became effective on March 6, 1987, pursuant to Resolution (Res.) W-3349 which authorized BHC a general rate increase.

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 rate of return greater than that previously authorized.

The reason for the above expense change is due to an accumulated undercollection in the balancing account at the end of July, 1995 of approximately \$33,651 and authorized increases in PG&E rates since 1987.

Since the requested increase is caused by changes in expenses directly related to water consumption, the increase should be applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.36 per Ccf. (One Ccf is equal to one-hundred cubic-feet.)

In addition, in accordance with the Commission's balancing account policy for water utilities, the undercollections in the balancing account should be amortized over a 36-month period by adding a surcharge of \$0.36 per Ccf.

There are isolated service problems within the system that will be addressed in the general rate case proceeding currently before the Commission. There are no current Commission orders requiring system improvement.

NOTICE AND PROTESTS

A notice of the proposed balancing account amortization increase was mailed to each customer by BHC on November 1, 1995. The Branch has not received any letters protesting the increase.

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. Big Hill Water Company is authorized, five days after the effective date herein, to make effective revised Schedules Nos. BH-1 and MG-1, General Metered Service, attached to Advice Letter No. 19, and concurrently to cancel its presently effective rate Schedules Nos. BH-1 and MG-1.
2. Big Hill 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 January 10, 1996. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

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