

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION W-3987  
June 6, 1996

RESOLUTION

(RES. W-3987), AMBLER PARK WATER UTILITY (APWU). ORDER  
AUTHORIZING AN INTERIM GENERAL RATE INCREASE PRODUCING  
ADDITIONAL ANNUAL REVENUE OF \$23,612 (13.7%) IN 1996.

BY DRAFT ADVICE LETTER FILED ON OCTOBER 18, 1995.

SUMMARY

This Resolution grants an interim increase in gross annual revenue of \$23,612 for Test Year 1996. The increase will provide APWU with a rate of return of 6.5% which is roughly one-half of the rate of return guideline for Class D water utilities. The increase is necessary to provide APWU monies to pay its current operating expenses.

BACKGROUND

APWU requested authority under Section VI of General Order No. 96-A and Section 454 of the Public Utilities Code to increase rates by \$77,320 or 44.12%. APWU presently serves about 370 metered customers in an unincorporated area of Monterey County along the Salinas-Monterey highway (State Route 68).

APWU's last general rate increase was authorized by Resolution W-3236, dated May 20, 1985, which granted an increase of \$39,940 or 53%. APWU received a one-time surcharge for reimbursement of California Department of Health Services fees in 1994.

DISCUSSION

APWU's management states that expenses outweigh revenues, and that, without an interim rate increase, it will lose approximately \$8,000 in test year 1996. Additionally, APWU is behind in paying its power bills and other operating expenses.

APWU's informal request was converted to a formal matter (A.96-03-016, dated March 7, 1996) due to the response to the notice of the increase which was mailed to each customer on January 12, 1996.

In view of this critical need for more revenue, and because the time required to process this case has been extended due to its conversion to a formal case, the Small Water Utilities Branch (Branch) recommends an interim rate increase be granted to APWU, subject to refund, pending the final results of the staff investigation and the evidentiary hearing.

NOTICE, PUBLIC MEETING, AND PROTESTS

A notice of the proposed rate increase was mailed to each customer on January 12, 1996. The Branch received four telephone calls, four letters, and two petitions bearing approximately 320 signatures representing about 306 households. They complained about the increase and requested that a formal hearing be held in Salinas, and an Administrative Law Judge be assigned to receive evidence.

Branch staff conducted an informal public meeting on Monday, February 5, 1996, in Salinas to discuss the proposed increase. Approximately 70 customers attended. Most of the questions and comments were general in nature. Many were critical of the high service charge rate for larger meter sizes required by Monterey County for fire sprinklers. There were several questions regarding the Commission's procedures and the possibility of having a formal hearing in Salinas.

At the Branch's recommended rates shown in Appendix A, the monthly bill for a typical residential APWU customer with a 5/8-inch x 3/4-inch meter would increase from \$37.08 to \$38.69; for a customer with a one-inch meter, the monthly bill would increase from \$39.38 to \$45.99.

FINDINGS

1. The interim rates recommended by the Branch (Appendix A) are reasonable and should be adopted.
2. The rate increase authorized herein should be subject to refund pending the completion of the staff investigation and the evidentiary hearing.

IT IS ORDERED that:

1. Amblér Park Water Utility is authorized to file an advice letter adopting the revised Schedule Nos. 1, General Metered Service, and 4, Private Fire Protection, attached to this resolution as Appendix A, and concurrently to cancel its presently effective rate Schedule Nos. 1 and 4. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be not earlier than five days after the date of its filing.
2. The rate increase authorized herein is subject to refund pending final resolution of Amblér Park Water Utility's rate increase request.

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APWU/DR AL/RUT/DUS:jlj

3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 6, 1996. The following Commissioners approved it:

*Wesley Franklin*  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President

JESSIE J. KNIGHT, Jr.

HENRY M. DUQUE

JOSIAH L. NEEPER  
Commissioners

Commissioner Daniel Wm. Fessler,  
being necessarily absent, did not  
participate.

APPENDIX A  
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Ambler Park Subdivision, Rim Rock Subdivision, and Rancho El Toro Country Club, located 9 miles southwest of Salinas, Monterey County.

RATES

Quantity Rate:

All water used per 100 cubic feet .....\$ 1.61 (D) (I) (R)

Service Charges:

	<u>Per Meter</u> <u>Per Month</u>	
For 5/8 x 3/4-inch meter .....	\$ 4.90	(I)
For 3/4-inch meter .....	7.35	(I)
For 1-inch meter .....	12.20	(I)
For 1-1/2-inch meter .....	24.40	(I)
For 2-inch meter .....	39.05	(I)
For 4-inch meter .....	122.10	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

- 1. All bills are subject to the reimbursement fee as set forth in Schedule No. UF. (D) (L) (L)

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately-owned fire protection systems.

TERRITORY

Ambler Park Subdivision, Rim Rock Subdivision, and Rancho El Toro Country Club, located 9 miles southwest of Salinas, Monterey County.

RATE

Per Service  
Per Month

For each inch of diameter of service connection..... \$ 1.70 (I)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility and are maintained to the satisfaction of the utility. The utility may install the standard detector-type meter approved by the Board of Fire Underwriters for protection against theft, leakage, or waste of water and the cost paid by applicant. Such payment shall not be subject to refund.

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Schedule No. 4  
(continued)

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (continued)

5. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.
6. All bills are subject to the reimbursement fee as set forth in Schedule No. UF. (N)  
(N)