

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION W-3993*
July 17, 1996

R E S O L U T I O N

(RES. W-3993), COAST SPRINGS WATER COMPANY, INC. (CSWC).
ORDER AUTHORIZING AN INTERIM GENERAL RATE INCREASE PRODUCING
ADDITIONAL ANNUAL REVENUE OF \$16,338 (20%) IN 1996.

BY DRAFT ADVICE LETTER FILED ON MAY 28, 1996.

SUMMARY

This resolution grants an interim increase in gross annual revenue of \$16,338 for Test Year 1996. The increase will provide CSWC with no rate of return on its rate base, but with sufficient monies to pay its current cash operating expenses.

BACKGROUND

CSWC requested authority under Section VI of General Order No. 96-A and Section 454 of the Public Utilities Code to increase rates by \$65,540 or 78%. CSWC presently serves approximately 238 metered customers in Dillon Beach, Marin County.

CSWC's last general rate increase was authorized by Resolution W-3535 which granted an increase of \$21,475 or 38.3% in 1991. CSWC was also granted a Consumer Price Index increase of 2.7% in 1995.

DISCUSSION

In 1995, CSWC recorded a loss of \$24,089 from water operations. As a result, CSWC filed a draft advice letter requesting a general rate increase. The Accounting and Auditing Branch estimated that an additional \$16,338 will be necessary to meet its operating expense requirement for 1996.

In view of this extremely large negative cash flow problem, the Water Utilities Branch (Branch) recommends an interim rate increase of \$16,338 be granted to CSWC, subject to refund, pending the final results of the staff investigation needed to set permanent rates.

NOTICE AND PUBLIC MEETING

The Branch will conduct an informal public meeting on July 31, 1996. At the meeting, customers will be notified about the interim rate increase, however discussion will center on the permanent rate increase.

APPENDIX A

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Dillon Beach and vicinity, located approximately 4 miles west of Tomales, Marin County.

RATES

Quantity Rate:

All water, per 100 cu.ft. \$ 3.64 (I)

Annual Service Charge:

| | <u>Charge Per Year</u> | <u>SDWBA Surcharge Per Month</u> |
|--------------------------------|----------------------------|--|
| For 5/8 x 3/4-inch meter | \$ 283.00 (I) | \$ 13.35 |
| For 3/4-inch meter | 396.00 | 20.00 |
| For 1-inch meter | 593.00 | 33.40 |
| For 1-1/2-inch meter | 890.00 | 66.75 |
| For 2-inch meter | 1,362.00 (I) | 106.80 |

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. The established billing cycle is every other month (bi-monthly).
2. The SDWBA (Safe Drinking Water Bond Act) surcharge is in addition to the water bill. This surcharge must be identified on each bill. The surcharge is specifically for the repayment of the California SDWBA loan authorized by D.87-10-044.

(continued)

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.

IT IS ORDERED that:

1. Coast Springs Water Company, Inc. is authorized to file an advice letter adopting the revised Schedule No. 1A, Annual General Metered Service, attached to this resolution as Appendix A, and concurrently to cancel its presently effective rate Schedule No. 1A. 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 Coast Springs Water Company's rate increase request.
3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 17, 1996. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

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