

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Small Water Branch

RESOLUTION W-4016
December 20, 1996

R E S O L U T I O N

(RES. W-4016), TAHOE PARK WATER COMPANY, (TPWC). ORDER
AUTHORIZING A RATE BASE OFFSET RATE INCREASE PRODUCING
\$13,080 OR 9.5% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER 44, FILED AUGUST 23, 1996.

SUMMARY

This Resolution grants TPWC an increase in gross annual revenues of \$13,080 or 9.5% to offset a rate base plant addition for its Tahoe Park service area in 1996. The increase will not result in a rate of return greater than last authorized for TPWC.

BACKGROUND

TPWC requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates for water service to offset capital investment for the construction of a ground water well and pipe and pump installation. TPWC serves approximately 525 customers in an unincorporated area outside Tahoe City, Placer County.

Because the water supply project benefits only customers in its Tahoe Park service area, TPWC proposed to maintain the current rates in the Skyland-Nielson service area, and raise rates only for the Tahoe Park service area.

The present rates became effective on January 15, 1996, pursuant to Resolution W-3962, which authorized an offset rate increase of \$9,789 or 7.63% in additional revenues. TPWC's last General Rate Case (GRC) was authorized by Commission Resolution W-3905, dated January 5, 1995, which granted an increase of \$11,960 or 10.28%.

DISCUSSION

Resolution W-3905, dated January 5, 1995, authorized TPWC to file advice letter to begin recovering its costs for the plant additions after the plant additions have been placed in service. The total cost of the additions is \$82,563.

The additional annual revenue requirement associated with the rate base offset is \$13,080. The revenue increase is applied to the Annual Metered Service, Annual Flat Rate Service, and Private Fire Protection Service.

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

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The increase will result in an \$20.86 per year or 9.5% increase for flat rate residential customers in the Tahoe Park service area. The average metered bill will increase 9.5% as well.

NOTICE AND PROTESTS

TPWC published notice in a local newspaper on October 24, 1996. No customer correspondence protesting the rate increase was received by the Small Water Branch.

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. Tahoe Park Water Company is authorized, five days after the effective date herein, to make effective revised Schedules No. 1A, Annual Metered Service; No. 2RA-TP, Annual Residential Flat Rate Service; and No. 4, Private Fire Protection Service, attached to Advice Letter 44 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 December 20, 1996. The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

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