

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Large Water Branch

RESOLUTION NO. W-4019
January 13, 1997

R E S O L U T I O N

(RES. W-4019), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM),
VILLAGE DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE
PRODUCING \$189,314 OR 1.22% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER NO. 501, FILED ON DECEMBER 9, 1996.

SUMMARY

This Resolution authorizes Cal-Am to increase revenues by \$189,314 or 1.22% to offset changes 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 for Cal-Am.

BACKGROUND

Cal-Am requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to offset: (1) a \$186,245 increase in purchased water, (2) a \$394 related increase in uncollectibles, and (3) a \$2,675 related increase in franchise taxes. Cal-Am serves approximately 17,300 customers in portions of Thousand Oaks, Newbury Park, and areas adjacent to Camarillo, and vicinity, Ventura County.

The present rates became effective on January 1, 1997, pursuant to Decision 95-12-041.

NOTICE AND PROTESTS

Cal-Am has given public notice of the request for an increase by publishing in the local newspaper on December 14, 1996. No correspondence or protests have been received in regards to this matter.

DISCUSSION

The reasons for the above expense changes are as follows:

- (1) Effective January 1, 1996, Calleguas Municipal Water District increased the purchased water base facilities costs for wholesale water to \$558,617, resulting in a 25.20% increase. This increase from Calleguas is due to increased wholesale costs from its supplier.
- (2) Effective January 1, 1996, Calleguas Municipal Water District increased the water rate to \$492 per acre foot, resulting in a 1.02% increase. This increase from Calleguas is due to increased wholesale costs from their supplier.

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- (3) An increase in uncollectibles of \$394 due to the above increase.
- (4) An increase in franchise taxes of \$2,675 due to the increase in purchased water.

Since the requested increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.0309 per Ccf. (One Ccf is equal to one-hundred cubic feet).

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

FINDINGS

THE COMMISSION FINDS, after investigation by the Large Water Branch, that the changes hereby authorized are justified and the resulting rates and surcharges are just and reasonable.

The new adopted price for purchased water service charge costs is \$558,617.

The new adopted price for purchased water is \$492.00 per acre-foot.

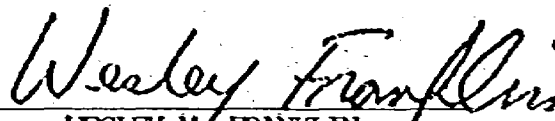
IT IS ORDERED that:

1. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedules V-1, General Metered Service, and V-9MC, Metered Construction Service, attached to Advice Letter 501, and to cancel corresponding presently effective rate schedules.
2. California-American Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

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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 13, 1997. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

P. GREGORY CONLON
President

JESSIE J. KNIGHT, Jr.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners