

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Small Water Branch

RESOLUTION W-4026*
February 5, 1997

R E S O L U T I O N

(RES. W-4026), CALIFORNIA AMERICAN WATER COMPANY, (CAL-AM), CORONADO DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$119,632 OR 1.25% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER 499, FILED DECEMBER 4, 1996.

SUMMARY

This Resolution authorizes Cal-Am to increase revenues by \$119,632 or 1.25% 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 \$118,594 increase in purchased water, (2) a \$521 related increase in uncollectibles, and (3) a \$517 related increase in franchise taxes. Cal-Am serves approximately 20,352 customers in portions of Coronado, Imperial Beach, San Diego, and vicinity, San Diego 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 13, 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, 1997, the City of San Diego increased the wholesale water rate from \$382.46 to \$391.55 per acre foot, resulting in a 2.37% increase. This increase from the city of San Diego is due to increased wholesale costs from its supplier. At the adopted consumption of 13,046.6 acre feet of water, the total revenue required from the purchased water increase is \$118,594.
- (2) An increase in uncollectibles of \$521 due to the above increase.
- (3) An increase in franchise taxes of \$517 due to the increase in purchased water.

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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 \$0.0219 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 \$119,632.

The new adopted price for purchased water is \$391.55 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 Schedule No. CO-1, General Metered Service, attached to Advice Letter 499, 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.
3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 5, 1997. The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

P. GREGORY CONLON
President
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEPPER
RICHARD A. BILAS
Commissioners

APPENDIX B

Coronado District Tariff Area

Schedule No. CO-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water furnished on a metered basis.

TERRITORY

Coronado, Imperial Beach, and portions of San Diego, and vicinity San Diego County.

RATES

Quantity Rate:

All water, per 100 cu. ft..... \$ 1.4309

Service Charge:

Per Meter Per Month

For 5/8x3/4-inch meter.....	\$ 6.50
For 3/4-inch meter.....	9.75
For 1-inch meter.....	16.50
For 1-1/2-inch meter.....	32.50
For 2-inch meter.....	52.00
For 3-inch meter.....	97.00
For 4-inch meter.....	162.00
For 6-inch meter.....	325.00
For 8-inch meter.....	520.00

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 Rates.

SPECIAL CONDITIONS

1. Due to an undercollection in the balancing account, a surcharge of \$0.0423 per Ccf is to be added to the quantity rate for twenty-four months from the effective date of Advice Letter No. 478.
2. As authorized by the California Public Utilities Commission, all bills are subject to a one-time surcharge of \$0.1888. This charge offsets the Department of Health Services fee as billed to California-American Water Company for fiscal year July 1, 1995, to June 30, 1996, and the Environmental Protection Agency's adopted National Primary Drinking Water Regulations for water testing.
3. Agricultural customers meeting the requirements of the City of San Diego to participate in the Interim Agricultural Water Program will receive rebates based on consumption. Any rebates California-American Water Company receives in relation to this program will be directly rebated to participating customers.
4. All bills are subject to the reimbursement fee set forth in Schedule UF.