

WATER/FLC/ABJ/HJL: jjj

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Advisory Branch**

**RESOLUTION NO. W-4143  
April 22, 1999**

**RESOLUTION**

**(RES. W-4143), RIO PLAZA WATER COMPANY (RPWC).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE  
PRODUCING AN ADDITIONAL ANNUAL REVENUE OF  
\$4,736 OR 3.76%.**

---

**SUMMARY**

By Advice Letter No. 31-W, filed March 12, 1999, RPWC requests to increase rates by \$4,736 or 3.76%. The increase is necessary for: (1) recovery of costs in capital investment in water utility plant; (2) a 1.6% consumer price index (CPI) increase; and (3) a \$2.20 one-time surcharge for Department of Health Services (DHS) lead and copper testing fees. The increase will not result in a rate of return greater than last authorized for RPWC.

**BACKGROUND**

RPWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates in order to offset \$15,770 for capital improvements, to increase rates by the most recent year-end increase in the CPI (1.6%) as authorized in Commission Decision (D.) 92-03-093, and to assess a one-time surcharge of \$2.20 to offset DHS fees of \$1,140 pursuant to Res. W-4015, dated December 20, 1996. RPWC presently serves approximately 518 customers near the city of Oxnard and vicinity in Ventura County.

The present rates became effective April 28, 1998, pursuant to Res. W-4013, and D.92-03-093 which authorized a CPI rate increase of \$2,686 or 1.7%, a one-time \$713 DHS fee surcharge, and an extraordinary event surcharge of \$3.12 per month for three years.

**DISCUSSION**

RPWC requests permission to increase rates by \$4,736 or 3.76%, and to assess a one-time \$2.20 surcharge. This increase of projected revenues will not result in a rate of return greater than last authorized for RPWC.

The Water Advisory Branch (Branch) has verified the installation of the facilities and has also reviewed RPWC's records and finds the cost of \$15,770 associated with the plant installation to be reasonable. The Branch has also reviewed and concurs with RPWC's CPI increase request, and a one-time DHS surcharge of \$2.20. In view of this, the Branch recommends that RPWC be authorized to increase its rates by \$3,647 or 2.9% to recover the costs associated with plant improvements and CPI increase as described above, and assess a one-time DHS surcharge of \$2.20. The monthly bill for a typical 3/4-inch customer using 1,700 cubic feet of water will increase from \$23.14 to \$24.03 or 3.85%.

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

**NOTICE AND PROTESTS**

RPWC notified its customers of this proposed increase on March 19, 1999. There were no protest letters.

**FINDINGS**

THE COMMISSION finds, after investigation by the Branch, that:

1. The rate increase proposed by RPWC is just and reasonable to recover the costs associated with capital plant improvements, CPI increase, and DHS increase.

**IT IS ORDERED** that:

1. Rio Plaza Water Company is authorized to incorporate the Summary of Earnings and rate schedules attached to Advice Letter No. 31-W and concurrently cancel its presently effective rate schedules No. 1, General Metered Service, and No. 4, Private Fire Protection Service. The effective date of the revised rate schedules shall be the date of this resolution.

April 22, 1999

2. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on April 22, 1999. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners