

WATER/ABJ/HJL:jj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Water Advisory Branch

RESOLUTION NO. W-4278  
October 25, 2001

R E S O L U T I O N

**(RES. W-4278), CALIFORNIA WATER SERVICE COMPANY (CWSC), DOMINGUEZ DISTRICT AND KERN RIVER VALLEY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$482,800 OR 2.0% OF ADOPTED REVENUE IN DOMINGUEZ DISTRICT, AND ADDITIONAL ANNUAL REVENUES OF \$73,600 OR 4.1% OF ADOPTED REVENUE IN KERN RIVER VALLEY DISTRICT.**

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**SUMMARY**

By Advice Letter 1494, filed May 18, 2001, CWSC requests authority to increase revenues by \$556,400 or 2.1% (of those districts' adopted revenue) to offset purchased power rate increases by Southern California Edison based on Commission Decisions 01-03-082 and 01-05-027. The increase will not result in a rate of return greater than last authorized for CWSC.

**BACKGROUND**

CWSC requested authority under Section VI of General Order 96-A to increase rates for water service for its Dominguez and Kern River Valley Districts to offset: (1) a \$552,900 increase in purchased power expense; (2) a \$900 increase in local franchise taxes; and (3) a \$2,600 increase in uncollectibles. CWSC serves about 34,000 metered customers in those districts.

The present rates for the Dominguez and Kern River Valley Districts became effective October 21, 2000, pursuant to Decision 00-10-027. That Decision consolidated numerous operating districts into Kern River Valley District; however, nine separate tariffs exist for Arden, Bodfish, Kernville, Lakeland,

Mountain Shadows, Onyx, Southlake, Split Mountain, and Squirrel Mountain sections of the new District.

### **NOTICE AND PROTESTS**

CWSC has given public notice of the request for an increase by publishing in a local newspaper of wide circulation in each district listed above. No protest letters were received.

### **DISCUSSION**

The offset increases requested herein are for the purpose of recovering in rates, on dollar-for-dollar basis, changes in expenses that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

The reason for the above expense changes are as follows: (1) Southern California Edison increased its electric rates effective June 1, 2001, per D. 01-05-027, which will result in purchased power increases of \$552,900.

The requested expense offset will result in an increase in the quantity rate of \$0.0325 per Ccf (One Ccf equals one hundred cubic feet) in the Dominguez District, and an increase in the quantity rate of \$0.1354 per Ccf in the Kern River Valley District.

As with all offsets, CWSC must track incremental revenues and incremental costs in a balancing account to assure only dollar-for-dollar recovery.

To ensure that purchased power is being used economically, the Office of Ratepayer Advocates (ORA) reviewed the latest pump efficiency tests for these districts during the most recent GRC proceedings in each respective district and found the results to be satisfactory.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action in any of the districts that are the subject of this advice letter.

**FINDINGS**

THE COMMISSION FINDS, after investigation by the Water Advisory Branch, that the rate increases hereby authorized are justified, and the resulting rates are just and reasonable.

**THEREFORE IT IS ORDERED THAT:**

1. California Water Service Company is authorized, five days after the effective date herein, to make effective revised Schedules No. 1, General Metered Service; RC-1, Recycled Water Metered Service; AR-1, General Metered Service; BD-1, General Metered Service; KD-1, General Metered Service; LK-1, General Metered Service; MS-1, General Metered Service; OX-1, General Metered Service; SL-1, General Metered Service; SP-1, General Metered Service; and SQ-1, General Metered Service, attached to Advice Letter No. 1494, and to concurrently cancel its presently effective rate schedules.
2. California Water Service Company is directed to maintain its balancing accounts as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 25, 2001; the following Commissioners voting favorably thereon:

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WESLEY M. FRANKLIN  
Executive Director