

WATER/RSK/JPT/SHI/jlj

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

**DIVISION OF WATER AND AUDITS  
Water and Sewer Advisory Branch**

**RESOLUTION NO. W-4686  
May 15, 2008**

**R E S O L U T I O N**

**(RES. W-4686), DEL ORO WATER COMPANY - STRAWBERRY DISTRICT. ORDER AUTHORIZING A RATE INCREASE DUE TO AN INCREASE IN RATE BASE RESULTING FROM CAPITAL IMPROVEMENT COSTS IN 2007. REVENUES WILL INCREASE BY AN ADDITIONAL \$27,014 OR 13.25%.**

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**SUMMARY**

By Advice Letter 160-A filed on December 26, 2007, Del Oro Water Company, a Class B water utility, requested a revenue increase of \$20,714 for its Strawberry district due to capital improvement expenditures in 2007. This resolution authorizes an additional increase in revenues of \$27,014 or 13.25% relative to revenues at present rates.

**BACKGROUND**

By Advice Letter 160, filed on July 18, 2007, Del Oro Water Company-Strawberry District (Strawberry) requested from the Water and Audits Division's (Division) approval for a series of critical capital improvement projects that were estimated to cost \$497,000. The Division examined workpapers for the proposed projects and augmented the examination with a field visit to each project site. The Division concluded that the proposed projects represented necessary and prudent investments that would benefit Strawberry's ratepayers.

The Division further instructed Del Oro to file incremental rate base offset advice letters in stages once portions of the proposed projects have been completed and have become useful to Strawberry's ratepayers. By supplemental Advice Letter 160-A filed on December 26, 2007, Del Oro requested approval from the Division to allow a \$181,818 addition into Strawberry's rate base due to capital improvement projects completed in 2007. At the recommended rate of return of 10.75% currently recommended for Del Oro by the Division, this addition into the rate base would produce a \$27,014 or a 13.25% increase in Strawberry's revenue requirements for 2008. Strawberry proposes to apply the 13.25% increase uniformly among the quantity rate and the meter charges as well as the flat rate service charges. The Division examined invoices supporting the capital

improvement expenditures to validate the amount requested by Del Oro. The revised tariff sheets incorporating the rate increases appear in Appendices A and B.

### **NOTICE, PROTESTS, AND PUBLIC MEETING**

Del Oro held a community meeting on May 26, 2007 to explain to the customers the proposed capital improvement projects. Notice of the proposed projects and their projected rate impacts were further mailed to each customer by Del Oro on June 18, 2007. The Division received no protest against the proposed projects or the projected rate increases stemming from the projects.

### **COMPLIANCE**

There are no Commission orders requiring system improvements. The utility has been filing annual reports as required.

### **COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g) (2), the otherwise 30-day period for public review and comment is being waived.

### **FINDINGS**

1. The rates recommended by the Division shown in Appendices A and B are reasonable and should be adopted.
2. The amount of increase authorized herein is justified and the resulting rates are just and reasonable.
3. Portion of proposed projects have been completed and are used and useful.

### **THEREFORE IT IS ORDERED THAT:**

1. Authority is granted under Public Utilities Code Section 454, for Del Oro Water Company - Strawberry district to file an advice letter incorporating the revised rate schedules attached to this resolution as Appendices A and B, and concurrently to cancel its presently effective rate Schedules Nos. ST-1A, Annual Metered Service, and ST-2A, Annual Flat Rate Service. The effective date of the revised rate schedules shall be five days after the date of filing.

2. Del Oro Water Company - Strawberry district is authorized to increase its rate base by \$181,818 to reflect capital improvement costs in 2007 and to increase annual revenues by \$27,014 or 13.25% for 2008. This results in 2008 revenues of \$230,906.
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 May 15, 2008; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon  
Executive Director

MICHAEL R. PEEVEY  
President

DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners

**Appendix A**

**Schedule No. ST-1A**

**ANNUAL METERED SERVICE**

**STRAWBERRY DISTRICT**

**APPLICABILITY**

Applicable to all metered water service furnished on month basis.

**TERRITORY**

Strawberry and vicinity, located approximately 31 miles east of Sonora,  
Tuolumne County.

**RATES**

Quantity Rates

For all water delivered, per 100 cu. ft.	\$ 1.70	(I)
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Service Charge:

Per Meter Per Month

For 5/8 x 3/4-inch meters	\$ 10.87	(I)
For 3/4-inch meters	16.30	
For 1-inch meters	27.17	
For 1-1/2-inch meters	54.35	
For 2-inch meters	86.96	
For 3-inch meters	163.05	
For 4-inch meters	271.75	(I)

**Appendix B**

**Schedule No. ST-2A**

**ANNUAL FLAT RATE SERVICE**

**STRAWBERRY DISTRICT**

**APPLICABILITY**

Applicable to all flat rate residential water service

**TERRITORY**

Strawberry and vicinity, located approximately 31 miles east of Sonora, Tuolumne County.

**RATES**

**Per Month**

For a single-family residential unit	\$ 48.29	(I)
For each additional single-family residential unit or business establishment on the same premises and served from the same service connection	\$ 41.83	(I)