

FEB 4 1998

Decision 98-02-020 February 4, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Park Water Company, for general rate increase in its Central Basin Division Requesting Revenue Increase: In 1998 of \$1,385,807 or 9.7% above revenues generated by present rates in 1999 of \$609,600 or 3.9% above the revenues generated by the rates proposed for 1998, in 2000 of \$670,115 for 4.1% above the 1999 revenue requirements.

Application 97-03-032
(Filed March 12, 1997)

OPINION

Background

On November 19, 1997, the Commission issued Decision (D.) 97-11-061 in which it approved a settlement agreement between Park Water Company (Park) and the Commission's Large Water Branch (LWB). The settlement agreement provided for an annual increase in Park's revenue requirement of 1% in 1998, 2.6% in 1999, and a 2.6% attrition increase in 2000.

On January 2, 1998, Park filed a Petition for Modification of D.97-11-061. The Petition seeks two principal modifications, neither of which affect revenue requirement. First, the customer count Park used to calculate its service charge was incorrectly too high, resulting in a service charge that fails to recover the revenue requirement allocated to the service charge. Park has submitted replacement tariff schedule pages which reflect the correct service charge. Park is currently charging the lower service charge and thus not recovering its entire authorized revenue requirement. Park submitted corrected pages 1, 2, 3, 5, 6, and 7 of Appendix B and corrected page 2 of Appendix D to the settlement agreement.

Second, the decision did not expressly authorize Park to file advice letters, rather than applications, to implement its 1999 and 2000 step rate increases. Park submitted suggested ordering paragraphs.

On January 12, 1998, the LWB submitted its response to Park's Petition in which it agreed that the modifications were consistent with the settlement between the parties.

Discussion

The modifications to D.97-11-061 are necessary to bring the decision into conformance with the settlement agreement it approves.

Findings of Fact

1. Park states that the customer count it used to calculate its service charge was high resulting in a service charge that fails to recover the revenue requirement allocated to the service charge.

2. Park submitted replacement tariff schedule pages which reflect the correct service charge which are pages 1, 2, 3, 5, 6, and 7 of Appendix B and corrected page 2 of Appendix D to the settlement agreement and are attached to this decision.

Conclusions of Law

1. The modifications to D.97-11-061 are necessary to bring the decision into conformance with the settlement agreement it approves.

2. This docket should be closed.

O R D E R

Therefore, IT IS ORDERED that:

1. Park Water Company's (applicant) Petition to Modify is granted.

2. The replacement tariff schedule pages which reflect the correct service charge and which are pages 1, 2, 3, 5, 6, and 7 of Appendix B and corrected page 2 of Appendix D to the settlement agreement are attached to this decision and are adopted.

3. On or after November 5, 1998, applicant is authorized to file an advice letter, with appropriate workpapers, requesting the step rate increase for 1999 included in Appendix B of Attachment A or to file a proportionate lesser increase for those rates in Appendix B in the event that applicant's rate of return on ratebase, adjusted to reflect rates then in effect and normal ratemaking adjustments for the 12 months ended September 30, 1998, exceeds the lesser of (a) the rate of return found reasonable for

applicant during the corresponding period in the then most recent rate decision, or (b) 9.55%. This filing shall comply with General Order(GO) 96-A. The requested step rates shall be reviewed by the Large Water Branch (LWB) of the Water Division to determine their conformity with this order and shall go into effect upon LWB's determination and conformity. LWB shall inform the Commission if it finds that the proposed step rates are not in accord with this Decision or other Commission Decisions. The effective date of the revised schedules shall be no earlier than January 1, 1999, or 30 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

4. On or after November 5, 1999, applicant is authorized to file an advice letter, with appropriate workpapers, requesting the step rate increase for 2000 included in Appendix B of Attachment A or to file a proportionate lesser increase for those rates in Appendix B in the event that applicant's rate of return on ratebase, adjusted to reflect rates then in effect and normal ratemaking adjustments for the 12 months ended September 30, 1999, exceeds the lesser of (a) the rate of return found reasonable for applicant during the corresponding period in the then most recent rate decision, or (b) 9.54%. This filing shall comply with GO 96-A. The requested step rates shall be reviewed by LWB to determine their conformity with this order and shall go into effect upon LWB's determination of conformity. LWB shall inform the Commission if it finds that the proposed step rates are not in accord with this Decision or other Commission Decisions. The effective date of the revised schedules shall be no earlier than January 1, 2000, or 30 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

5. Application 97-03-032 is closed.

This order is effective today.

Dated February 4, 1998, at San Francisco, California.

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

APPENDIX B

Page 1 of 10

PARK WATER COMPANY

Schedule No. PR-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within all service areas in Los Angeles County as delineated in the service area maps included in the tariff schedules.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Per 100 cu. ft.	\$ 1.844
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 9.50
For 3/4-inch meter	14.30
For 1-inch meter	23.80
For 1 1/2-inch meter	47.50
For 2-inch meter	76.00
For 3-inch meter	143.00
For 4-inch meter	238.00
For 6-inch meter	475.00
For 8-inch meter	760.00
For 10-inch meter	1,093.00
For 12-inch meter	1,568.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the bimonthly charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. All charges under this schedule to customers in the City of Norwalk subject to surcharge of 2.04 percent.
2. A late charge will be imposed per Schedule LC.
3. All bills subject to the reimbursement fee set forth on Schedule #UF.

APPENDIX B

Page 2 of 10

PARK WATER COMPANY

Schedule No. PR-1

GENERAL METERED SERVICE**AUTHORIZED STEP INCREASES**

Each of the following increases in rates may be put into effect by filing a rate schedule which adds the appropriate increase to the rates at that time.

Quantity Rate	Rates to be Effective	
	<u>1-1-99</u>	<u>1-1-00</u>
For all water delivered per 100 cu ft.	\$ 0.031	\$ 0.038
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 0.50	\$ 0.40
For 3/4-inch meter	0.70	0.60
For 1-inch meter	1.20	1.00
For 1 1/2-inch meter	2.50	2.00
For 2-inch meter	4.00	3.00
For 3-inch meter	7.00	6.00
For 4-inch meter	12.00	10.00
For 6-inch meter	25.00	20.00
For 8-inch meter	40.00	32.00
For 10-inch meter	57.00	46.00
For 12-inch meter	82.00	66.00

APPENDIX B

Page 3 of 10

PARK WATER COMPANY

Schedule No. PR-4F

NON-METERED FIRE SPRINKLER SERVICE

APPLICABILITY

Applicable only for water service to privately owned non-metered fire sprinkler systems and hydrants where water is to be used only in case of fire.

TERRITORY

Within all service areas in Los Angeles County as delineated on the service area maps included in the tariff schedules.

RATES

		Per Meter Per Month
Service Charge:		
For	2-inch meter	\$ 8.80
For	3-inch meter	11.70
For	4-inch meter	17.30
For	6-inch meter	25.60
For	8-inch meter	37.80
For	10-inch meter	55.80
For	12-inch meter	80.70

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility the cost thereof paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be two (2) inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

APPENDIX B

Page 5 of 10

PARK WATER COMPANY

Schedule No. PR-4F

NON-METERED FIRE SPRINKLER SERVICE

AUTHORIZED STEP INCREASES

Each of the following increases in rates may be put into effect by filing a rate schedule which adds the appropriate increase to the rates at that time.

Size of Service		Rates to be Effective	
		<u>1-1-99</u>	<u>1-1-00</u>
For	2-inch meter	\$ 0.30	\$ 0.40
For	3-inch meter	0.40	0.50
For	4-inch meter	0.60	0.80
For	6-inch meter	0.90	1.10
For	8-inch meter	1.30	1.80
For	10-inch meter	1.90	2.50
For	12-inch meter	2.70	3.70

APPENDIX B
Page 6 of 10

PARK WATER COMPANY

Schedule No. PR-6

RECLAIMED WATER SERVICE

APPLICABILITY

Applicable to metered reclaimed water service.

TERRITORY

Within all service areas in Los Angeles County as delineated on the service area maps included in the tariff schedules.

RATES

Quantity Rate:

	Per Meter Per Month
Per 100 cu. ft. Service Charge:	\$ 1.394
For 5/8 x 3/4-inch meter	\$ 7.60
For 3/4-inch meter	15.20
For 1-inch meter	25.30
For 1 1/2-inch meter	38.00
For 2-inch meter	61.00
For 3-inch meter	114.00
For 4-inch meter	190.00
For 6-inch meter	380.00
For 8-inch meter	608.00
For 10-inch meter	874.00
For 12-inch meter	1,254.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the bimonthly charge computed at the Quantity Rates.

SPECIAL CONDITIONS

1. The user (customer) is responsible for on-site compliance with local, state, or federal regulations that may apply to the use of an approved reclaimed water source.
2. All charges under this schedule to customers in the City of Norwalk are subject to a surcharge of 2.04 percent.
3. A late charge will be imposed per Schedule No. LC.
4. All bills are subject to the reimbursement fee set forth on Schedule #UF.

APPENDIX B

Page 7 of 10

PARK WATER COMPANY

Schedule No. PR-6

RECLAIMED WATER SERVICE

AUTHORIZED STEP INCREASES

Each of the following increases in rates may be put into effect by filing a rate schedule which adds the appropriate increase to the rates at that time.

Quantity Rate	Rates to be Effective	
	<u>1-1-99</u>	<u>1-1-00</u>
For all water delivered per 100 cu ft.	\$ 0.031	\$ 0.058
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 0.40	\$ 0.30
For 3/4-inch meter	0.80	0.60
For 1-inch meter	1.40	1.00
For 1 1/2-inch meter	2.00	1.60
For 2-inch meter	3.00	2.00
For 3-inch meter	6.00	5.00
For 4-inch meter	10.00	8.00
For 6-inch meter	20.00	16.00
For 8-inch meter	32.00	26.00
For 10-inch meter	46.00	35.00
For 12-inch meter	66.00	50.00

APPENDIX D

Page 2 of 5

PARK WATER COMPANY

ADOPTED QUANTITIES

7. ADOPTED AVERAGE SERVICE BY METER

Domestic Meter

	<u>1998</u>	<u>1999</u>
5/8 x 3/4"	25,291	25,321
3/4"	9	9
1"	605	609
1 1/2"	232	233
2"	275	275
3"	57	58
4"	18	19
6"	13	12
8"	2	2
Total Domestic Metered	26,502,	26,538

Fire Service

2"	2	2
4"	25	25
6"	59	60
8"	51	53
10"	5	5
12"	2	2
Total Fire Service	144	147

Reclaimed

1 1/4"	2	2
2"	8	10
3"	17	17
4"	9	9
Total Reclaimed	36	38
TOTAL CUSTOMERS	26,682	26,723