

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 to Executive Director

RESOLUTION NO. W-3297

EVALUATION & COMPLIANCE DIVISION
 BRANCH/SECTION: Water Utilities
 DATE: January 23, 1986

----- Director
 ----- Numerical File
 ----- Alphabetical File
 ----- Accounting Officer

RESOLUTION

DOMINGUEZ WATER CORPORATION (DWC). ORDER
 AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
 \$352,700 OR 2.9% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 132, filed December 18, 1985, DWC requests authority under Section VI of General Order 96-A, Sections 454 and 792.5 of the Public Utilities Code to increase rates to offset: (1) a \$33,600 increase in purchased power costs, (2) a \$294,840 increase in ground water charges, (3) a \$4,015 increase in postage rates, (4) a \$18,655 increase due to a net undercollection in the balancing accounts, and (5) \$1,590 in related increases in uncollectibles and franchise requirements. DWC serves about 30,900 metered customers in the western part of Los Angeles County.

The present rates became effective on January 1, 1986, a step rate increase of \$148,720 or 1.22% authorized by Decision 84-03-055 in which the Commission found the rates of return on rate base of 12.15% for 1984, 12.16% for 1985, and 12.35% for 1986 reasonable, with a 14.50% return on equity. This offset increase will not result in a rate of return being greater than that last authorized.

Since the increase in postage rates alone would have too low of an effect on service charges, all of the offset increases are applied to the quantity blocks for metered customers. The 25% lifeline differential has not been met in prior increases since January 1, 1976, therefore, the rate for the first 300 cubic feet is not increased. The rates for the next 499,700 cubic feet is increased by \$0.027/Ccf and the rates for all quantities over 500,000 cubic feet and for metered irrigation services are increased by \$0.028/Ccf.

The Water Utilities Branch (Branch) has reviewed the latest pump efficiency tests and found them satisfactory.

DWC has given public notice of the request for increase by publishing in the local newspaper on December 2, 1985. No customer protests or correspondence has been received.

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

The table below shows typical bills for residential customers at various usage levels at present and proposed rates:

General Metered Service (5/8 x 3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 4.42	\$ 4.42	0%
1,000	9.71	9.90	2.0
2,000	17.27	17.73	2.7
3,000	24.83	25.56	2.9
4,000	32.39	33.39	3.1
5,000	39.95	41.22	3.2

After investigation by the Branch, the Commission finds that the requested rate increase is reasonable, and to the extent provided by the following resolution is justified. DWC is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

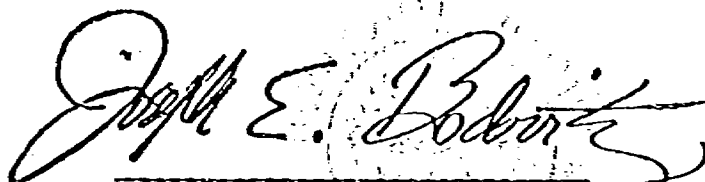
THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are for the future, unjust and unreasonable.

IT IS RESOLVED that Dominguez Water Corporation is authorized, on the effective date herein, to make effective revised Schedules Nos. 1 and 34 attached to Advice Letter No. 132 and to cancel the presently effective rate schedules for water service.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on January 23, 1986. The following Commissioners approved it:

DONALD VIAL
President
PRISCILLA C. GREW
FREDERICK R. DUDA
Commissioners


JOSEPH E. BODOVITZ
Executive Director