

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. W-3321

EVALUATION & COMPLIANCE DIVISION
BRANCH/SECTION: Water Utilities
DATE: July 2, 1986

Director

Numerical File

Alphabetical File

Accounting Officer

R E S O L U T I O N

DOMINGUEZ WATER CORPORATION (DWC). ORDER AUTHORIZING
AN OFFSET RATE INCREASE PRODUCING \$315,150 OR 2.5%
ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 133, filed May 22, 1986, DWC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$48,000 increase in purchased power costs, (2) a \$118,300 increase in purchased water costs, (3) a \$147,400 increase in ground water charges, and a (4) \$1,450 in related increases in uncollectibles and franchise requirements. DWC serves about 30,900 metered customers in portions of Carson, Los Angeles, Long Beach, Torrance, and vicinity, Los Angeles County.

The present rates became effective on January 23, 1986 pursuant to Resolution W-3297 which authorized an offset increase. The last general rate increase became effective on March 27, 1984 pursuant to 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 greater than last authorized.

Since the increase is caused by changes in the costs of purchased power and purchased water, and in ground water charges, all of which are related to water consumption, it is applied equally (within rounding limitations) to the quantity blocks for metered customers. For general metered customers, the rates for the first 300 cubic feet were increased by \$0.022/Ccf. The rates for the next 499,700 cubic feet were increased by \$0.023/Ccf and the rates for all quantities over 500,000 cubic feet were increased by \$0.022/Ccf. Metered irrigation rates were increased by \$0.022/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 two local newspapers on May 27 and 28, 1986, respectively. No customer protests or correspondence have 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>
0	\$ 3.30	\$ 3.30	0.0%
300 cu.ft.	4.42	4.49	1.5
1,000	9.90	10.13	2.3
2,000	17.73	18.19	2.6
3,000	25.56	26.25	2.7
4,000	33.39	34.31	2.7
5,000	41.22	42.37	2.8

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 accounts 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 3M, attached to Advice Letter No. 133 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 July 2, 1986. The following Commissioners approved it:

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners



VICTOR R. WEISSER
Executive Director