

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 to Executive Director

RESOLUTION NO. W-3327

EVALUATION & COMPLIANCE DIVISION
BRANCH/SECTION: Water Utilities
DATE: July 16, 1986

 Director
 Numerical File
 Alphabetical File
 Accounting Officer

RESOLUTION

SOUTHERN CALIFORNIA WATER COMPANY (SOCAL), SAN GABRIEL VALLEY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$74,095 OR 3.8% ANNUAL REVENUE.

By Advice Letter No. 735-W, filed June 2, 1986, SoCal 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 \$9,620 increase in purchased power costs, (2) a \$15,482 increase in purchased water costs, (3) a \$46,675 decrease in pump taxes (ground water charge based on units pumped), and (4) a \$95,668 increase due to an undercollection in the purchased power and water balancing accounts. SoCal serves about 139 flat rate and 11,183 metered customers in its San Gabriel Valley District, which is located in portions of the cities of Arcadia, El Monte, Irwindale, Monrovia, Monterey Park, Rosemead, San Gabriel, Temple City and vicinity, Los Angeles County.

The present rates became effective on January 1, 1986 pursuant to Decision No. (D.) 85-05-050 which authorized a step rate increase. The last general rate increase became effective on May 1, 1985 pursuant to D.85-05-050 in which the Commission found the rates of return on rate base of 11.92% for 1985, 12.05% for 1986, and 12.18% for 1987 reasonable, with a 14.75% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Consistent with past Commission policy for offsets, the percentage increase to flat and metered rate customers is about the same percentage as the overall increase or 3.8%.

For the average flat rate customer, the rate will increase by \$0.25 per month.

Since the increase is caused by changes in expenses directly related to water consumption, the increase is applied to the quantity blocks for metered customers. Rates for all quantities were increased by \$.027/Ccf.

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

SoCal has given public notice of the request for increase by publishing in the local newspaper on June 4, 1986. 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>
300 cu.ft.	\$ 5.20	\$ 5.29	1.7%
1,000	8.82	9.09	3.1
2,000	13.99	14.53	3.9
3,000	19.16	19.97	4.2
4,000	24.33	25.41	4.4
5,000	29.50	30.85	4.6

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Residential Unit	\$7.35	\$7.60	3.4%
Additional Units	7.35	7.60	3.4

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. SoCal 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 Southern California Water Company is authorized, on the effective date herein, to make effective revised Schedules Nos. SG-1 and SG-2 attached to Advice Letter No. 735-W 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 16, 1986. The following Commissioners approved it:

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

VICTOR R. WEISSER
Executive Director