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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. W-3342

EVALUATION & COMPLIANCE DIVISION  
BRANCH/SECTION: Water Utilities  
DATE: November 5, 1986

           Director  
           Numerical File  
           Alphabetical File  
           Accounting Officer

R E S O L U T I O N

SAN GABRIEL VALLEY WATER COMPANY (SGV), LOS ANGELES  
COUNTY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING \$359,800 OR 2.9% ADDITIONAL ANNUAL  
REVENUE.

By Advice Letter No. 226, filed August 28, 1986, SGV 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 \$80,800 increase in purchased power costs, (2) a \$800 increase in purchased water costs, (3) a \$172,100 increase in ground water assessment charges, (4) a \$102,100 net increase due to the undercollection in the water supply balancing account, and (5) \$4,000 in related increases in uncollectibles and franchise requirements. SGV serves about 54,400 metered customers in portions of Arcadia, Baldwin Park, El Monte, City of Industry, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier and vicinity, Los Angeles County.

The present rates became effective on January 1, 1985 pursuant to Advice Letter No. 215 which authorized a step increase. The last general rate increase became effective on January 1, 1984 pursuant to Decision No. 83-10-002 in which the Commission found the rates of return on rate base of 11.05% for 1983, 11.17% for 1984, and 11.37% for 1985, with a 14.5% 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 metered rate customers is about the same percentage as the overall increase or 2.9%.

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity blocks for metered customers. General metered service rates for the first 300 cubic feet were increased by \$.022/Ccf, and the rates for all quantities over 300 cubic feet were increased by \$.023/Ccf. Limited irrigation service quantity rates were increased by \$.023/Ccf.

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

SGV has given public notice of the request for increase by publishing in the local newspaper on September 12 and 14, 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:

Los Angeles County Tariff Area

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.	\$ 5.63	\$ 5.70	1.2%
1,000	9.87	10.10	2.3
2,000	15.93	16.39	2.9
3,000	21.99	22.68	3.1
4,000	28.05	28.97	3.3
5,000	34.11	35.26	3.4

Vallecito Zone II Tariff Area

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

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 6.22	\$ 6.28	1.0%
1,000	10.97	11.20	2.1
2,000	17.76	18.22	2.6
3,000	24.55	25.24	2.8
4,000	31.34	32.26	2.9
5,000	38.13	39.28	3.0

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. SGV 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 San Gabriel Valley Water Company is authorized, on the

effective date herein, to make effective revised Schedules Nos. IA-1, IAV-1, and IA-3L, attached to Advice Letter No. 226 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 November 5, 1966. The following Commissioners approved it:



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VICTOR R. WEISSER  
Executive Director

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