

W-2

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

✓ Orig. and copy  
to Executive Director

RESOLUTION NO. W-3343

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

SUBURBAN WATER SYSTEMS (SWS), WHITTIER DISTRICT. ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$199,300  
OR 4.2% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 175, filed October 1, 1986, SWS 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 \$49,700 decrease in purchased power costs, (2) a \$65,300 increase in purchased water costs, (3) a \$40,200 decrease in ground water charges, (4) a \$2,800 increase in postage rates, (5) a \$217,700 increase due to an undercollection in the water supply balancing account, and (6) a \$3,400 in related increases in uncollectibles and franchise requirements. SWS serves about 16,970 metered customers in the Whittier District and in the vicinity of Los Angeles and Orange Counties.

The present rates became effective on January 1, 1986 pursuant to Advice Letter No. 172 which authorized a step rate increase. The last general rate increase became effective on June 6, 1984 pursuant to Decision No. 84-06-095 in which the Commission found the rates of return on rate base of 12.64% for 1984, 12.78% for 1985, and to 12.81% for 1986 reasonable, with a 14.25% 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 4.2%.

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 were increased by \$0.045/Ccf for all quantity blocks.

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

SWS has given public notice of the request for increase by publishing in the local newspaper on October 3, 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:

Suburban Water Systems  
Whittier District

Tariff Area No. 1

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.	\$ 8.64	\$ 8.78	1.6%
1,000	13.48	13.94	3.4
2,000	20.40	21.31	4.5
3,000	27.32	28.68	5.0
4,000	34.24	36.05	5.3
5,000	41.16	43.42	5.5

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. SWS 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 Suburban Water Systems is authorized, on the effective date herein, to make effective revised Schedule No. WH-1 attached to Advice Letter No. 175 and to cancel the presently effective rate schedule 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, 1986. The following Commissioners approved it:

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



VICTOR R. WEISSER  
Executive Director