

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

W-1

EVALUATION & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3358
DATE: May 13, 1987

R E S O L U T I O N

SUBURBAN WATER SYSTEMS (SWS), LA MIRADA DISTRICT.
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$87,000 OR 2.0% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 179, filed April 6, 1987, 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 \$11,600 increase in purchased power costs, (2) a \$44,100 increase in purchased water costs, (3) a \$29,800 increase due to an undercollection in the water supply balancing account, and (4) a \$1,500 in related increases in uncollectibles and franchise requirements. SWS serves about 13,127 metered customers in portions of the cities of La Mirada, Norwalk, Cerritos, Buena Park, and vicinity, Los Angeles and Orange Counties.

The present rates became effective on January 1, 1987 pursuant to Advice Letter No. 176 which led to a step increase. The last general rate increase became effective on January 16, 1985 pursuant to Decision 85-01-023 in which the Commission found the rates of return on rate base of 12.76% for 1985, 12.98% for 1986, and 13.03% for 1987 reasonable, with a 14.25% return on equity. This offset increase will not result in a rate of return greater than last authorized.

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 April 9, 1987. 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.

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity blocks. Rates for all quantity blocks are increased by \$.023/Ccf.

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.	\$ 8.88	\$ 8.95	0.78
1,000	13.90	14.13	1.65
2,000	21.08	21.54	2.18
3,000	28.26	28.95	2.44
4,000	35.44	36.36	2.60
5,000	42.62	43.77	2.70

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 water supply 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. LM-1, attached to Advice Letter No. 179 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 May 13, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
JOHN B. OHANIAN
Commissioners



VICTOR R. WEISSER
Executive Director

Commissioner Frederick R. Duda
being necessarily absent, did
not participate.

Commissioner G. Mitchell Wilk
being necessarily absent, did
not participate.