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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION RESOLUTION NO. W-3392  
Water Utilities Branch April 13, 1988

R E S O L U T I O N

(RES. W-3392) SAN GABRIEL VALLEY WATER COMPANY (SGV),  
LOS ANGELES COUNTY DISTRICT. ORDER AUTHORIZING AN  
OFFSET RATE INCREASE PRODUCING \$514,400 OR 4.1%  
ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 237, filed February 22, 1988, 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 \$106,300 increase in purchased power costs, (2) a \$402,500 net increase due to the undercollection in the purchased power and purchased water balancing accounts, and (3) \$5,600 in related increases in uncollectibles and franchise requirements. SGV serves about 42,573 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 November 5, 1986, pursuant to Resolution W-3342 which authorized an offset 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 reasonable, with a 14.5% return on equity.

SGV purchases its power from Southern California Edison and Southern California Gas Company. The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, increases in water-supply-related items that have occurred since SGV's present rates went into effect.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective action.

SGV has given public notice of the request for increase by publishing in local newspapers on February 26 and 27. No customer protests or correspondence have been received.

Since the requested increase in purchased power, uncollectibles

and franchise fees is caused by changes in expenses directly related to water consumption, the Water Utilities Branch (Branch) recommends that it be applied to the quantity rates for the metered customers. Under the Branch's recommendation, the rates for all quantities of water delivered would be increased by \$0.007 per Ccf (one Ccf is equal to one-hundred cubic feet). In addition, the Branch recommends, in accordance with the Commission's balancing account policy for water utilities, that the undercollection in SGV's purchased power and purchased water balancing accounts be amortized over a 12-month period by adding a surcharge of \$0.026 per Ccf.

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.	\$ 5.70	\$ 5.80	1.8%
1,000	10.10	10.43	3.3
2,000	16.39	17.05	4.0
3,000	22.68	23.67	4.4
4,000	28.97	30.29	4.6
5,000	35.26	36.91	4.7

Vallecito Zone II 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.	\$ 6.28	\$ 6.38	1.6%
1,000	11.20	11.43	2.1
2,000	18.22	18.78	3.1
3,000	25.24	26.13	3.5
4,000	32.26	33.48	3.8
5,000	39.28	40.83	3.9

Pursuant to Public Utilities Code Section 792.5, SGV is directed to maintain its water supply balancing accounts.

THE COMMISSION FINDS, after investigation by the Branch, that the increases hereby authorized are justified.

IT IS ORDERED that San Gabriel Water Company is authorized on the effective date herein, to make effective revised Schedules Nos. LA-1, LAV-1, and LA-3L, attached to Advice Letter No. 237 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 April 13, 1988.  
The following Commissioners approved it:

STANLEY W. HULETT  
President  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners



VICTOR R. WEISSER  
Executive Director