

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3438  
April 12, 1989

R E S O L U T I O N

(RES. W-3438) SAN GABRIEL VALLEY WATER COMPANY, (SGV), LOS ANGELES COUNTY DIVISION. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$436,000 OR 3.3% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (AL) 244, filed February 27, 1989, 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 \$147,100 increase in purchased power and natural gas costs, 2) a \$284,100 increase due to an undercollection in the purchased power and purchased water balancing account, and (3) \$4,800 in related increases in uncollectibles and franchise requirements. SGV's Los Angeles County Division serves about 43,000 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 April 13, 1988, pursuant to Resolution W-3392 which authorized an offset rate increase. The last general rate increase became effective on January 1, 1984 pursuant to Decision 83-10-002 in which the Commission found rates of return on rate base of 11.05% for 1983, 11.17% for 1984, and 11.37% for 1985 reasonable, with a 14.50% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Since the portion of the requested increase caused by changes in the cost of purchased power and natural gas is related to water consumption, it is applied to the quantity blocks for metered customers. Rates for all quantities of water delivered are increased by \$0.010 per Ccf (one Ccf equals one hundred cubic feet). In accordance with the Commission's balancing account policy for water utilities, the surcharge for all water sold is increased to \$0.044 per Ccf for a twelve month period in order to amortize the undercollection in SGV's purchased power and purchased water balancing account.

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

SGV has given public notice of this increase request by publishing in local newspapers on March 1 and 2, 1989. No customer protests or correspondence has been received.

SGV has a variety of programs designed to promote water conservation including monthly reminders in water bills, leak detection service, free conservation pamphlets, and free water conservation kits.

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

The following table 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> |
|----------------------|----------------------|-----------------------|-------------------------|
|----------------------|----------------------|-----------------------|-------------------------|

Los Angeles County Tariff Area

|                 |         |         |      |
|-----------------|---------|---------|------|
| 300 cu. ft.     | \$ 5.80 | \$ 5.88 | 1.4% |
| 1,000           | 10.43   | 10.71   | 2.7  |
| 2,000           | 17.05   | 17.61   | 3.3  |
| 2,300 (average) | 19.04   | 19.68   | 3.4  |
| 3,000           | 23.67   | 24.51   | 3.5  |
| 4,000           | 30.29   | 31.41   | 3.7  |
| 5,000           | 36.91   | 38.31   | 3.8  |

Vallecito Zone II Tariff Area

|                 |       |       |     |
|-----------------|-------|-------|-----|
| 300             | 6.38  | 6.47  | 1.5 |
| 1,000           | 11.53 | 11.81 | 2.4 |
| 2,000           | 18.88 | 19.44 | 3.0 |
| 2,800 (average) | 24.76 | 25.54 | 3.2 |
| 3,000           | 26.23 | 27.07 | 3.2 |
| 4,000           | 33.58 | 34.70 | 3.3 |
| 5,000           | 40.93 | 42.33 | 3.4 |

(All rates include the balancing account surcharge)

After investigation by the Water Utilities Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. SGV is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

IT IS ORDERED that San Gabriel Valley Water Company is authorized, on the effective date herein, to make effective revised Schedule Nos. IA-1, IAV-1 and IA-3L attached to Advice Letter No. 244 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 12, 1989. The following commissioners approved it:

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



VICTOR R. WELSSER  
Executive Director

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

Commissioner Patricia M. Eckert  
present but not participating.