

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3550
March 22, 1991R E S O L U T I O N

(RES. W-3550) EAST PASADENA WATER COMPANY (EPWC). ORDER
AUTHORIZING AN OFFSET INCREASE PRODUCING ADDITIONAL
REVENUES OF \$51,000 OR 7.0%.

BACKGROUND

By Advice Letter No. 44, filed January 31, 1991, EPWC requested authority under Section VI of General Order (GO) 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) a \$16,000 or 99.4% increase in pumping assessments of the Main San Gabriel and Raymond Basins and, (2) a \$35,000 or 28.6% increase in purchased power from Southern California Edison Company (SCE). EPWC serves approximately 2,900 metered customers in an unincorporated area in Los Angeles County lying between the Cities of Pasadena and Arcadia.

The present rates became effective September 24, 1984 pursuant to Decision No. 84-03-039 which adopted quantities and authorized a rate of return of 12.91% for test year 1985.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in expenses that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

The reasons for the above cost changes are as follows: (1) a \$16,000 increase in pumping assessments from the Main San Gabriel and Raymond Basins raising the assessments from the adopted \$16,100 per year in 1985 to \$32,100 for 1990, and (2) a \$35,000 increase in purchased power due to SCE's increase in the average cost of electric energy from the adopted \$0.0730 per kilowatt-hour (kWh) in 1985 to an average cost of \$0.0938 per kWh in 1990.

The increases are applied equally to the quantity rates and service charges by multiplying each by the amount of the overall increase in revenue requirement.

To ensure that purchased power is being used economically, the Water Utilities Branch (Branch) reviewed the latest pump efficiency tests and found them to be satisfactory.