

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3587  
July 24, 1991R E S O L U T I O N

(RES. W-3587), DOMINGUEZ WATER CORPORATION (DWC)  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
ADDITIONAL ANNUAL REVENUES OF \$1,578,000 OR 11.3%.

BACKGROUND

By Advice Letter 146, filed May 17, 1991, DWC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) a \$476,970 increase in pumped water replenishment tax (from Central and West Basin Replenishment Districts), (2) a \$68,841 increase in purchased power costs (from Southern California Edison Company), (3) a \$1,026,990 increase in purchased water costs from Metropolitan Water District, and (4) a \$4,718 increase in uncollectibles due to DWC's higher level of billings. DWC serves about 31,500 metered customers in portions of the cities of Long Beach, Los Angeles, Torrance, Carson, Compton and unincorporated areas of Los Angeles County.

The present rates became effective January 1, 1989, pursuant to Decision No. 87-01-064, dated January 28, 1987, which authorized a \$693,300 or 5.23% increase in 1987 and \$770,800 or 5.78% increase in 1988.

DISCUSSION

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

To determine if purchased power is being used efficiently, the Water Utilities Branch reviewed the latest available pump efficiency tests and found the results satisfactory.

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

To promote water conservation, DWC has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption. In addition, DWC has in effect a mandatory water conservation and rationing plan as authorized by the

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Commission in Resolution No. W-3565 (dated May 8, 1991), which presently calls for a 20% reduction in customers' use from 1989 levels.

The increase will result in a \$1.65 per month or 11.1% increase for the typical residential customer. The monthly bill will increase from \$14.90 to \$16.55 for an average water use of 1,500 cubic-feet per month.

RATE DESIGN

The increases which are results of changes in costs of purchased water and power are related to water consumption and are applied to the quantity block for general metered service.

NOTICE AND PROTEST

DWC mailed a notice of this increase to each customer on May 28, 1991. No protests or correspondence have been received.

FINDINGS

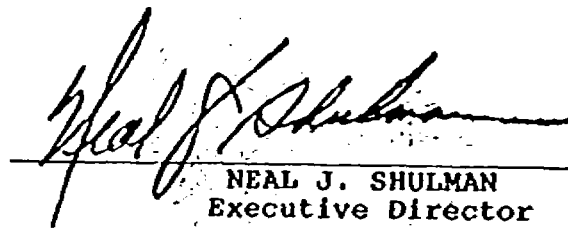
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. Dominguez Water Corporation is authorized to make effective, five (5) days after the effective date of this resolution, revised Schedule Nos. 1, General Metered Service, and No. 3M, Metered Irrigation Service attached to Advice Letter No. 146 and to cancel the presently effective Schedule Nos. 1 and 3M for water service.
2. Dominguez Water Corporation is directed to maintain its balancing account as required by the Public Utilities Code Section 792.5.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 24, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
JOHN B. OHANIAN  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

  
NEAL J. SHULMAN  
Executive Director