

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3589
July 24, 1991

R E S O L U T I O N

(RES. W-3589), CALIFORNIA-AMERICAN WATER COMPANY (CAWC),
SAN MARINO DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF \$782,368
OR 13.03%.

BACKGROUND

By Advice Letter 376, filed May 30, 1991, CAWC requested authority under Section VI of General Order 96-A to increase rates for water service for its San Marino District to offset: (1) a \$597,731 increase in purchased water expense, (2) a \$60,208 increase in purchased power expense, (3) a \$4,228 increase in postage expense, (4) a corresponding \$12,700 increase in franchise and uncollectible expenses, and (5) an undercollection of \$107,501 in the balancing accounts. CAWC serves about 13,820 metered customers in its San Marino District.

The present rates for the San Marino District became effective on January 1, 1991, pursuant to Decision No. 89-07-056, dated July 19, 1989.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates the 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 purchased water expense changes are as follows: (1.a) Effective July 1, 1991, the Main San Gabriel Basin Watermaster will increase Administrative Assessment costs from \$6.50 to \$16.30 per acre foot, the replenishment costs from \$153.00 to \$206.85 per acre foot, will decrease the Long Beach Assessment costs from \$3.00 to \$1.50, and will change the safe yield from 175,000 acre feet to 140,000 acre feet, resulting in a 90.39% increase. This increase from the Main San Gabriel Basin Watermaster is due to increased wholesale costs; (1.b) an increase in Metropolitan Water District rates from \$230 per acre foot to \$261 per acre foot causing an increase of \$10,230; (1.c) an increase in purchased water costs from the City of Pasadena from \$326.70 to \$374.62 per acre-foot, resulting in a cost increase of \$4,991; (1.d) an increase in the cost of purchased water from South Pasadena from \$423.98 to \$477.19 per acre foot, increasing water costs \$2,013; (2.a) an increase in the rates for Southern California Edison results in \$39,678 additional costs, resulting in a 5.41% increase, (2.b) an increase in City of Pasadena power rates resulting in an increase of \$20,530, or 18.27%; (3) an increase in postage costs, effective April 1, 1991 resulted in an increase of \$4,228 or 17.65%; (4) due to the above changes, uncollectibles have increased

July 24, 1991

\$800 and franchise taxes have increased \$11,900; and (5) an undercollection exists in the balancing accounts of \$107,501.

The requested expense offset will result in a \$0.1237 per Ccf increase in the quantity rates and due to an undercollection of \$107,501 in the balancing account, a surcharge of \$0.0197 per Ccf is to be added to the quantity rate for 12 months.

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

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

To promote water conservation, CAWC has established water conservation programs in the San Marino District which include leak repair and main replacement programs, conservation brochures, bill inserts, water kit distributions, paid conservation advertisements and conservation displays in the office.

At the proposed rates, the typical residential customer's bill will increase from \$26.23 to \$29.96 per month or 14.22% for an average use of 2,600 cubic feet.

PROTESTS

CAWC has sent a notice of this increase to each customer because it is over 10%. Six protests have been received and the Branch has responded to them.

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:

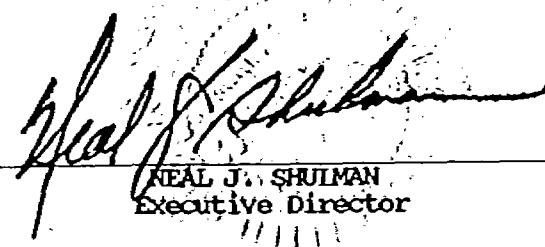
1. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. SM-1, General Metered Service, as attached to Advice Letter No. 376 and to cancel the presently effective Schedule No. SM-1.
2. California-American Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

July 24, 1991

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. SHUMAN
Executive Director