

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3591
July 24, 1991

R E S O L U T I O N

(RES. W-3591), CALIFORNIA-AMERICAN WATER COMPANY
(CAWC), BALDWIN HILLS DISTRICT. ORDER AUTHORIZING AN
OFFSET RATE INCREASE PRODUCING ADDITIONAL ANNUAL
REVENUES OF \$131,683 OR 4.77%.

BACKGROUND

By Advice Letter 374, filed May 28, 1991, CAWC requested authority under Section VI of General Order 96-A to increase rates for water service for its Baldwin Hills District to offset: (1) a \$60,393 increase in purchased water expense, (2) a \$87,039 increase in water replenishment expense, (3) a \$28,713 increase in purchased power expense, (4) a \$2,091 increase in postage expense, (5) a \$2,700 corresponding increase in uncollectibles and franchise expenses, and (6) a \$49,253 decrease due to a balancing account overcollection. CAWC serves about 6,133 metered customers in its Baldwin Hills District.

The present rates for the Baldwin Hills District became effective on January 1, 1991, pursuant to Decision No. 89-07-061, 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 expense changes are as follows: (1) an increase in purchased water rates by the West Basin Municipal Water District from \$231 per acre-foot to \$276 per acre-foot effective July 1, 1991, (2) an increase of water replenishment rates by Central and West Basin Ground Water Producers from \$71 to \$100 per acre-foot effective July 1, 1991, (3) increases in the electric rates by SCE and LADWP effective January 1, 1991, (4) a \$2,091 increase in postage rates effective April 1, 1991, and (5) corresponding increases of \$200 uncollectibles and \$2,500 in franchise taxes.

The requested expense offset will result in an increase in quantity rates of \$0.1115 per Ccf, and due to an overcollection in the balancing account of \$49,253, a surcredit of \$0.03037 per Ccf to be subtracted from the quantity rates for a 12-month period.

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.

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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 Baldwin Hills 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 \$27.34 to \$28.72 per month or 5.05% for an average use of 1,700 cubic feet.

PROTESTS

CAWC has published a notice of this increase request in a local newspaper on May 31, 1991. No protests 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. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. BH-1, General Metered Service, as attached to Advice Letter No. 374 and to cancel the presently effective Schedule No. BH-1.
2. California-American Water Company is directed to maintain its balancing account as required by 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