

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3598
July 24, 1991

R E S O L U T I O N

(RES. W-3598), SAN GABRIEL VALLEY WATER COMPANY (SGWC),
LOS ANGELES COUNTY DIVISION. ORDER AUTHORIZING AN OFFSET
RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES OF
\$2,880,072 OR 16.3%.

BACKGROUND

By Supplemental Advice Letter 257-A, filed June 19, 1991, SGWC 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 \$87,855 increase in purchased power expense, (2) a \$2,044,200 increase in purchased water expense, (3) a \$33,665 increase in postage expense, and (4) a corresponding \$28,487 increase in franchise and uncollectibles expenses. In addition, SGWC requested an increase of \$685,865 to amortize undercollections in its purchased water and power balancing accounts. SGWC serves about 43,739 metered customers in Los Angeles County.

The present rates became effective on January 1, 1991, pursuant to Decision No. 89-09-048 which authorized a \$795,000 step increase in test year 1991.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates 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 reason for the above increases are as follows: (1) Main San Gabriel Basin increases in (a) its replacement water rates from \$158 to \$180.60 per acre-foot, (b) its administrative assessment for all water production from \$2.50 to \$16 per acre-foot, and (c) its In-Lien assessment of \$0.30 per acre-foot. (2) Watermaster increases in the purchased water replacement rates for 1991-92 from \$180.60 to \$206.85 per acre-foot. (3) Southern California Edison Company and Southern California Gas Company increases in electric and gas rates in January, 1991, and (4) The U.S. Postal Services increases in postage rates on February 3, 1991.

The requested expense offset will result in a \$0.122/Ccf increase in quantity rates, a \$0.06 increase in the service charge and a surcharge of \$0.039 per Ccf to amortize the balancing account over 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, SGWC has established a water conservation program in the Los Angeles County Division which includes 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 \$4.46 from \$22.88 to \$27.34 per month or 19.5% for an average use of 2,300 cubic feet.

PROTESTS

SGWC has notified all its customers by mail because the increase is more than 10%, and also published a legal notice in the local newspaper on June 14, 1991. Five protests have been received and the Branch has responded to them.

FINDINGS

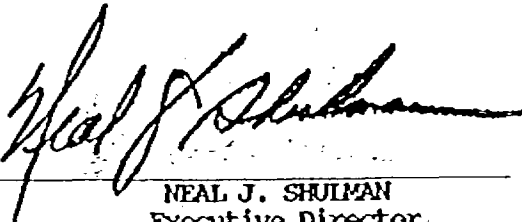
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. San Gabriel Valley Water Company is authorized, five days after the effective date herein, to make effective revised Schedules Nos. IA-1, IA-3L, and IA-9C attached to Supplemental Advice Letter No. 257-A and to cancel the presently effective Schedules Nos. IA-1, IA-3L, and IA-9C.
2. San Gabriel Valley 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