

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3606  
August 7, 1991

## R E S O L U T I O N

(RES. W-3606), AZUSA VALLEY WATER COMPANY (AVWC).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
ADDITIONAL ANNUAL REVENUES OF \$490,522 OR 15.26%.

BACKGROUND

By Advice Letter No. 52, filed July 1, 1991, AVWC requested authority under Section VI of General Order 96-A to increase rates for water service to offset: (1) a \$475,294 increase in purchased water expense, (2) a \$8,410 increase in purchased power expense, (3) a corresponding \$6,818 increase in franchise and uncollectibles expenses. AVWC serves about 14,598 general metered service customers in Los Angeles County.

The present rates for AVWC became effective on January 1, 1991, pursuant to Decision No. 90-12-069, dated December 19, 1990.

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 requested expense offset will result in a \$0.103/Ccf (one Ccf is equal to one hundred cubic feet) increase in the quantity rates. The service charge will not change.

The reason for the \$475,294 increase in purchased water costs is an increase in the rates the Main San Gabriel Basin Watermaster charges. The cost of water has been increased from \$158 per acre-foot to \$206.85 per acre-foot.

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, AVWC has established water conservation programs which include leak repair and main replacement programs, conservation brochures, bill inserts, water kit distributions, paid conservation advertisements and conservation displays in the office.

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At the proposed rates, the typical residential customer's bill will increase from \$14.94 to \$17.31 per month or 15.86% for an average use of 2,300 cubic feet.

PROTESTS

AWC has sent each customer a notice of this increase because it is over 10%. No protests have been received.

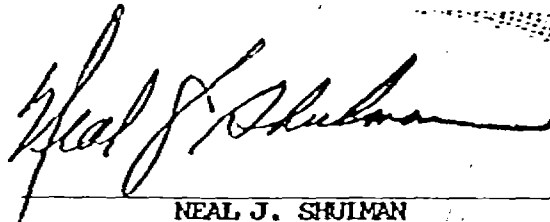
FINDINGS

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. Azusa Valley Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, as attached to Advice Letter No. 52 and to cancel the presently effective Schedule No. 1.
2. Azusa 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 August 7, 1991. The following Commissioners approved it:



NEAL J. SHUMAN  
Executive Director

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

Commissioner Daniel Wm. Pessler, being necessarily absent, did not participate.