

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3615
September 6, 1991RESOLUTION

(RESOLUTION W-3615) PARK WATER COMPANY (PWC), CENTRAL BASIN DIVISION. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$736,100 OR 7.68% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter No. 145-W, filed July 12, 1991, PWC requests 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) \$457,231 or 17.4% increase in purchased water cost from Central Basin Municipal Water District, based on rates effective July 1, 1991, in which the District raised its rates from \$235 per acre-ft to \$276 per acre-foot, (2) \$185,040 or 27.5% increase in purchased water cost from the City of Bellflower, based on rates effective July 1, 1991, in which the City raised its rates from \$262 per acre-ft to \$334 per acre-foot, (3) \$88,104 or 85.2% increase in water replenishment assessment from the Central and West Basin Water Replenishment District, based on rates effective July 1, 1991, in which the water replenishment district raised its rates from \$54 per acre-ft to \$100 per acre-ft, and (4) \$5,700 or 7.7% increase in associated uncollectibles and franchise tax as the result of the above increases. PWC serves about 27,950 customers in Los Angeles County.

The present rates became effective on May 15, 1991, pursuant to Advice Letter No. 144-W resulting from Ordering Paragraph No. 1 in Decision No. 91-05-024. The latest general rate increase for this district was authorized by that decision and became effective on May 8, 1991. It found the rate of return on rate base of 11.80% for 1991 reasonable.

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 return greater than previously authorized.

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

To promote water conservation, PWC has an ongoing conservation program including distribution of free conservation kits containing low-flow showerheads, and other conservation literature.

The increase will result in a \$2.00 per month or 7.64% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$26.18 to \$28.18 for an average water usage of 1,850 cubic-feet per month. The above amounts include a surcharge of \$0.023 per 100 cubic-feet to amortize a balancing account undercollection.

RATE DESIGN

The increases which are results of changes in costs of pumping assessment for water and purchased water are related to water consumption and are applied to the quantity block for general metered service. The quantity rate for general metered service will be increased by \$0.108 per Ccf (one Ccf equals one hundred cubic feet).

NOTICE AND PROTEST

PWC has given public notice of this increase request by publishing in a local newspaper on July 17, 1991. Two letters of protest or correspondence have been received.

FINDINGS

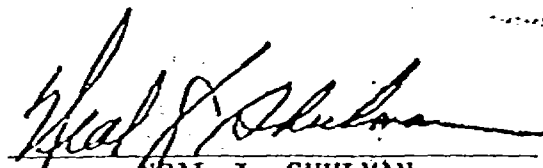
THE COMMISSION FINDS, after investigation by the Branch, that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable.

IT IS ORDERED that:

1. Park Water Company, Central Basin Division, is authorized, five days after the effective date herein, to make effective revised Schedule No. PR-1 attached to Advice Letter No. 145-W and to cancel the presently effective rate schedule for water service.
2. Park Water Company, Central Basin Division, is directed to maintain its current balancing account as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

Resolution No. W-3615
Park Wtr Co/AL145-W/WVL:mem

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on September 6, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
JOHN B. O'HANIAN
DANIEL W. FESSLER
NORMAN D. SHUMWAY
Commissioners

I abstain.

G. MITCHELL WILK
Commissioner