

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3619
October 11, 1991R E S O L U T I O N

(RESOLUTION W-3619) PEERLESS WATER COMPANY (PWC)
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
ADDITIONAL ANNUAL REVENUES OF \$10,800 OR 1.8% IN 1991.

BACKGROUND

By Advice Letter 61, filed September 9, 1991, PWC 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 a \$10,800 increase in purchased water cost from the City of Bellflower. PWC serves about 2,006 metered customers in the Cities of Bellflower, Lakewood, and Paramount in Los Angeles County.

The present rates became effective on August 12, 1991 pursuant to Resolution No. W-3599 which authorized a general rate increase producing \$113,817 or 23.2% additional annual revenue with a 11.00% rate of return on rate base for the test year 1991.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, a change in expense that has 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 \$10,800 increase in purchased water cost is due to the City of Bellflower's increase of its rate from the adopted \$262 per acre-ft to \$334 per acre-ft, effective July 1, 1991.

This increase is the result of change in costs related to water consumption so it is applied to the quantity rates for metered services. The quantity rates will increase by \$0.03 per Ccf.

To determine if purchased power is being used efficiently, the Water Utilities Branch reviewed the latest available pump efficiency tests and found the results satisfactory.

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

To promote water conservation, PWC has distributed literature and makes available low-flow shower heads and water conservation kits to customers.

At the proposed rates, the typical residential customer's bill will increase from \$23.50 to \$23.95 per month or 1.9% for an average use of 15 Ccf.

NOTICE AND PROTESTS

PWC mailed a notice of this increase request to all customers on August 14, 1991. No protests have been received.

FINDINGS

1. PWC's proposed summary of earnings in Advice Letter 61 is reasonable and should be adopted.
2. The rate increase proposed by PWC in Advice Letter 61 is reasonable and should be adopted.
3. The rate increase authorized herein is justified and the resulting rate is just and reasonable.

IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 for Peerless Water Company to make effective five (5) days after the effective date herein revised Schedules Nos. 1, General Metered Service and GA-1, Government Agency Tariff Metered Service, attached to Advice Letter 61, and concurrently to cancel its presently effective rate Schedules Nos. 1 and GA-1.
2. Peerless Water Company is directed to maintain its balancing account as required by Public Utilities Code 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 October 11, 1991. The following Commissioners approved it:

JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners


NEAL J. SHULMAN
Executive Director

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.