

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3638
April 8, 1992

RESOLUTION

(RESOLUTION W-3638), SUBURBAN WATER SYSTEMS (SWS),
LA MIRADA DISTRICT. ORDER AUTHORIZING AN OFFSET
RATE INCREASE PRODUCING \$822,500 OR 18.4% ADDITIONAL
ANNUAL REVENUE.

BACKGROUND

By Advice Letter 194-W, filed January 8, 1992, SWS requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$86,000 increase in pumped water assessments; (2) a \$501,900 increase in purchased water; (3) a \$15,300 increase in electric energy; (4) a \$1,400 increase in natural gas; (5) a \$12,500 increase in franchise taxes; (6) a \$2,200 increase in uncollectibles; (7) a \$13,300 increase in postage expenses; and (8) a \$189,900 increase to amortize undercollection in balancing account. SWS serves about 14,200 metered customers in portions of the cities of La Mirada, Norwalk, Cerritos, Buena Park, and unincorporated areas of Los Angeles and Orange Counties.

The present rates became effective on May 13, 1987, as authorized by Resolution No. W-3358, which granted a purchased power, purchased water, and undercollection offset. The income tax surcredit applicable to the La Mirada District became effective on January 1, 1989, as authorized by Resolution No. W-3424.

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. Increases in pumped-water assessments, purchased water costs, power costs, and postage expense are shown in the following table:

	<u>Adopted Rate</u>	<u>Present Rate</u>	<u>Effective Date</u>
Replenishment Assessments:			
Central Basin:			
Owned Rights	\$ 71.00/AF	\$100.00/AF	7/1/91
Leased Rights	181.00/AF	225.00/AF	7/1/91
Purchased Water:			
Central Basin	\$232.30/AF	\$276.00/AF	7/1/91
Interdistrict Transfers	155.07/AF	234.04/AF	8/8/90
Calif. Domestic Water Co.:			
Owned Rights	96.43/AF	135.48/AF	7/1/91
Leased Rights	125.94/AF	180.93/AF	7/1/91
In Excess of Rights	242.46/AF	295.50/AF	7/1/91

	<u>Adopted Rate</u>	<u>Present Rate</u>	<u>Effective Date</u>
Power:			
So. California Edison Co.	\$0.0817/KWh	\$0.0868/KWh	1/20/91
Southern California Gas Co.	0.57/Therm	0.6573/Therm	12/1/91
Postage	\$ 0.18	\$0.2420	1/1/91

The La Mirada District's production cost balancing account as of December 31, 1991, showed an undercollection of \$228,173 which equals approximately five percent of annual revenues. The Water Utilities Branch (Branch) concurs with SWS' proposal that the annual balancing account amortization included in present rates of \$38,300 be increased by \$189,900 to allow for amortization of this undercollection over the next 12 months.

To determine if electric energy is being used efficiently, the Branch reviewed the latest pump efficiency tests and found the results to be satisfactory.

Service is satisfactory. There are neither Commission orders requiring system improvements nor significant service problems requiring corrective action.

To promote conservation, SWS has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption. SWS also makes water conservation kits available to its customers. No other water conservation measures are required at this time.

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity blocks. Rates for all quantity blocks are increased by \$0.224 per 100 cu.ft.

For the average customer who uses 20 Ccf per month and has a 5/8 x 3/4-inch meter, this rate change will result in an increase of \$4.44 per month or 18.2%. The increase will cause the average bill to go from \$24.33 to \$28.77.

NOTICE AND PROTEST

SWS has given public notice of the request by publishing in a local newspaper on January 16, 1992, and by mailing a Special Notice to all customers on February 18, 1992. The Water Utilities Branch has received 31 letters of protesting the magnitude of the rate increase. The Branch will reply to these customers and enclose a copy of this resolution.

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.

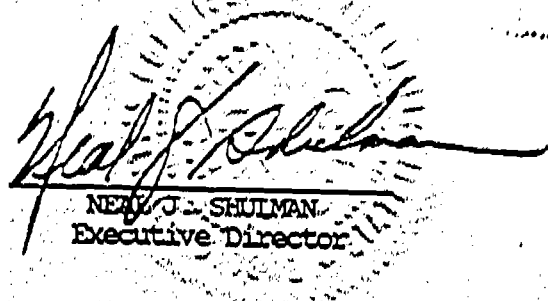
IT IS ORDERED that:

1. Suburban Water Systems is authorized, five days after the effective date herein, to make effective revised Schedule No. IM-1 attached to Advice Letter 194-W, and concurrently to cancel its presently effective rate Schedule No. IM-1.

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2. Suburban Water Systems 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 April 8, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. O'BANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners