

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3693
OCTOBER 21, 1992

RESOLUTION

(RES. W-3693), PARK WATER COMPANY, INC. (PWC), CENTRAL BASIN DIVISION. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$921,800 OR 8.68% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER NO. 151-W-A, FILED ON AUGUST 11, 1992.

SUMMARY

This Resolution authorizes PWC to increase rates by \$921,800 or 8.68% to offset changes in operating costs that have occurred since its present rates became effective. The increase will not result in a rate of return greater than last authorized for PWC.

BACKGROUND

PWC requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to offset: (1) a \$866,758 increase in purchased water costs, (2) a \$47,883 increase in water replenishment assessment, and (3) \$7,079 in related increases in uncollectibles and franchise requirements. PWC serves about 27,950 metered customers in Los Angeles County.

The present rates became effective on January 1, 1992, pursuant to Resolution W-3615 which authorized an offset rate increase of \$736,100 or 7.68%.

NOTICE AND PROTESTS

PWC has given public notice of the request for increase by publishing in the local newspaper on June 24, 1992. No protests or correspondence have been received.

DISCUSSION

The reasons for the above expense changes are as follows: (1) an increase in the cost of water purchased from Central Basin Municipal Water District of \$61 per acre-foot, effective July 1, 1992; (2) an increase in the cost of water purchased from the city of Bellflower of \$72 per acre-foot, effective

July 1, 1992; (3) an increase in the water replenishment assessment paid to Central and West Basin Water Replenishment District of \$25 per acre-foot, effective July 1, 1992; and (4) a \$7,079 increase in associated uncollectibles and franchise tax as a result of the above increases.

Since the requested increase is caused by changes in expenses directly related to water consumption, the increase should be applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.142 per Ccf. (One Ccf is equal to one-hundred cubic-feet.)

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

PWC has a variety of programs designed to promote water conservation including monthly reminders in water bills, leak detection service, free customer conservation pamphlets, free water conservation kits and a variety of conservation literature for presentation to schools and public information meetings. Water supply is adequate. No other conservation measures should be ordered at this time.

The increase will result in a \$2.63 per month or 9.28% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$28.53 to \$31.16 for an average water usage of 1,850 cubic feet per month.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rates hereby authorized are justified and the resulting rates are just and reasonable.

The new adopted price for water purchased from Central Basin Municipal Water District is \$337/acre-ft.

The new adopted price for water purchased from the city of Bellflower is \$406/acre-ft.

The new adopted price for water replenishment assessment is \$125/acre-ft.

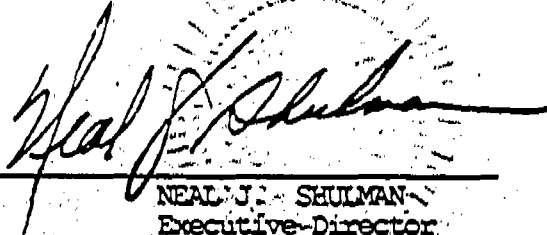
IT IS ORDERED that:

1. Park Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. PR-1 attached to Advice Letter No. 151-W-A and to cancel the presently effective rate schedule.
2. Park Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

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3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 21, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive-Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners