

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CA-33

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3700  
October 21, 1992

RESOLUTION

(RES. NO. W-3700), PEERLESS WATER COMPANY (PWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
ADDITIONAL ANNUAL REVENUES OF \$26,980 OR 4.66% IN 1992.

BY ADVICE LETTER NO. 63, FILED ON SEPTEMBER 2, 1992

**BACKGROUND**

By Advice Letter No. 63, filed September 2, 1992, PWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset a (1) \$8,010 increase in purchased water cost, and (2) a \$18,970 increase in the ground water replenishment charge. The total of these offsets is \$26,980. PWC serves approximately 2,009 metered customers in the cities of Bellflower, Lakewood, and Paramount in Los Angeles County.

The present rates became effective on October 11, 1991, pursuant to Resolution No. W-3619, which granted a purchased water offset.

**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 that previously authorized.

The reason for the requested \$26,980 increase is due to an increase in the cost of purchased water of \$8,010, and an increase in the groundwater replenishment charge of \$18,970.

The City of Bellflower has increased its rate for water delivery, effective July 1, 1992, from \$334 per acre-foot to \$406 per acre-foot for the first 100 acre-feet, and \$352 per acre-foot thereafter. This results in an total increase of \$8,010 for purchased water.

The Water Replenishment District of Southern California increased their groundwater replenishment charge from \$100 per acre-foot to \$125 per acre-foot, effective July 1, 1992, resulting in a total increase for PWC of \$18,970.

As these increases are the result of changes in costs related to water consumption, they are applied to the quantity rates for metered services. The quantity rates will increase by \$0.075 per Ccf. (One Ccf is equals to one hundred cubic feet.)

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

To promote conservation, FWC has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption.

At the proposed rates, the typical residential customer's monthly bill will increase from \$23.95 to \$25.08, or 4.7%, for an average use of 15 Ccf.

#### NOTICE AND PROTEST

FWC has given public notice of the request for increase by publishing in a local newspaper on August 27, 1992. No customer protests or correspondence have been received.

#### FINDINGS

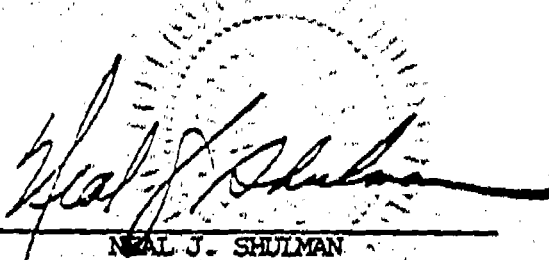
1. FWC's proposed summary of earnings in Advice Letter No. 63 is reasonable and should be adopted.
2. The rate increase proposed by FWC in Advice Letter No. 63 is reasonable and should be adopted.
3. The rate increase authorized herein is justified and the resulting rate is just and reasonable.
4. The new adopted cost for purchased water from the City of Bellflower is \$406 per acre-foot for the first 100 acre-feet and \$352 thereafter.
5. The new adopted cost for the groundwater replenishment is \$125 per acre-foot.

#### IT IS ORDERED that:

1. Peerless Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, attached to Advice Letter No. 63, and to cancel the presently effective rate Schedule No. 1.
2. Peerless 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 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