

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3724
December 16, 1992

RESOLUTION

(RES. W-3724) COUNTY WATER COMPANY, (CWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$61,570 OR 8.08% ADDITIONAL ANNUAL REVENUE FOR 1992.

BY ADVICE LETTER NO. 46, FILED ON NOVEMBER 6, 1992.

SUMMARY

This resolution authorizes CWC to recover a total amount of \$61,570 or 8.08% to offset the increased cost of purchased water. The increase will not result in a rate of return greater than last authorized for CWC.

BACKGROUND

CWC requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code, to increase rates to offset a \$61,570 increase in purchased water costs. CWC serves approximately 2,663 metered and eight private fire protection customers in portions of Artesia, Bellflower, Norwalk, and vicinity, Los Angeles County.

The present rates became effective August 11, 1992, pursuant to Resolution W-3662, which authorized an offset rate increase of \$102,281 or 13.4%. The last general rate case became effective August 2, 1990, pursuant to Resolution W-3503, which authorized a general rate increase of \$63,839 or 10.1%.

NOTICE AND PROTEST

CWC published a notice of this proposed increase in a local newspaper on November 20, 1992. No protests have been received.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in expenses that have occurred since the present rates became effective. This rate increase will not result in a return greater than previously authorized.

The reason for the \$61,570 increase is due to changes in the rates for purchased water charged by the City of Norwalk, the City of Bellflower, and Southern California Water Company.

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 \$0.113 per Ccf from \$1.10 per Ccf to \$1.213 per Ccf. One Ccf is one hundred cubic feet.

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

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

The increase will result in a \$1.92 per month or 8.75% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$21.95 to \$23.87 for an average consumption of 1,700 cubic feet per month.

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.

The new adopted average price for purchased water from the City of Norwalk is \$341 per acre-foot.

The new adopted average price for purchased water from the City of Bellflower is \$406 per acre-foot.

The new adopted average price for purchased water from Southern California Water Company is \$441.87 per acre-foot, and the new service charge is \$89.74 per month.

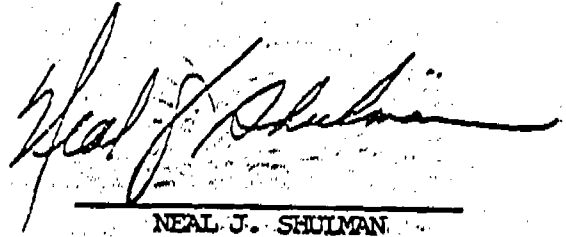
IT IS ORDERED that:

1. County Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, Metered Service, attached to Advice Letter No. 46 and, concurrently, to cancel the presently effective rate Schedule No. 1.
2. County Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

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County Water Co./AL NO. 46/SEK/RUT/WSM:jlj

3. This resolution is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on December 16, 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