

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3917
April 26, 1995

RESOLUTION

(RES. W-3917), COUNTY WATER COMPANY (CWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE OF \$35,973 OR 3.98%
PER YEAR FOR THREE YEARS.

BY ADVICE LETTER 53, FILED FEBRUARY 27, 1995.

SUMMARY

This resolution authorizes CWC to increase rates by \$35,973 or 3.98% per year for three years. This increase is necessary to amortize the undercollection in the balancing account and the accrued interest allowed by Decision (D.) 94-06-035, effective June 22, 1994. The increase will not result in a rate of return greater than last authorized for CWC.

BACKGROUND

CWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service in its service area to amortize: an undercollection of \$107,920 in the purchased water balancing account and the associated accrued interest authorized by D.94-06-033. CWC serves about 2,700 metered customers and 8 private fire protection services within portions of the cities of Artesia, Bellflower, and Norwalk in Los Angeles County.

The present rates became effective on July 5, 1994, for a purchased water increase in Advice Letter 52 pursuant to Res. W-3784.

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.

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to a quantity surcharge for a period of 3 years at which time the balancing account is estimated to approach zero.

CWC's original request of \$0.0867 per Ccf was inaccurate because the consultant began the accrued interest in January of 1992. The CPUC authorized the interest accrual on June 27, 1994. This results in a revised surcharge of \$0.072 per Ccf. The decrease accounts for the extra months of interest from January 1, 1992 to June 30, 1994.

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

The rate increase will result in a \$1.23 or 4.36% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$28.24 to \$29.47 for the average customer using 1700 cubic feet per month.

NOTICE AND PROTESTS

CWC has given public notice of the request for increase by publishing a notice in the local newspaper on March 29, 1995. No protests have been received by the Commission.

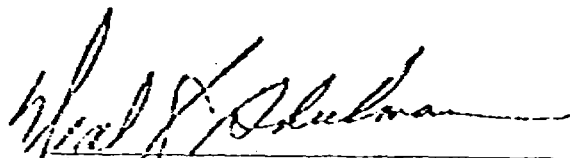
FINDINGS

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. County Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, Metered Service, as attached to Advice Letter No. 53 and to cancel the presently effective schedules.
2. County Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5 and in accordance with the Branch's established procedures entitled "Procedures for Maintaining Balancing Accounts for Water Utilities", dated June 23, 1983.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 26, 1995. The following Commissioners approved it:


NEAL J. SHUMAN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
Commissioners