

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3923
June 21, 1995

R E S O L U T I O N

(RES. NO. W-3923), PEERLESS WATER COMPANY (PWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
ADDITIONAL ANNUAL REVENUES OF \$15,930 OR 2.46% IN 1995.

BY ADVICE LETTER NO. 71, FILED ON MAY 9, 1995.

BACKGROUND

PWC 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 \$7,830 increase in purchased water cost, (2) a \$7,590 increase in the groundwater replenishment charge, and (3) \$510 in purchased power expense. The total of these offsets is \$15,930. PWC serves approximately 2,000 customers in or near the cities of Bellflower, Lakewood, and Paramount, in Los Angeles County.

The present rates became effective on December 27, 1994, pursuant to Resolution No. W-3898, which granted a twelve-month surcharge to offset an undercollection in the utility's balancing account. The last general rate increase was authorized by resolution W-3599, dated August 7, 1991.

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 \$15,930 increase is due to an increase in the cost of purchased water of \$7,830, an increase in the groundwater replenishment charge of \$7,590, and increases in electric rates of \$510.

The Central Basin Metropolitan Water District (CBMWD) increased its rate for purchased water delivered from the Metropolitan Water District of Southern California from \$429 per acre-foot to \$456 per acre-foot, effective July 1, 1995. The City of Bellflower will continue to add \$41 per acre-foot to pay its delivery costs and to fund city improvements. In addition, the City of Bellflower and CBMWD have instituted monthly charges independent of water quantity. The total of the purchased water increases is \$7,830.

The Water Replenishment District of Southern California increased its groundwater replenishment charge from \$152 per acre-foot to \$162 per acre-foot, effective July 1, 1995, resulting in a total increase to PWC for this purpose of \$7,590.

The Southern California Edison Co. (SCE) has changed its rates charged to PWC so that total purchased power costs increased \$510.

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 \$0.044 per Ccf for potable water. The rates for reclaimed water will not change.

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

At the proposed rates, the typical residential customer's monthly bill will increase from \$24.06 to \$24.63, or 2.3%, for an average use of 13 Ccf.

NOTICE AND PROTEST

PWC has given public notice of the request for offset increase by publishing in a local newspaper on May 10, 1995. No customer protests or correspondence have been received.

FINDINGS

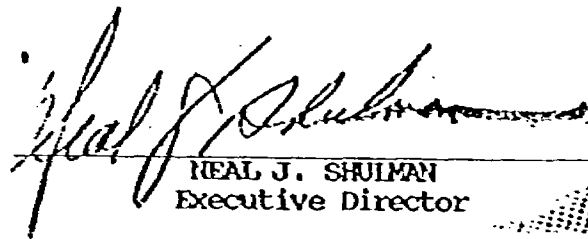
The rate increase proposed by PWC in Advice Letter No. 71 is reasonable and should be adopted.

IT IS ORDERED that:

1. Peerless Water Company is authorized, on July 1, 1995, to make effective revised Schedule No. 1, General Metered Service, attached to Advice Letter No. 71, and to cancel the presently effective rate Schedule No. 1.

2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 21, 1995. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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