

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3924
June 21, 1995

R E S O L U T I O N

(RES. W-3924), COUNTY WATER COMPANY, (CWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$40,044
OR 4.29% ADDITIONAL ANNUAL REVENUE FOR 1995.

BY ADVICE LETTER NO. 55, FILED ON MAY 16, 1995.

SUMMARY

This resolution authorizes CWC to recover a total amount of \$40,044 or 4.29% 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 \$39,149 increase in purchased water costs, and \$895 of associated uncollectibles and franchise fees. The total of these offsets is \$40,044. CWC serves approximately 2,700 metered and eight private fire protection customers in portions of Artesia, Bellflower, Norwalk, and vicinity, Los Angeles County.

The present rates became effective June 13, 1994, pursuant to Resolution W-3852, which authorized an offset rate increase of \$45,446 or 5.11%. The last general rate case became effective August 11, 1992, pursuant to Resolution W-3662, which authorized a general rate increase of \$102,201 or 13.4%.

NOTICE AND PROTEST

CWC published a notice of this proposed increase in a local newspaper on May 30, 1995. 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 \$40,044 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 \$0.0734 per Ccf from \$1.4174 per Ccf to \$1.4908 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 \$1.25 per month or 4.56% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$27.35 to \$28.59 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 \$460 per acre-foot.

The new adopted average price for purchased water from the City of Bellflower is \$497 per acre-foot.

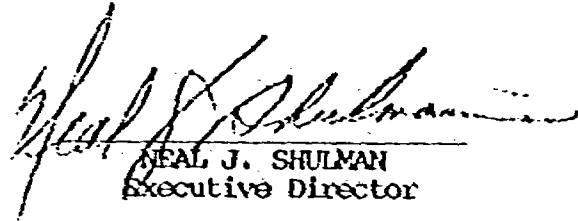
The new adopted average price for purchased water from Southern California Water Company is \$605.48 per acre-foot, and the new service charge is \$142.30 per month.

IT IS ORDERED that:

1. County Water Company is authorized, no sooner than July 1, 1995, to make effective revised Schedule No. 1, Metered Service, attached to Advice Letter No. 55 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.

3. This resolution is effective today.

I hereby 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