

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3927  
July 6, 1995

RESOLUTION

(RES. NO. W-3927), PARK WATER COMPANY (PWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
ADDITIONAL ANNUAL REVENUES OF \$377,317 OR 2.78% IN  
1995.

BY ADVICE LETTER 167-W, FILED ON MAY 22, 1995.

SUMMARY

This Resolution authorizes PWC to increase rates by \$377,317 or 2.78% to offset the increased cost of purchased water. The increase will not result in a rate of return greater than last authorized for PWC.

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 \$366,648 increase in purchased water cost, (2) a \$7,500 increase in the groundwater replenishment charge, and (3) \$3,169 of associated uncollectibles and franchise fees. The total of these offsets is \$377,317. PWC serves about 26,570 customers in or near the cities of Artesia, Bellflower, Bell Gardens, Compton, Lynwood, Norwalk, and Santa Fe Springs, in Los Angeles County.

The present rates became effective on January 1, 1995, pursuant to Decision 93-12-001, which authorized a general rate increase.

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 rate of return greater than that previously authorized.

The reason for the requested \$377,317 increase is due to an increase in the cost of purchased water of \$366,648, an increase in the groundwater replenishment charge of \$7,500, and associated increases in uncollectibles and franchise fees of \$1,924 and \$1,245, respectively.

The Central Basin Metropolitan Water District (CBMWD) increased its rate for purchased water from \$429 per acre-foot (AF) to \$456 per AF, effective July 1, 1995. The total of the increases by CBMWD is \$284,148.

The City of Bellflower has increased its rate for purchased water, effective July 1, 1995, from \$467 per AF to \$494 per AF. The City has introduced three new water charges to Park for the 1995-1996 fiscal year beginning July 1, 1995. The new charges are a monthly fee of \$308 for connection maintenance fees from CFWWD, a \$142 monthly base fee service charge and a \$3.00 per AF commodity charge for capital improvements to the City's distribution system. This results in an increase of \$82,500 for purchased water from the City bringing the total increase for purchased water to \$366,648.

The Water Replenishment District of Southern California increased its groundwater replenishment charge from \$152 per AF to \$162 per AF, effective July 1, 1995, resulting in a total increase to FWC for this purpose of \$7,500.

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 \$0.066 per Ccf for potable water (one Ccf is equal 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.

At the proposed rates, the typical residential customer's monthly bill will increase from \$39.42 to \$40.60, or 3.01%, for an average use of 18 Ccf.

#### NOTICE AND PROTEST

FWC has given public notice of the request for offset increase by publishing in a local newspaper on May 22, 1995. No customer protests or correspondence have been received.

#### FINDINGS

The rate increases proposed by FWC in Advice Letter No. 167-W are reasonable and should be adopted.

#### IT IS ORDERED that:

1. Park Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. PR-1, General Metered Service, attached to Advice Letter No. 167-W, and to cancel the presently effective rate Schedule No. PR-1.
2. Park 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 July 6, 1995. The following Commissioners approved it:

*Wesley Franklin*

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WESLEY N. FRANKLIN  
Acting Executive Director

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