

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3933
August 11, 1995

R E S O L U T I O N

(RES. W-3933), DOMINGUEZ WATER CORPORATION (DWC). ORDER
AUTHORIZING AN OFFSET RATE INCREASE OF \$1,455,109 OR
6.7% ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER NO. 161, FILED ON JUNE 23, 1995.

SUMMARY

This Resolution grants DWC an increase in gross annual revenue of \$1,455,109 or 6.7%, to offset changes in operating costs that have occurred since its present rates became effective. The increase will not result in a rate of return greater than last authorized for DWC.

BACKGROUND

DWC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for water service to offset:

- (1) a \$1,252,042 increase in purchased water expense;
- (2) a \$134,400 increase in a newly introduced meter charge;
- (3) a \$164,870 increase in pumped water replenishment tax;
- (4) \$4,497 in related increases in uncollectibles; and
- (5) an overearnings adjustment of \$100,700 to revenues.

DWC serves about 32,000 metered customers in portions of the cities of Carson, Torrance, Los Angeles, Long Beach, and vicinity, Los Angeles County.

The present rates became effective on June 27, 1994, pursuant to Resolution W-3854, which authorized an offset rate increase of \$754,190 or 3.62% in additional revenues. The last general rate increase was authorized by Decision 92-12-056, dated December 16, 1992, in which the Commission granted an increase in annual revenues of \$1,456,500 or 9.11% with a rate of return on rate base of 10.63%.

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. Increases in purchased water, pump tax and

uncollectibles are shown in the following table:

	Adopted Rate (D.92-12-056)	Current Authorized Rate (AL No. 159)	Rate Effective July 1, 1995
<u>Purchased Water</u>			
West Basin MWD	\$341/AF	\$434/AF	\$501/AF
West Basin MWD - Monthly Meter Charge	0	0	\$70/CFS
<u>Pump Tax</u>			
Water Replenishment Dist., Central and West Basin	\$125/AF	\$152/AF	\$162/AF
<u>Uncollectibles</u>	0.31%	0.31%	0.31%

An overearnings adjustment of \$100,700 has been applied to DWC's offset increase request. The overearning adjustment reduces DWC's requested rate increase and does not have any other effect on DWC's balancing account.

Since the increase is caused by changes in expenses directly related to water consumption, it should be applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.098 per Ccf (one Ccf is one hundred cubic feet).

DWC's balancing account as of April 30, 1995, shows an undercollection of \$281,599. This is about 1.2% of the gross annual revenues. The Branch's procedures allow recovery only when the balance exceeds 2% of revenues.

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 \$1.47 or 6.5% increase for the average metered customer on a 5/8 x 3/4-inch meter. The monthly bill for the average customer using 15 Ccf per month will increase from \$22.57 to \$24.04.

NOTICE AND PROTESTS

DWC has given public notice of the request by publishing it in local newspapers; the Carson Bulletin on June 28, 1995, the Long Beach Press-Telegram on June 30, 1995, and the Daily Breeze on June 27, 1995. No customer correspondence protesting the rate increase was received by the Water Utilities Branch.

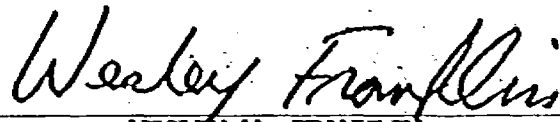
FINDINGS

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. Dominguez Water Corporation is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, and Schedule No. 3M, Metered Irrigation Service, as attached to Advice Letter No. 161, and concurrently to cancel the presently effective schedules.
2. Dominguez Water Corporation is directed to maintain its balancing accounts in accordance with 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 August 11, 1995. The following Commissioners approved it:


WESLEY M. FRANKLIN
Acting Executive Director

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