

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION NO. W-4025\*  
February 5, 1997

RESOLUTION

(RES. W-4025), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM), LOS ANGELES DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING ADDITIONAL ANNUAL REVENUES IN 1997 OF \$167,522 OR 3.93% IN ITS DUARTE SERVICE AREA, AND \$228,941 OR 3.24% IN ITS SAN MARINO SERVICE AREA.

BY ADVICE LETTER NO. 495, FILED ON NOVEMBER 6, 1996.

SUMMARY

This Resolution authorizes Cal-Am to increase gross annual revenues by of \$167,522 or 3.93% in its Duarte Service Area and of \$228,941 or 3.24% in its San Marino Service Area to offset the balancing account undercollection and expenses related to the undercollection in the balancing account. The increase will not result in a rate of return greater than last authorized for Cal-Am.

BACKGROUND

Cal-Am 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 Duarte Service Area to offset a \$167,522 undercollection in its balancing account, and in its San Marino Service Area to offset a \$228,941 undercollection in its balancing account. Cal-Am serves approximately 6,951 metered customers in its Duarte Service Area, and approximately 23,936 metered customers in its San Marino Service Area.

The present rates were established on January 1, 1996, pursuant to Decision (D.) 94-11-004.

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 that previously authorized.

The reason for the above rate increase is to collect an accumulated undercollection in the balancing account as of September 30, 1996, which should be amortized over a 12-month period.

Since the requested increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity rates. The balancing account surcharge will result in:

- a) a surcharge of \$0.0629 per Ccf for Duarte Service Area for a 12 month period;

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b) a surcharge of \$0.0435 per Ccf for San Marino Service Area for a 12 month period;  
(One Ccf is equal to one-hundred cubic feet).

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

### NOTICE AND PROTESTS

Cal-Am has given public notice of the request for an increase by publishing in a newspaper of general circulation within the Duarte and San Marino Service Areas. No correspondence or protests have been received in regards to this matter.

### FINDINGS AND CONCLUSIONS

THE COMMISSION FINDS, after investigation by the Small Water Branch, that the changes hereby authorized are justified and the resulting rates and surcharges are just and reasonable.

### IT IS ORDERED that:

1. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedules No. LA-1, General Metered Service, and LA-3M, Measured Irrigation Service, attached to Advice Letter 495, and to cancel corresponding presently effective rate schedules.
2. California-American 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 February 5, 1997. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners