

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION NO. W-4027\*  
February 5, 1997

R E S O L U T I O N

(RES. W-4027), CALIFORNIA-AMERICAN WATER COMPANY (CAL-AM), LOS ANGELES DISTRICT. ORDER AUTHORIZING A RATE BASE OFFSET RATE INCREASE PRODUCING \$51,226 OR 0.34%.

BY ADVICE LETTER NO. 497, FILED NOVEMBER 14, 1996.

SUMMARY

This Resolution authorizes Cal-Am to increase rates by \$51,226 or 0.34% to offset a rate base plant addition for its Los Angeles District in 1996. 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 for a rate base plant addition and corresponding rate adjustment for the Wooster Avenue Main Project. This project was authorized by Ordering Paragraph 1 of Decision (D.) 94-11-004. Cal-Am serves approximately 26,785 customers in Baldwin Hills, Duarte, and San Marino service areas, Los Angeles County.

The present rates became effective on February 10, 1997, pursuant to Res. W-4024.

DISCUSSION

The rate base offset increase requested herein is for the purpose of recovering in rates the cost of construction of the Wooster Avenue Main Project which consisted of the installation of mains, services, and hydrants. This rate increase will not result in a return greater than that previously authorized.

D.94-11-004 authorized Cal-Am to file a rate adjustment upon the completion of the Wooster Avenue main project. The advice letter was not to be filed until after July 31, 1996, to ensure that all other approved projects would be completed in a timely manner. The Small Water Branch (Branch) reviewed Cal-Am's calculations and concurs with its proposed rates.

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

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The requested increase of \$0.0054 per Ccf (one Ccf is equal to one hundred cubic feet), being very small, is applied to the quantity rates only. The rates for all quantities of water delivered would be increased by \$0.0054 per Ccf.

NOTICE AND PROTESTS

Cal-Am has given public notice of the request for increase by publishing in the local newspaper on November 21, 1996. No protests or correspondence have been received.

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. California-American Water Company is authorized, five days after the effective date herein, to make effective revised Schedule IA-1, General Metered Service, attached to Advice Letter 497 and to cancel the corresponding, presently effective rate schedules for water service.
2. 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. NEPPER  
RICHARD A. BILAS  
Commissioners