

WATER/SEK/DON/YWC:jrb

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION**  
Water Advisory Branch

**RESOLUTION NO. W-4169**  
November 18, 1999

**RESOLUTION**

**(RES. W-4169) SAN GABRIEL VALLEY WATER COMPANY, LOS ANGELES COUNTY DIVISION (SGVWC). ORDER AUTHORIZING AN ADDITIONAL ATTRITION YEAR STEP INCREASE OF \$1,027,400 OR 3.7%.**

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**SUMMARY**

By Advice Letter No. 304, filed September 15, 1999, SGVWC requests an additional attrition year step increase of \$1,027,400 or 3.7%. This Resolution grants SGVWC's request. The increase will result in a rate of return no greater than last authorized for SGVWC.

**BACKGROUND**

SGVWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to recover additional expenses relating to a third attrition year to become effective January 1, 2000 which follows the two test years and two attrition year step rate increases authorized by SGVWC's most recent general rate case Decision 96-07-057. SGVWC's request for the third attrition year arises from a letter dated July 10, 1998 to all Class A water companies wherein the Chief of the Ratepayer Representation Branch of the Water Division (RRB) expressed concern about the number of rate case applications scheduled to be filed in mid-year 1999. In response to that letter, SGVWC met with RRB and agreed to defer its general rate case application for at least one year in order to accommodate RRB's staffing constraints. RRB, in turn, agreed to support SGVWC's request for the third attrition year during the current rate case cycle and both parties agreed that this matter should be filed as an advice letter together with the standard proforma earnings test.

SGVWC serves about 46,012 customers in its Los Angeles County Division.

## **DISCUSSION**

The Commission Rate Case Plan for processing general rate increase requests adopted by D.90-08-045 allows Class A water utilities to file such requests on a three year cycle. That procedure was intended to balance the workload of the Commission and its staff. Due to heavy workload anticipated in 1999, RRB mailed a letter on July 10, 1998 requesting some Class A water utilities to delay filing of their general rate increase requests. SGVWC complied with RRB's request and agreed to request an increase for a third Attrition Year. After reviewing SGVWC's work papers, proforma earnings test, and other documents, RRB believes the requested rate increase of \$1,027,400 is reasonable.

The requested expense offset will result in an increase in the quantity rate of \$0.0528 per Ccf (one Ccf equals one hundred cubic feet). The Service Charge will also increase.

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

At the proposed rates, the typical residential customer's bill will increase from \$34.23 to \$35.52 per month or 3.77% for an average use of 2,250 cubic feet.

## **NOTICES AND PROTESTS**

SGVWC has given public notice of the request by sending bill inserts to all its customers between September 21 and October 19, 1999. Water Division has received three letters protesting the size of the increase.

## **FINDINGS AND CONCLUSIONS**

THE COMMISSION FINDS, after investigation by the Water Advisory Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

**IT IS ORDERED that:**

1. San Gabriel Valley Water Company is authorized to make effective revised Schedule Nos. LA-1 (General Metered Service), LA-3L (Limited Irrigation Service), LA-4 (Private Fire Service), LA-6 (Reclaimed Water Metered Service), LA-9C (Construction and Tank Truck Service), and LA-9CL (Service to Tract Houses During Construction) attached to Advice Letter No. 304, and concurrently to cancel its presently effective similar rate schedules. The effective date of the revised schedules shall be January 1, 2000.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 18, 1999. The following Commissioners approved it:



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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
JOEL Z. HYATT  
CARL W. WOOD  
Commissioners