

WATER/ABJ/HJL:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Advisory Branch**

**Resolution No. W-4170
November 18, 1999**

RESOLUTION

**(RES. W-4170), EAST PASADENA WATER COMPANY (EPWC).
ORDER AUTHORIZING A SURCHARGE OF \$0.064 PER ONE
HUNDRED CUBIC FEET (CCF) OF WATER USAGE FOR TWELVE
MONTHS TO AMORTIZE A \$50,059 UNDERCOLLECTION IN EPWC'S
PURCHASED WATER, PURCHASED POWER, AND PUMPING
ASSESSMENT BALANCING ACCOUNTS.**

SUMMARY

By Advice Letter No. 55, filed October 8, 1999, EPWC seeks to assess a surcharge of \$0.064 per Ccf (One Ccf is equal to 100 cubic feet) of water usage for twelve months to amortize a \$50,059 undercollection of EPWC's purchased water, purchased power, and pumping assessment balancing accounts. This resolution grants the requested increase.

BACKGROUND

EPWC serves approximately 2,754 customers in the Cities of Arcadia, Temple City, Pasadena, San Gabriel, and vicinity in Los Angeles County. The present rates became effective December 26, 1995, pursuant to general rate case increase Res. W-3954. The purpose of this resolution is to amortize the accumulated accruals in the purchased water, purchased power, and pumping assessment balancing accounts.

In August 1999, EPWC's Well No. 9 failed. Well No. 9 produced about 75% of EPWC's water supply. Due to production capability limitations and water quality issues, EPWC was not able to meet its customer demand from its other wells. EPWC obtained the needed water by purchasing it from the City of Arcadia and the City of Pasadena. For the period Well No. 9 was down, EPWC purchased \$71,759.54 of water to meet customer demand.

DISCUSSION

In EPWC's last rate case, \$728 was included for purchased water but the final resolution did not show an adopted quantity for purchased water. EPWC has brought forward the power and pumping assessment components of the balancing account through September 1999, and also started a worksheet for purchased water. Since there is no adopted quantity for purchased water and since the \$728 of purchased water was not part of the production calculation, EPWC has assumed a zero balance for the balancing account. EPWC's balancing accounts as of September 30, 1999, are as follows:

	<u>Sept. 30, 1999</u>
Purchased Water	\$ (71,759.00)
Purchased Power	192,495.06
Pumping Assessment	<u>(170,794.64)</u>
Net Amount (under- collected/overcollected)	\$(50,058.58)

The monthly bill for a typical residential customer, using 18.0 Ccf of water per month, would increase from \$24.13 to \$25.28 or 4.8%.

NOTICE AND PROTESTS

Notice of this filing was made to adjacent and competing utilities by providing them with a copy of the advice letter and the related tariff sheets as required in General Order No. 96-A. The increase was also published in the local newspaper on October 22, 1999. No other party has requested notification and no protests have been received.

FINDINGS AND CONCLUSIONS

EPWC does not expect that the balancing account will decline to a level below 2% in the foreseeable future, and therefore is requesting a modification in rates to allow the amortization of the balancing account as of September 30, 1999, over a period of one year. Commission staff has been provided with workpapers supporting the balance account accrual.

The increase will not result in an increase in the last authorized rate of return of 11.0%.

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

IT IS ORDERED that:

1. East Pasadena Water Company is authorized, to make effective revised schedule No.1, General Metered Service, as filed in Advice Letter No. 55, five days after the effective date herein and concurrently to cancel the presently effective rate schedule.
2. East Pasadena Water Company is ordered to maintain its balancing account for the net increases authorized herein as required by Section 792.5 of the Public Utilities Code using the quantities adopted in Resolution W-3954 and an offset increase in revenue based on an increase of \$0.064 per Ccf.
3. 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:



WESLEY M. FRANKLIN
Executive Director

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