

WATER/ABJ/HJL:jj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Advisory Branch**

**RESOLUTION NO. W-4266
May 3, 2001**

R E S O L U T I O N

**(RES. W-4266), SUBURBAN WATER SYSTEMS (SWS). ORDER
AUTHORIZING AN OFFSET RATE INCREASE OF \$812,916 OR
2.83% IN ADDITIONAL REVENUE.**

SUMMARY

By Advice Letter No. 230-W, filed on April 3, 2001, SWS seeks an increase in gross annual revenues of \$812,916 or 2.83% to reflect increased purchased power costs. The increase will not result in a rate of return greater than last authorized for SWS.

BACKGROUND

SWS serves approximately 65,000 customers in its San Jose Hills and Whittier/La Mirada Districts. The utility is a subsidiary of the Southwest Water Company. The communities served by SWS are Glendora, Covina, West Covina, La Puente, Valinda, Industry, Hacienda Heights, Whittier, La Mirada, La Habra, Buena Park, and unincorporated areas in Los Angeles and Orange counties.

SWS' present San Jose Hills District and Whittier/La Mirada District rate schedules became effective February 27, 2001, pursuant to Res. W-4247. The purchased power costs for 1996, 1997, and 1998, were established pursuant to Decision No. (D.) 96-04-076, in which the Commission found the rates of return on rate base of 9.15% for 1996, 9.14% for 1997, 9.13% for 1998 reasonable, with a return on common equity of 10%.

As of February 28, 2001, SWS' purchased power balancing account has risen to \$1,754,158. Suburban is not requesting amortization or an offset for this amount at this time, but does not wish it to grow any larger than it is currently.

DISCUSSION

SWS proposes to increase its quantity rates by \$0.0442/Ccf in order to reflect Southern California Edison Company's electric charges, made effective by the Commission

decision (D.01-03-082). This will produce an estimated additional \$812,916 in annual revenues. This proposed change will raise the average residential customer's monthly bill (with a 5/8-inch x 3/4-inch meter and using 20 Ccf/mo.) by \$0.88. The Water Division has reviewed SWS' request and find it reasonable.

NOTICE AND PROTESTS

Notice of the proposed rate increase was published in the Whittier Daily News and the San Gabriel Valley Tribune, newspapers of general circulation on April 5, 2001, as evidenced by a Proof of Publication provided to the Water Division by the utility. There were no protests concerning the proposed increase.

FINDINGS

The rates proposed by the utility in Advice Letter No. 230-W are reasonable and should be adopted.

IT IS ORDERED that:

1. Suburban Water Systems is authorized, five days after the effective date herein, to make effective Schedule SJ-1, General Metered Service, and Schedule WLM-1, General Metered Service, as attached to Advice Letter No. 230-W, and to concurrently cancel the presently effective rate schedules.
2. This resolution is effective today.

I hereby certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on May 3, 2001; the following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President
HENRY M. DUQUE
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN
Commissioners