



CITY OF CARSON

Legislation Text

File #: 2018-668, Version: 1

Report to Mayor and City Council

Tuesday, September 04, 2018

Discussion

SUBJECT:

PROPOSED SETTLEMENT OF GOLDEN STATE WATER COMPANY'S WATER RATE INCREASE (CITY COUNCIL)

I. SUMMARY

The Golden State Water Company applied to the State of California Public Utilities Commission for a 19.3% rate increase in their water rates over a three year time period. The City of Carson protested the rate increase as excessive for the community. The Commission met with the parties and Golden State Water Company to review the water rates. The PUC is now proposing an overall 8.7% residential rate increase over a three-year time period, which Golden State Water Company has agreed with.

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

None.

IV. BACKGROUND

On July 19, 2017 Golden State Water Company filed an application for a general rate increase with the State of California Public Utilities Commission of 19.3% over a three year time period. Residential rates would have increased by 17.9%, while the rate charged to the City would have increased by 20.2%. The City Council directed the City Attorney and staff to protest the rate-setting process in order to request a minimal rate increase. Carson reached out to other cities to join our appeal, but only the cities of Lakewood and Lawndale joined with of Carson.

A settlement conference was held on August 14, 2018 and a tentative resolution was reached. Golden State Water Company has amended their rate increase request and proposed the following revised rate structure:

Residential: 8.7%

Commercial: 10.8%

Industrial: 10.9%

Public Entity: 10.9%

In addition, Golden State Water Company has agreed to continue their Low Income Assistance Program, which provides a 20% discount from the average low income customer's bill. This guarantees that the discount will not be less than it currently is.

Golden State Water Company has filed a motion with the CPUC for the lowered rates. Any party or member of the public may submit comments in support or opposition to the settlement by September 14, 2018. Staff and the City Attorney suggest filing a letter of support for the settlement.

V. FISCAL IMPACT

The average resident will see their monthly bill increase from \$51.81 to \$56.32 by 2021 (\$4.51 increase). Without appealing the rate increase, the typical resident would have seen their monthly water bill increase from \$51.81 to \$61.11 by 2021 (\$9.30). The City payments to Golden State Water are approx. \$155,000. The City will save \$16,430 annually with the reduced rate.

VI. EXHIBITS

None

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