

Decision 87 11 008

**ORIGINAL** NOV 13 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of the Southern California Water )  
Company (U 133 W) for an order )  
authorizing it to increase rates )  
for water service in its Desert )  
District. )

Application 85-09-048  
Petition for Modification  
(Filed March 23, 1987)

OPINION

On March 25, 1987, Southern California Water Company (applicant) filed a petition to modify Ordering Paragraph 7 of Decision (D.) 86-10-025 to eliminate any requirement to accelerate its main replacement beyond the 15-year main replacement program currently in place. Applicant notes that the 15-year program authorized by D.86-10-025 for test years 1986, 1987 and by attrition 1988 was an accelerated main replacement program in D.83-08-006. It states that the current pace of main replacement in Morongo Valley provides a balance between improvement of service on the one hand and a moderation of rate increases on the other.

On April 8, 1987, the Water Utilities Branch (staff) filed a response agreeing that the current 15-year main replacement program is in the best interest of Morongo Valley's ratepayers and recommending that the program not be accelerated to a 10-year program because of the increased revenue requirement and attendant effect on the existing high average monthly custom bill of \$43.85.

Staff believes that the current level of main replacement will reduce water loss substantially and notes that water loss has already been reduced considerably as a result of extensive main replacements that were completed in 1984. Staff recommends that the applicant provide semiannual leak and water loss reports to Staff for continued surveillance of the problem.

Findings of Fact

1. Applicant has petitioned to modify D.86-10-025 to relieve it of the requirement of filing plans to accelerate its main replacement program beyond the current 15-year program.

2. Staff concurs that the present program is adequate to reduce water loss and should not be accelerated further because the impact on ratepayers bills would exceed the benefits of acceleration.

3. Staff recommends that a semiannual leak and water loss report be submitted by applicant to allow continued monitoring of the problem.

Conclusion of Law

D.86-10-025 should be modified as set forth below.

ORDER

IT IS ORDERED that:

1. D.86-10-025 should be modified by deleting Ordering Paragraph 7 which reads:

"SoCal shall, within 90 days, resurrect and update its plans for the accelerated main replacement program ordered in D.83-08-006 and file those plans together with an advice letter seeking commission approval for the necessary rate increase to cover the costs of the program. Copies of the advice letter shall be served on all parties to this proceeding."

2. Beginning January 1, 1988, and every six months thereafter until a new general rate decision is issued for the Morongo District, Southern California Water Company (SoCal) shall file two copies of a report with the Water Utilities Branch setting out the number of leaks and the amount of water loss incurred over the prior six-month period. SoCal shall also include in the report the linear feet and size of main replaced for the same period.

3. In all other respects, D.86-10-025 remains in full force and effect.


This order becomes effective 30 days from today.

Dated NOV 13 1987, at San Francisco, California.

STANLEY W. HULETT  
President  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Victor Weisser, Executive Director  
AS