

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Energy BranchRESOLUTION E-3046
July 8, 1987R E S O L U T I O N

ORDER AUTHORIZING SOUTHERN CALIFORNIA WATER COMPANY (SCW) TO INCREASE ITS ADVANCES FOR FOOTAGE OF EXTENSION IN EXCESS OF THE FREE FOOTAGE LENGTH ALLOWED IN RULE 15, LINE EXTENSIONS.

(Advice Letter 124-E, filed March 19, 1987.)

SUMMARY

Southern California Water Company (SCW), requests authority to increase charges to the Applicant for service, for advances for footage of extensions in excess of the free footage length provided for in Rule 15 of SCW's tariffs. The revision to Rule 15, Line Extensions would increase the advance supplied by a customer from \$0.75 to \$6.59 for each foot of electric line extension beyond the allowable free length.

BACKGROUND

1. The revision to Rule 15, Line Extensions, would increase the advance supplied by a customer from \$0.75 to \$6.59 for each foot of electric line extension beyond the allowable length as provided for under Section 3.a.(1) of said tariffs.
2. The reason for these revisions is the utility's review of current construction costs in conformance with Section B.3.a., b., and c., of Rule 15.
3. The existing costs per foot of \$0.75 was approved by this Commission by Resolution in 1949, and have been in existence since that time.
4. The above revisions are in conformance with Paragraph E.2., Periodic Review of Rules 15 and 15.1, since footage costs have changed by more than 10% since the last revision of the costs according to the rule.
5. SCW has reviewed costs for each line extension completed during calendar year 1986. The completed line extension jobs represent overhead extensions to individual applicants in SCW's Bear Valley Electric System as shown on Attachment A to this Resolution.

6. During the year 1986, SCW installed a total of 12,228 feet of overhead line extensions within its Bear Valley Electric System which resulted in an average cost of \$6.59 per foot for extensions beyond the free length allowed. This compares with the current filed cost per foot of \$0.75.

7. The increase from the present \$0.75 per foot to SCW's proposed \$6.59 per foot is justified on the basis that no increases have occurred since 1949 and all extensions completed and closed to capital on SCW's books for calendar year 1986 were used in calculating the average.

DISCUSSION

8. Southern California Water Company submitted workpapers with this advice letter, supporting the increase in the cost per foot beyond the free footage length.

9. Staff from both Service and Safety and Energy Branches of the Evaluation and Compliance Division have reviewed SCW's advice letter filing and have no objections to the increased line extension rate of \$6.59 per foot in light of current labor and material costs.

10. No protests have been received in this matter.

FINDINGS

11. SCW is required to review electric line extensions and service connections annually per D.85-08-043, which addressed competitive bidding for customer installation of electric and gas line extensions and connections.

12. SCW is directed to submit a request for cost changes when these costs have either increased or decreased by 10% from the time of the last revision.

13. SCW's current electric service extension charges are \$0.75 per foot beyond the free footage. The calculated average costs have risen to \$6.59 per foot since its inception in 1949.

14. The Staff of the Service and Safety and Energy Branches of the Evaluation and Compliance Division has reviewed SCW's filing and has determined that it conforms to the requirement of the Periodic Review paragraph of SCW's Rules 15 and 15.1.

15. Public notification of this filing has been made by mailing copies of the advice letter to other utilities, interested parties, and to governmental agencies.

16. We find that the rates, charges and conditions of service authorized in this Resolution are just and reasonable; therefore,

IT IS ORDERED THAT:

1. Southern California Water Company is authorized to increase its electric service extension cost beyond the free footage length from \$0.75 per foot to \$6.59 per foot.

2. This advice letter and tariff sheets shall be marked to show that they were accepted for filing by Commission Resolution E-3046.

3. The effective date of this authorized unit cost increase and the applicable tariff sheets will be July 8, 1987.

I certify that this Resolution was adopted by the Public Utilities Commission at its regularly scheduled meeting on July 8, 1987. The following Commissioners approved it:



Executive Director

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

SOUTHERN CALIFORNIA WATER COMPANY

Bear Valley Electric System

1986 Recorded Closing Costs
Overhead Line Extensions

<u>O.W.O. No.</u>	<u>Extension Footage</u>	<u>Cost</u>
86-0548	330	\$ 1,116.
86-0539	150	973.
86-0504	410	1,899.
86-0465	160	1,692.
86-0405	300	3,147.
86-0391	1,200	6,038.
86-0390	570	3,698.
86-0334	285	1,540.
86-0228	150	876.
86-0227	990	8,067.
86-0225	300	2,069.
85-0647	545	3,267.
85-0563	2,000	12,221.
85-0546	570	2,846.
85-0480	180	1,081.
85-0458	318	1,758.
85-0102	215	1,498.
84-0656	105	1,117.
84-0648	95	1,068.
84-0639	525	3,055.
84-0627	280	2,166.
84-0612	650	3,474.
84-0611	1,025	7,962.
84-0568	160	1,146.
84-0236	715	6,753.
TOTAL	<u>12,228</u> feet	<u>\$ 80,527.</u>

Average cost per foot = \$6.59

12-31-86