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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. W-3326

EVALUATION & COMPLIANCE DIVISION  
BRANCH/SECTION: Water Utilities  
DATE: July 16, 1986

\_\_\_\_\_ Director  
\_\_\_\_\_ Numerical File  
\_\_\_\_\_ Alphabetical File  
\_\_\_\_\_ Accounting Officer

R E S O L U T I O N

SOUTHERN CALIFORNIA WATER COMPANY (SOCAL), ORANGE COUNTY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$402,000 OR 5.0% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 734-W, filed June 2, 1986 SoCal requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$45,200 increase in purchased power costs, (2) a \$59,500 increase in purchased water costs, (3) a \$297,300 increase due to an undercollection in the purchased water and power balancing accounts. SoCal serves about 36,056 metered customers in its Orange County District, which is located two miles northwest of Tustin, Orange County.

The present rates became effective on January 1, 1986 pursuant to Decision No. (D.) 85-05-052 which authorized a step rate increase. The last general increase became effective on May 1, 1985 pursuant to D.85-05-052 in which the Commission found the rates of return on rate base of 11.92% for 1985, 12.05% for 1986, and 12.18% for 1987 reasonable, with a 14.75% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Consistent with past Commission policy for offsets, the percentage increase to metered rate customers is about the same percentage as the overall increase or 5.0%.

Since the increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity blocks for metered customers. Rates for all quantities were increased by \$.037/Ccf.

The Water Utilities Branch (Branch) has reviewed the latest pump efficiency tests and found them satisfactory.

SoCal has given public notice of the request for increase by publishing in the local newspaper on June 6, 1986. No customer protests or correspondence have been received.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there significant service problems requiring corrective

action.

The table below shows typical bills for residential customers at various usage levels at present and proposed rates:

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General Metered Service (5/8 x 3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 4.73	\$ 4.85	2.5%
1,000	8.74	9.11	4.2
2,000	14.47	15.22	5.2
3,000	20.20	21.32	5.5
4,000	25.93	27.42	5.8
5,000	31.66	33.52	5.9

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After investigation by the Branch, the Commission finds that the requested rate increase is reasonable, and to the extent provided by the following resolution is justified. SoCal is directed to maintain its balancing accounts as required by Public Utilities Code Section 792.5.

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are for the future, unjust and unreasonable.

IT IS RESOLVED that Southern California Water Company is authorized, on the effective date herein, to make effective revised Schedules Nos. OC-1, OCH-1 and OC-3M attached to Advice Letter No. 734-W and to cancel the presently effective rate schedules for water service.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 16, 1986. The following Commissioners approved it:

DONALD VIAL  
President  
VICTOR CALVO  
PRISCILLA C. GREW  
FREDERICK R. DUDA  
Commissioners



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VICTOR R. WEISSER  
Executive Director