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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3381
February 10, 1988

RESOLUTION

(Res. W-3381) SOUTHERN CALIFORNIA WATER SERVICE COMPANY (SCWC), DESERT DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$33,065 OR 3.0% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. (A.L.) 761-W, filed September 25, 1987, SCWC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates in its Desert District to offset: (1) a \$2,900 increase in purchased power costs and (2) a \$30,165 increase to amortize the undercollections in the water supply balancing accounts. SCWC, in its Desert District, serves about 830 metered and 20 haulage (water hauled by customers from designated outlets) flat rate customers in Morongo Valley, and about 1,920 metered customers in Victorville, Lucerne and vicinity in San Bernardino County.

The present rates became effective on January 1, 1988 pursuant to A.L. 767 which authorized a step rate increase. The last general rate increase became effective on October 1, 1986, pursuant to Decision (D.) 86-10-025 in which the Commission found the rates of return on rate base of 11.16% for 1986, 11.22% for 1987, and 11.30% for 1988 reasonable, with a 13.50% return on equity.

SCWC purchases its power from the Southern California Edison Company. The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, increases in expenses related to providing water that have occurred since SCWC's present rates became effective. The requested increase would not result in a rate of return greater than last authorized for SCWC.

Service is satisfactory. There is a 15-year main replacement program in Morongo District authorized by D.86-10-025. SCWC is providing semi-annual reports to the Water Utilities Branch (Branch) setting out water loss and the linear feet of main replaced.

SCWC has given public notice of the request for increase by publishing in the local newspaper on October 1, 1987. No customer protests or correspondence have been received.

Since the requested increase is caused by changes in expenses directly related to water consumption, the Water Utilities Branch (Branch) recommends that it be applied to the quantity rates for the metered customers. Under the Branch's

recommendation, the rates for all quantities of water delivered would be increased by \$0.0897 per Cof. (One Cof is equal to one-hundred cubic-feet.) The flat rate for customers hauling water has been increased by \$0.33 per month, which is equal to the overall system average increase.

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

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

Morongo - DEM-1

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 24.92	\$ 25.19	1.1%
1,000	46.49	47.38	1.9
2,000	77.30	79.08	2.3
3,000	108.11	110.78	2.5
4,000	138.92	142.48	2.6
5,000	169.73	174.18	2.6

Victorville - DEV-1

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 13.55	\$ 13.82	2.0%
1,000	23.94	24.84	3.8
2,000	38.78	40.58	4.6
3,000	53.62	56.32	5.0
4,000	68.46	72.06	5.3
5,000	83.30	87.80	5.4

Morongo Valley Haulage - Flat Rate Service - DEM-2H

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
<u>Domestic use only</u>	\$11.00	\$11.33	3.0%

Pursuant to Public Utilities Code Section 792.5, SCWC is directed to maintain its water supply balancing accounts.

THE COMMISSION FINDS, after investigation by the Branch, that the rates hereby authorized are justified.

IT IS ORDERED that Southern California Water Company is authorized, to make effective revised Schedules Nos. DEM-1, DEM-2H and DEV-1, attached to A.L. 761-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 February 10, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners



VICTOR R. WEISSER
Executive Director