

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3476
December 18, 1989

RESOLUTION

(RES. W-3476), SOUTHERN CALIFORNIA WATER COMPANY
(SCWC), SAN GABRIEL VALLEY DISTRICT. ORDER
AUTHORIZING AN OFFSET RATE INCREASE PRODUCING
\$143,630 OR 5.3% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (A.L.) 804-W, filed November 16, 1989, SCWC 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 \$30,726 increase in purchased water costs, (2) a \$111,613 increase in groundwater charges, and (3) \$1,291 in related increases in uncollectibles and franchise requirements. SCWC serves about 11,200 metered customers in the San Gabriel Valley District in the cities of San Gabriel, Arcadia, El Monte and vicinity, Los Angeles County.

The present rates became effective on March 9, 1989 as filed by A.L. 796-W pursuant to the provisions of Resolution W-3434 and Decision (D.) 87-12-046 in which the Commission found the rates of return on rate base of 11.06% for 1988, 11.07% for 1989, and 11.09% for 1990 reasonable, with a 12.50% return on equity. This offset increase will not result in a rate of return greater than last authorized.

SCWC purchases its water from the City of Arcadia. SCWC's groundwater charges are assessed by Main San Gabriel Watermaster and are based on the amount of groundwater pumped.

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. Under the Branch's recommendation, the rates on all quantities of water delivered would be increased by \$0.0456 per Ccf. (One Ccf is equal to one-hundred cubic-feet.) No rate changes are proposed for the service charges.

To ensure that purchased power is being used economically, the Branch reviewed the latest pump efficiency tests and found them satisfactory.

SCWC has given public notice of the request for increase by publishing in the local newspaper on November 24, 1989. 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.

D.87-12-046 ordered the amortization of the balancing account over a 36-month period beginning January 1, 1988. The utility requested that the surcharge of \$0.06 per Ccf be continued since the balance is being reduced.

SCWC has a company-wide conservation and water use education program. For this district, SCWC distributes water conservation kits and disseminates information on efficient water use. SCWC had an open house at the Farna plant during Water Awareness Week.

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)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 7.15	\$ 7.28	1.82%
500	8.37	8.59	2.63
1,000	11.41	11.87	3.99
2,000	17.50	18.41	5.21
2,250 (avg.)	19.02	20.05	5.39
3,000	23.59	24.96	5.80
5,000	35.77	38.05	6.37

Pursuant to D.87-12-046, SCWC is authorized to file for a step rate increase to be effective no earlier than January 1, 1990. In order to minimize the number of rate increases, the Branch recommends that SCWC be authorized to make effective the revised rates proposed in A.L. 804-W on January 1, 1990 concurrent with its step rate increase.

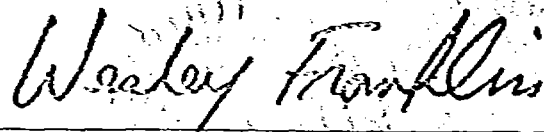
After investigation by the Water Utilities Branch, the Commission finds that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable. SCWC is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

IT IS ORDERED that Southern California Water Company is authorized, on January 1, 1990, to make effective revised Schedule No. SG-1 attached to Advice Letter No. 804-W and to cancel the presently effective rate schedule 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 December 18, 1989. The following commissioners approved it:

G. MITCHELL WELK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. CHANAN
PATRICIA M. ECKERT
Commissioners


WESLEY FRANKLIN
Acting Executive Director