

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3579
June 5, 1991R E S O L U T I O N

(RES. W-3579), SOUTHERN CALIFORNIA WATER COMPANY
(SCWC), BAY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$214,744 OR 9.44% ADDITIONAL ANNUAL
REVENUE.

BACKGROUND

By Advice Letter 835-W, filed May 1, 1991, 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 \$210,978 increase in purchased water costs, and (2) a \$3,766 in related increases in uncollectibles and franchise requirements. SCWC serves approximately 4,982 metered customers in Contra Costa County.

The present rates became effective on January 1, 1991, pursuant to Decision No. 89-11-017, in which the Commission found the rates of return on rate base of 10.92% for 1990, 10.96% for 1991, and 10.90% for 1992, reasonable, with a 12.00% return on equity.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in items that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

The reason for the \$214,744 increase in purchased water costs is due to Contra Costa Water District's increase in the rates it charges SCWC's Bay District. The cost of the water has been increased from \$0.5952 to \$0.7611 per Ccf.

To determine if purchased power is being used efficiently, the Branch reviewed the latest pump efficiency tests and found the results to be satisfactory.

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

To promote conservation, SCWC has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption.

This increase will result in a \$3.05 per month or a 8.24% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$37.06 to \$40.11.

June 5, 1991

NOTICE AND PROTEST

SCWC has given public notice of the request for increase by publishing in the local newspaper on May 9, 1991. No customer protest or correspondence have been received.

FINDINGS

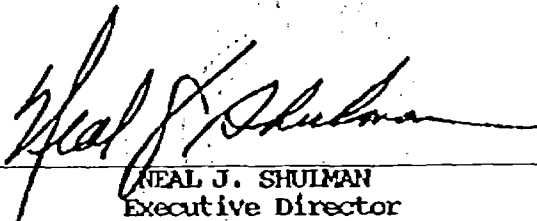
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. Southern California Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. BY-1 attached to Advice Letter No. 835-W, and to cancel the presently effective rate schedule for water service.
2. Southern California Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 5, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners


NEAL J. SHULMAN
Executive Director