

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3603
August 7, 1991

R E S O L U T I O N

(RES. W-3603), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
METROPOLITAN DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$2,888,696 OR 10.41% ADDITIONAL
ANNUAL REVENUE.

BACKGROUND

By Advice Letter 840-W, filed June 6, 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 \$2,835,613 increase in purchased water costs, and (2) \$53,083 in related increases in uncollectibles and franchise requirements. SCWC serves approximately 88,860 metered customers in its Metropolitan District.

The present rates became effective on January 1, 1991, pursuant to Decision No. 89-01-043, in which the Commission granted an increase of \$548,900 or 1.96% for test year 1991.

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 \$2,835,613 increase in purchased water costs is due to increases in purchased water charges from the following agencies: (a) West Basin Water District from \$231 to \$276 per acre-foot (AF), (b) Central Basin Water District from \$232.30 to \$276 per AF, (c) Central and West Basin Water Replenishment District from \$71 to \$100 per AF, and (d) City of Cerritos from \$236.05 to \$279.75 per AF.

The requested expense offset will result in a \$0.1042/Ccf increase in the quantity rate. One Ccf is one hundred cubic feet.

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 at this time. The Branch is processing a General Rate Case, Application No. 91-02-097. In its report on the Metropolitan Results of Operations Report, the staff concluded that service was satisfactory.

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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 \$2.61 per month or 11.10% increase for the average customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$23.52 to \$26.13 for average users who use 25 Ccf per month.

NOTICE AND PROTEST

SCWC has given public notice of the request for increase by publishing in the local newspaper on June 7, 1991. Twenty-two customer protests or letters have been received. Staff has reviewed and responded to each protest.

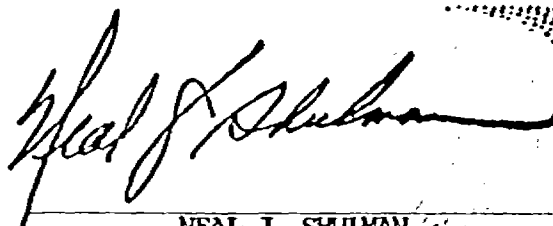
FINDINGS

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. ME-1 attached to Advice Letter No. 840-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 August 7, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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

Commissioner Daniel Wm. Fessler, being necessarily absent, did not participate.