

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3605
August 7, 1991

R E S O L U T I O N

(RES. W-3605), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
SAN DIMAS DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$540,175 OR 7.44% ADDITIONAL ANNUAL
REVENUE.

BACKGROUND

By Advice Letter 841-W, filed June 7, 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 \$536,412 increase in purchased water costs, and (2) a corresponding \$3,763 increase in uncollectibles and franchise taxes. SCWC serves approximately 15,263 metered customers in its San Dimas District.

The present rates became effective on January 1, 1991, pursuant to Decision No. 89-11-017, in which the Commission granted an increase of \$522,400 or 7.80% 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 \$536,412 increase in purchased water costs is due to an increase in (a) the cost of water from Three Valleys MWD of \$230 to \$258 per acre feet (AF), and (b) assessments of the Main San Gabriel Basin Watermaster of \$53.44 to \$115.68 per AF.

The requested expense offset will result in a \$0.0956/Ccf increase in the quantity rates.

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

There is a moderately high number of service complaints, mostly high bills and leaks. There are no Commission orders requiring system improvements at this time. Staff will evaluate the problem of leaks in the next general rate case.

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

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This increase will result in a \$2.87 per month or 7.88% increase for the average customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$36.40 to \$39.27 for average users who use 30 Ccf per month. (One Ccf is one hundred cubic feet.)

NOTICE AND PROTEST

SCWC has given public notice of the request for increase by publishing in the local newspaper on June 9, 1991. One customer protest has been received. Staff has reviewed and responded to the protest.

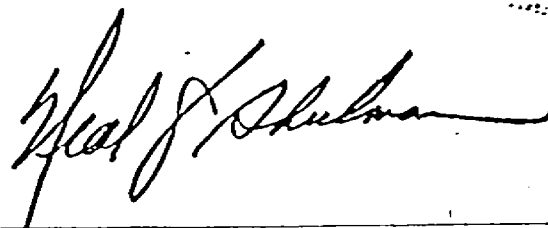
FINDINGS

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. SD-1 attached to Advice Letter No. 841-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.