

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3622
November 20, 1991R E S O L U T I O N

(RES. W-3622), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
ORANGE COUNTY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$949,500 OR 9.61% ADDITIONAL ANNUAL
REVENUE.

BACKGROUND

By Advice Letter 847-W, filed October 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 \$527,900 increase in purchased water costs, (2) \$9,700 in related increases in uncollectibles and franchise requirements, and (3) \$411,900 in the undercollection in the balancing account. SCWC serves approximately 36,000 metered customers in its Orange County District.

The present rates became effective on January 1, 1990, pursuant to Decision No. 89-11-017.

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 \$527,900 increase in purchased water costs is due to increases in purchased water charges from the following agencies: (a) Municipal Water District of Orange County from \$232 to \$263 per acre-foot (AF), (b) East Orange Water District from \$244 to \$263 per AF, (c) Orange County Water District from \$45 to \$51 per AF, (d) Red Hill Water Company from \$0.387/AF to \$168.58 per AF, and (e) the replenishment cost of the Orange County Water District from \$45 to \$51 per AF.

The requested expense offset will result in a \$0.045/Ccf increase in the quantity rate. One Ccf is one hundred cubic feet. Due to an undercollection of \$809,200 in the balancing account, a surcharge of \$0.035/Ccf will be added to the quantity rates for 24 months.

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.

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 \$1.99 per month or 10.78% increase for the average customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$18.46 to \$20.45 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 newspapers on October 10 and October 14, 1991. One customer protest letter has been received. Staff has reviewed and responded to the protest.

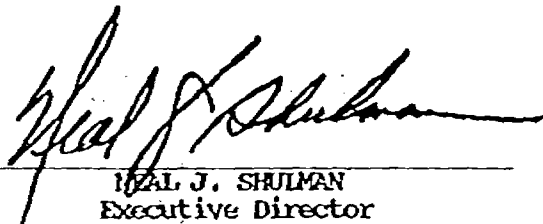
FINDINGS

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 Schedules Nos. OC-1, OCH-1, and OC-3M, attached to Advice Letter 847-W, and concurrently to cancel its presently effective rate Schedules Nos. OC-1, OCH-1, and OC-3M.
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 November 20, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.