

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3634  
March 31, 1992

## RESOLUTION

(RES. W-3634), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),  
SANTA MARIA DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING \$10,400 OR 0.26% ADDITIONAL ANNUAL  
REVENUE.

**BACKGROUND**

By Advice Letter 866-W, filed February 4, 1992, 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 \$10,400 increase in revenue due to the purchase of the Casa Real Well Site. SCWC serves approximately 12,247 metered customers in its Santa Maria District.

The present rates became effective on January 1, 1992, pursuant to a step rate increase authorized by Decision No. 89-11-017, in which the Commission granted an increase of \$141,700 or 3.60% for attrition year 1992.

**DISCUSSION**

The rate base offset is for the purpose of recovering in rates the purchase price of the Casa Real Well Site in the Vista portion of SCWC's Santa Maria District. This purchase was recommended by CPUC Staff Report (Recommendation 8.8) and agreed to by SCWC in Application 89-02-029. The well site was purchased on September 30, 1991 for \$66,269, and the related revenue requirement is \$10,400 or 0.26% of adopted gross revenues.

The increase is solely related to capital improvements; the current service charge revenue is about 49% of total fixed costs. This is less than the 50% maximum prescribed by D.86-05-064. Therefore, the offset should be applied to the service charge resulting in a \$0.062 increase per residential customer equivalent.

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 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.

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This increase will result in a \$0.05 per month or 0.20% increase for the average customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$25.63 to \$25.68 for average users who use 27 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 February 9, 1992. No customer protests have been received.

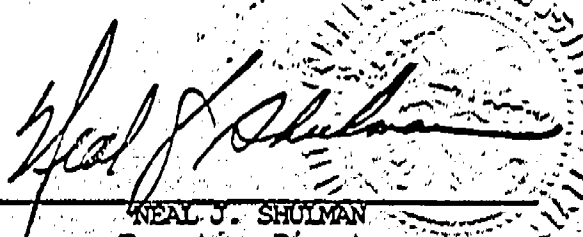
FINDINGS

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. SM-1 attached to Advice Letter No. 866-W, and to cancel the presently effective rate schedule for water service.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 31, 1992. The following Commissioners approved it:



NEAL J. SHULMAN  
Executive Director

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