

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3656
July 1, 1992

RESOLUTION

(RES. W-3656), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
ORANGE COUNTY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$374,000 OR 3.59% ADDITIONAL ANNUAL
REVENUE.

BACKGROUND

By Advice Letter 889-W, filed May 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 \$299,269 increase in purchased power costs, (2) a \$ 69,755 increase in revenue requirement for the new general office building as authorized by Decision No. (D.) 92-03-094, and (3) \$5,000 in related expenses in uncollectibles and franchise requirements. SCWC serves approximately 37,907 metered customers in its Orange County District.

The present rates became effective on November 20, 1991, pursuant to Resolution W-3622 which authorized an offset increase of \$949,500.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in expenses 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 increase is due to changes in the rates charged for power purchased from Southern California Edison Company (SCE) and the city of Anaheim. The composite rate for power purchased from SCE increased from the adopted \$0.06271 per kWh to \$0.08861 per kWh while the city of Anaheim dropped its rates from the adopted \$0.09463 per kWh to \$0.08353 per kWh. This resulted in a net increase in the annualized purchased power cost of \$299,269.

The requested increase in revenue for the general office building was authorized by D.92-03-094. The Commission's Water Utilities Branch (Branch) has reviewed SCWC's filing and has determined that the filing is in compliance with that decision.

The increase in purchased power expense has been applied to the quantity portion of the rates since it is a variable cost that is directly related to water consumption. The general office revenue requirement has been applied equally to the service and quantity charge portions of the rates in compliance with current Commission rate design policy. The rates for all quantities of water delivered would be increased by \$0.0283 per Ccf.

The table below shows the effect this rate increase would have on typical bill for a residential customer at present and proposed rates:

General Metered Service (5/8 x 3/4-inch meters)

Monthly Usage (cf)	Present Rates	Proposed Rates	Percent Increase
500	\$ 6.36	\$ 6.61	3.67 %
1,000	9.67	10.05	3.80
2,000	16.58	16.95	3.96
2,500 (avg.)	19.58	20.39	4.09
3,000	22.89	23.84	4.12
5,000	36.11	37.62	4.15

At the proposed rates, the typical residential customer's bill will increase from \$19.58 to \$20.39 per month or 4.09% for an average use of 2,500 cubic feet per month.

To ensure that purchased power is being used economically, the Branch reviewed the latest pump efficiency tests and found the results to be satisfactory.

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

SCWC has a two-fold conservation program: one unique to specific districts to cover local situations, and the other to cover all districts in a general nature. Orange County District falls under the general part of the conservation program. SCWC has placed newspaper advertisements in local newspapers about water awareness, the importance of water conservation, and the need to conserve.

NOTICE AND PROTEST

SCWC has given public notice of the request for a rate increase by publishing a notice in the local newspaper on May 8, 1992. No customer protest or correspondence has 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.

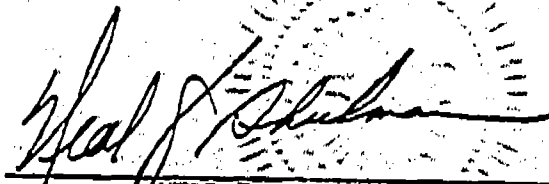
IT IS ORDERED that:

1. Southern California Water Company is authorized, five days after the effective date herein, to make effective the revised Schedule Nos. OC-1 and OCH-1 attached to Advice Letter 889-W and to cancel the presently effective rate Schedule Nos. OC-1 and OCH-1.

2. Southern California Water Company is directed to maintain its balancing account as required by Public Utilities Code 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 July 1, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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