

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3659  
July 22, 1992

RESOLUTION

(RES. W-3659) SOUTHERN CALIFORNIA WATER COMPANY (SCWC),  
SANTA MARIA DISTRICT. ORDER AUTHORIZING AN OFFSET RATE  
INCREASE PRODUCING \$177,600 OR 4.39% ADDITIONAL ANNUAL  
REVENUE.

BACKGROUND

By Advice Letter 890-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 \$148,404 increase in purchased power costs, (2) a \$28,359 increase in revenue requirement for the new general office building as authorized by Decision No. 92-03-094, and (3) \$837 in related expenses in uncollectibles and franchise requirements. SCWC serves approximately 12,247 metered customers in its Santa Maria District.

The present rates became effective on March 31, 1992, pursuant to Resolution W-3634 which authorized an offset rate increase of \$10,400.

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. The composite rate for power purchased from SCE increased from the adopted \$0.09335 per kWh to \$0.10701 per kWh. This resulted in a net increase in the annualized purchased power cost of \$148,404.

The requested increase in revenue for the general office building was authorized by Decision No. 92-03-094. The 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 \$0.0126 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)

<u>Monthly Usage</u> (cf)	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300	\$ 9.56	\$ 9.88	3.33 %
500	10.91	11.30	3.64
1,000	14.26	14.66	4.17
2,000	20.98	21.97	4.72
2,720 (avg.)	25.81	27.09	4.94
3,000	27.69	29.08	5.00
5,000	41.12	43.29	5.29

At the proposed rates, the typical residential customer's bill will increase from \$25.81 to \$27.09 per month or 4.94% for an average use of 2,720 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. Santa Maria 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 10, 1992. No customer protest or correspondence has been received.

FINDINGS

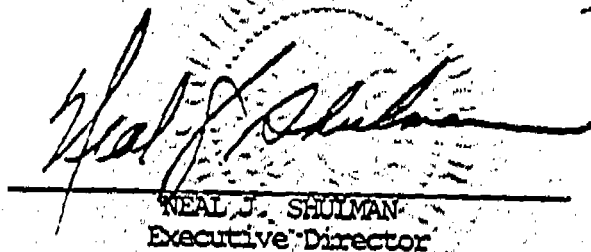
THE COMMISSION FINDS, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rate is just and reasonable.

IT IS ORDERED that:

1. Southern California Water Company is authorized, five days after the effective date herein, to make effective the revised schedule No. SM-1 attached to Advice Letter 890-W and to cancel the presently effective rate schedule No. SM-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 22, 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