

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION No. W-3689
October 6, 1992

R E S O L U T I O N

(RES. W-3689). SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
ORANGE COUNTY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$961,640 OR 9.23% ADDITIONAL ANNUAL
REVENUE.

BY ADVICE LETTER NO. 897-W, FILED ON AUGUST 4, 1992.

SUMMARY

This resolution authorizes SCWC to increase rates by \$961,640 or 9.23% to offset changes in operating costs that have occurred since its present rates became effective. The increase will not result in a rate of return greater than last authorized for SCWC.

BACKGROUND

SCWC requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to offset: (1) a \$561,890 increase in purchased water, (2) a \$179,082 increase in pumped water replenishment tax, (3) a \$207,108 increase due to an undercollection in the balancing account, and (4) \$13,560 in related increases in uncollectibles and franchise requirements. SCWC serves approximately 36,000 metered customers in portions of Cypress, La Palma, Los Alamitos, Placentia, Seal Beach, Stanton, Yorba-Linda, and Orange County.

The present rates for SCWC became effective on July 6, 1992, pursuant to Resolution No. W-3656, which authorized a purchased power offset.

NOTICE AND PROTESTS

SCWC has given public notice of the request for an increase by publishing a notice in a local newspaper on August 23, 1992. The Water Utilities Branch (Branch) has received one letter protesting the magnitude of the rate increase.

DISCUSSION

The reasons for the above expense changes are shown in the following table:

	<u>Present</u> <u>Rate</u> Per A.F. ¹	<u>Adopted</u> <u>Rate</u> Per A.F.	<u>Effective</u> <u>Date</u>
Purchased Water			
Municipal Water District of Orange County			
Treated:	\$263	\$324.85	7/1/92
Untreated:	224	271.85	7/1/92
East Orange County Water District	263	325.00	7/1/92
Pumped Water			
Orange County Water District	51	60.00	7/1/92

Since the requested increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity rates. The rate for all quantities of water delivered would be increased by \$0.0631 per Ccf. One Ccf is one hundred cubic feet.

By Resolution W-3622, dated November 20, 1991, SCWC was authorized a surcharge of \$0.035 per Ccf to amortize the undercollection in the balancing account over a 24-month period. The undercollection has now risen to \$1,251,242, which would require a surcharge of \$0.052 per Ccf to amortize it over a period of 24 months, an increase of \$0.017 over the previous surcharge.

At the proposed rates, the typical residential customer's bill will increase from \$21.26 to \$23.27 per month or 9.45% for an average use of 2,500 cubic feet per month.

Service is satisfactory. There are no Commission orders requiring system improvements nor significant service problems requiring corrective action.

To promote conservation, SCWC has requested its customers to reduce water consumption through conservation brochures and bill inserts.

¹ A.F. = Per acre-foot.

ENDINGS

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

The new adopted price for purchased water from the Municipal Water District of Orange County (treated) is \$324.85/acre-foot.

The new adopted price for purchased water from the Municipal Water District of Orange County (untreated) is \$271.85/acre-foot.

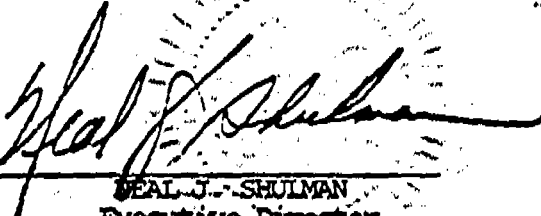
The new adopted price for purchased water from the East Orange County Water District is \$325/acre-foot.

The new adopted pump tax is \$60/acre-foot.

IT IS ORDERED that:

1. Southern California Water Company is authorized, five days after the effective date herein, to make effective revised Schedule Nos. OC-1, OCH-1 and OC-3M attached to Advice Letter 897-W, and concurrently to cancel its presently effective rate Schedule 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 hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 6, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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