

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3698
October 21, 1992

RESOLUTION

(RES. W-3698), SOUTHERN CALIFORNIA WATER COMPANY (SCWC), SIMI VALLEY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE AND A BALANCING ACCOUNT SURCHARGE PRODUCING ADDITIONAL TOTAL ANNUAL REVENUES OF \$622,071 OR 12.69%.

BY ADVICE LETTER NO. 896-W, FILED ON AUGUST 5, 1992.

SUMMARY

This Resolution authorizes SCWC to increase rates by \$622,071 or 12.69% 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 \$543,016 increase in purchased water costs, (2) a \$67,888 increase due to an undercollection in the purchased water balancing account, and (3) \$11,167 in related increases in uncollectibles and franchise requirements. SCWC serves about 12,250 metered customers in Simi Valley, and vicinity, in Ventura County.

The last general rate increase was authorized by Decision (D.) 89-11-017 in which the Commission found the rates of return on rate base of 10.92% for 1990, 10.96% for 1991, and 10.90% for 1992, with a 12.00% return on common equity.

NOTICE AND PROTESTS

SCWC has given public notice of the request for increase by mailing notice to its customers on August 31, 1992. Twelve items of customer correspondence protesting the rate increase were received. The Water Utilities Branch (Branch) has responded to all letters.

DISCUSSION

The reason for the above expense change is due to an increase in cost of water purchased from Calleguas MWD of \$ 0.14 per one hundred cubic feet effective

July 1, 1992. Since the requested increase is caused by changes in expenses directly related to water consumption, the increase should be applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.1584 per Ccf. (One Ccf is equal to one-hundred cubic-feet.)

In addition, the undercollections in the balancing account should be amortized over a 12-month period by adding a surcharge of \$0.0194 per Ccf.

The increase will result in a \$3.69 per month or 12.62% increase for the average metered customer on a 5/8 x 3/4-inch meter. The average monthly bill will increase from \$29.23 to \$32.92 for an average water usage of 2,080 cubic-feet per month. The above amounts include a surcharge of \$0.40 per 100 cubic-feet to amortize a balancing account undercollection.

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

SCWC has a variety of programs designed to promote water conservation including monthly reminders in water bills, leak detection service, free customer conservation pamphlets, free conservation kits, a variety of conservation literature for presentation to schools and public information meetings.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rates hereby authorized are justified, and the resulting rates are just and reasonable.


The new adopted price for purchased water is \$0.9366 per Ccf.

IT IS ORDERED that:

1. Southern California Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. SI-1, General Metered Service, attached to Advice Letter No. 896-W and to cancel the presently effective rate schedule.
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 October 21, 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