

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Small Water Branch

RESOLUTION NO. W-4051
July 16, 1997

R E S O L U T I O N

(RES. W-4051), SOUTHERN CALIFORNIA WATER COMPANY (SCWC),
BAY POINT DISTRICT. ORDER AUTHORIZING AN OFFSET RATE
INCREASE PRODUCING \$307,762 OR 11.62% ADDITIONAL ANNUAL
REVENUE.

BY ADVICE LETTER NO. 976-W, FILED ON MAY 21, 1997

SUMMARY

This Resolution authorizes SCWC to increase revenues by \$307,762 or 11.62% 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 \$67,318 increase in purchased water, (2) a \$224 increase in purchased power, (3) a \$236,896 increase due to an undercollection in the purchased power and purchased water balancing accounts, and (4) \$3,324 in related increases in uncollectibles and franchise requirements. SCWC serves approximately 4,579 customers in portions of the City of Pittsburg and vicinity, Contra Costa County.

The present rates became effective on January 1, 1995, pursuant to Decision 94-06-007.

NOTICE AND PROTESTS

SCWC has given public notice of the request for an increase by publishing in the local newspaper on May 27, 1997, and has notified each customer by mail because this increase is over 10%. Two protest letters were received.

DISCUSSION

The reasons for the above expense changes are as follows:

- (1) Effective January 1, 1996, Pacific Gas & Electric Company increased its rate by 0.00034 \$(kWh) resulting in a net increase in purchased power cost of \$224.00.

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- (2) Effective February 1, 1997, Contra Costa County (CCWD) Water District increased the water rate by \$0.09/1000 gallons resulting in a \$67,318 increase in purchased water.

The undercollection in the balancing account as of April, 1997 is \$710,690. Because this is greater than 10% of current revenue, the increase is amortized over a 36-month period. The unit increase is \$0.238/Ccf.

Since the requested increase is caused by changes in expenses directly related to water consumption, it is applied to the quantity rates. The rates for all quantities of water delivered would be increased by \$0.068 per Ccf. (One Ccf is equal to one-hundred cubic feet).

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

FINDINGS

THE COMMISSION FINDS, after investigation by the Small Water Branch, that the changes hereby authorized are justified and the resulting rates and surcharges are 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 Schedules BY-1, General Metered Service, attached to Advice Letter 976-W, and to cancel corresponding presently effective rate schedules.
2. Southern California Water Company is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

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3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 16, 1997. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

P. GREGORY CONLON
President
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners