

WATER/FLC:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Water Advisory Branch

RESOLUTION W-4138  
March 4, 1999

RESOLUTION

**(RES. W-4138), SOUTHERN CALIFORNIA WATER COMPANY,  
SAN DIMAS DISTRICT. ORDER AUTHORIZING A RATE BASE  
OFFSET REVENUE INCREASE OF \$69,410 OR .61% ADDITIONAL  
ANNUAL REVENUE FOR 1999.**

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SUMMARY

By Advice Letter 1059-W, filed on February 1, 1999, SCWC's San Dimas District is requesting an increase in gross annual revenues of \$69,410, resulting in an average increase of .61%, to provide a return on investment for increased plant-in-service. The increase will not result in a rate of return greater than last authorized for SCWC.

BACKGROUND

SCWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to adjust rates to recover costs for capital improvements in its San Dimas District. The project was included in the 1995, 1996, and 1997 capital improvement programs as set forth in the settlement agreement authorized by Decision (D.) 95-12-027, dated December 18, 1995.

The present rates became effective on January 1, 1999, by D.98-12-070 which authorized a general rate increase of \$1,043,400 or 9.19%.

**DISCUSSION**

These tariffs are submitted pursuant to Ordering Paragraph No. 6 of D.95-12-027, dated December 18, 1995, in Application No. 95-03-15, filed March 17, 1995, whereby "SCWC is authorized to file advice letters seeking authorization to include in rate base plant additions set forth in the Settlement Agreement and to receive a corresponding rate adjustment for the additional rate base."

In accordance with Section 6.22 of the Settlement Agreement, SCWC is permitted to file an advice letter to reflect in rates the actual costs incurred once the Wayhill Reservoir Project is completed. The Settlement Agreement estimated the cost for the project at \$625,000. The projects have now been completed at a cost of \$423,467.

	<u>Settlement</u>	<u>Actual</u>
Total	\$625,000	\$423,467

The first year revenue requirement for the projects is \$69,410. The capital cost is a fixed cost; therefore, in accordance with Commission rate design policy, 50% of the \$69,410 will be recovered through the service charge components of rates and the remainder through the quantity rate component. With authorized sales of 6,028,200 Ccf, the required quantity rate increase is \$.006/Ccf. The above increase will be applied to Schedules Nos. SD-1 and SD-3.

At proposed rates, the bimonthly bill for a metered customer with a 5/8 x 3/4-inch meter using the system average of 30 Ccf (One Ccf is equal to one hundred cubic feet) of water would increase from \$54.08 to \$54.35 or 0.50%.

**NOTICE**

Notice of the proposed rate increase was mailed to each customer on May 25, 1995. No protests have been received by the Water Advisory Branch (Branch).

**FINDINGS**

THE COMMISSION FINDS, after investigation by the Branch, that the rate increase proposed by SCWC is just and reasonable to recover the cost of the plant improvements.

IT IS ORDERED that:

1. Southern California Water Company is authorized to make effective the revised Schedules SD-1, General Metered Service, and SD-3, Measured Irrigation Service attached to Advice Letter 1059-W and to cancel the presently effective rate schedules. The effective date of the revised rate schedules shall be five days after the date herein.
2. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 4, 1999. The following Commissioners approved it:



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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners