

WATER/ABJ/LTR:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Water Advisory Branch

RESOLUTION NO. W- 4173
December 2, 1999

RESOLUTION

(RES. NO. W-4173), SOUTHERN CALIFORNIA WATER COMPANY (SCWC), SIMI VALLEY DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$152,475 OR 2.33% ADDITIONAL ANNUAL REVENUE.

SUMMARY

By Advice Letter No. 1062-W, filed September 13, 1999, SCWC seeks revision of tariff Schedule No. SI-1, General Metered Service, to provide an increase in rates of \$152,475. This increase is a result of increased costs of operation since SCWC's 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 IV of General Order 96-A and Section 454 of the Public Utilities Code to offset: (1) a \$27,947 increase in purchased water, (2) a \$122,013 increase due to an undercollection in the purchased power and purchased water balancing accounts, and (3) \$2,515 in related increases in uncollectibles and franchise taxes. SCWC serves approximately 12,400 customers in portions of the city of Simi Valley and vicinity, Ventura County.

The present rates became effective on April 21, 1998, pursuant to Res. W-4013.

SCWC's last general rate increase was authorized by Decision 98-12-070, which authorized a 9.03% rate of return.

NOTICE AND PROTESTS

SCWC has given public notice of the request for an increase by publishing in the local newspaper on October 29, 1999. No protest letters were received.

DISCUSSION

The reasons for the above expense changes are as follows:

- (1) Effective January 1, 1999, Calleguas Metropolitan Water District (CMWD) increased its water rates from \$492/AF to \$493/AF. This increase resulted in a \$27,947 increase in purchased water costs for SCWC.
- (2) There was an undercollection in the balancing account of \$122,013, as of July 1999.

The increase in CMWD purchased water costs are directly related to water consumption and any increase shall be applied to the quantity rates. In order to recover the increase, SCWC will increase its quantity charge by \$0.010/Ccf (one Ccf is equal to one-hundred cubic feet). In addition, in accordance with Commission policy and procedure, recovery of the undercollection of the balancing account will be handled by a 12-month period surcharge of \$0.044/Ccf. The bill for a typical customer utilizing 1,800 cubic feet of water per month would increase from \$40.18 to \$41.15, or \$0.97.

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

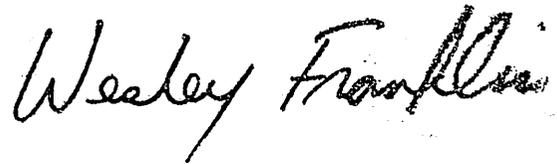
FINDINGS

THE COMMISSION FINDS, after investigation by the Water Advisory 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 Schedule SI-1, General Metered Service, attached to Advice Letter No. 1062-W, and to cancel the corresponding presently effective rate schedule.
2. Southern California Water Company is directed to maintain its balancing account as required by Public Utilities Codes 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 December 2, 1999. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President

HENRY M. DUQUE
JOSIAH L. NEEPER
JOEL Z. HYATT
CARL W. WOOD

Commissioners