

WATER/ABJ/LTR:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Water Advisory Branch

RESOLUTION NO. W-4175
December 2, 1999

RESOLUTION

(RES. NO. W-4175), SOUTHERN CALIFORNIA WATER COMPANY (SCWC), BAY POINT DISTRICT. ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$279,085 OR 6.95% ADDITIONAL ANNUAL REVENUE.

SUMMARY

By Advice Letter No. 1063-W, filed September 13, 1999, SCWC seeks revision of tariff Schedule No. BY-1 to provide an increase in rates of \$279,085. SCWC also seeks to add a special condition that would allow it to pass the Contra Costa Water District's (CCWD) Facilities Reserve Charges on to new customers. This resolution grants these requests.

The rate increase requested 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 \$2,737 decrease in purchased power, (2) a \$274,692 increase in purchased water, and (3) a \$7,131 increase in related uncollectibles and franchise taxes. SCWC serves approximately 4,852 customers in portions of the city of Pittsburg and vicinity, Contra Costa County.

The present rates became effective on February 27, 1999, pursuant to Decision (D.) 98-12-070.

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

In D.95-02-024, dated August 11, 1995, the Commission approved an agreement between SCWC and CCWD for construction of new pipeline facilities to deliver treated water to SCWC's Bay Point District customers. The Commission also approved and ordered SCWC to amend its Schedule BY-1 to allow SCWC to pass on to its new Bay Point District customers any lawful and applicable Facilities Reserve Charges imposed by CCWD before SCWC could provide water service to the new customers. The CCWD Facilities Reserve Charge was to be implemented once the facilities had been constructed and water was being delivered. According to SCWC this has just recently occurred and SCWC is now seeking revision of its tariff as was authorized in D.95-02-024.

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, Pacific Gas & Electric Company decreased its rates by \$0.00327/kWh resulting in a net decrease in purchased power cost of \$2,737.
- (2) Effective February 1, 1999, CCWD increased its water rates from \$410.76/ AF to \$416.15/ AF. This increase results in a \$274,692 increase in purchased water for SCWC.

The increase in CCWD's purchased water costs and decrease in purchased power 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 \$0.243/Ccf. (One Ccf is equal to one-hundred cubic feet). The bill for a typical customer utilizing 1,667 cubic feet of water per month would increase from \$62.11 to \$66.16, or \$4.05.

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 BY-1, General Metered Service, attached to Advice Letter No. 1063-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