

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of SOUTHERN CALIFORNIA WATER COMPANY (U 133-W), for an order authorizing it to increase rates for water service by \$19,826,100 or 29.72% in the year 2003; by \$6,327,800 or 7.31% in the year 2004; and by \$6,326,200 or 6.81% in the year 2005 in its Region III Service Area and increased rates for the General Office Allocation in all of its Customer Service Areas in this Application including: Arden-Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, Simi Valley and Metropolitan.

Application 02-11-007  
(Filed November 4, 2002)

**REPLY COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES  
ON THE ALTERNATE DECISION OF COMMISSIONER LYNCH**

**I. INTRODUCTION**

Pursuant to Rule 77 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Office of Ratepayer Advocates (ORA) hereby files its reply to SCWC's Comments on the alternate proposed decision (AD) of Commissioner Lynch mailed on January 28, 2004. Rather than following the guidelines of Rule 77, which requires that Comments only discuss factual or legal error, SCWC reargues points that have been made and refuted many times already, and shamelessly quotes verbatim long portions of its original testimony. ORA will not reargue points that have already been refuted. However, a few areas of SCWC's Comments merit discussion.

## II. DISCUSSION

### A. SCWC Fails to Properly Characterize Commission Decision (D.)71889

On page 1 of its Comments to the AD, SCWC cites Commission Decision D. 71889 (1/24/67) which found that the 22,000 AF of water rights transferred to Folsom were not needed by SCWC to serve its customers. Rather than providing evidence that the 5,000 AF leased to Folsom were not necessary or useful in 1994, as SCWC seems to argue, this Decision provides an important precedent for the need to seek 851 approval. Before granting approval for the 1966 transaction, the Commission reviewed the usefulness of the water rights. At page 3, the Decision states that “no shortage of water was anticipated as a result of this transfer of these properties in the foreseeable future.” Furthermore, Conclusion 4 states that “adequate supplies of water (the remaining 10,000 AFA) are available to serve seller’s customers in the Cordova certified service area.” The Commission, not SCWC, made the determination that the 10,000 AFA was adequate water supply in 1966. The Commission makes its 851 determination after staff has done analysis and provided testimony. Staff never had a chance to evaluate the 1994 transaction because SCWC did not seek Commission approval as it had in 1966.

Respectfully submitted,

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February 4, 2004

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing document  
**“COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES ON THE  
ALTERNATE DECISION OF COMMISSIONER LYNCH”** in **A.02-11-007**.

A copy has been e-mailed on all known parties of record who have provided e-mail addresses. In addition, all parties have been served by first-class mail.

Executed in San Francisco, California, on the 4th day of February, 2004.

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Albert Hill