

WATER/ABJ/HJL:jj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION NO. W-4405

June 19, 2003

R E S O L U T I O N

(RES. W-4405), SOUTHERN CALIFORNIA WATER COMPANY (SCWC), REGION III, REGION II, BAY POINT, CLEARLAKE, LOS OSOS, OJAI, AND SANTA MARIA DISTRICTS. ORDER AUTHORIZING SURCHARGES AND/OR SURCREDITS IN EACH DISTRICT TO AMORTIZE THE CUMULATIVE BALANCES IN PURCHASED WATER AND PURCHASED POWER BALANCING ACCOUNTS PRODUCING ADDITIONAL ANNUAL REVENUES OF \$2,081,590 OR 1.3% FOR THOSE COMBINED DISTRICTS.

SUMMARY

By Advice Letter Nos. 1117-W, 1118-W, 1119-W, 1120-W, 1121-W, 1122-W, and 1124-W, filed on March 17, 2003, SCWC seeks to amortize the net under (over) collection in the purchased water and purchased power balancing accounts as of November 29, 2001, producing additional combined annual revenues of \$2,081,590 or 1.3% for the following districts:

Region II: By Advice Letter No. 1117-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedule No. ME-1, General Metered Service, by assessing a one-time surcredit of \$0.68 per customer, to refund a \$64,860 or (0.1%) over-collection, including interest.

Region III: By Advice Letter No. 1118-W, filed on March 17, 2003, SCWC seeks revision to its Schedules Nos. BA-1, General Metered Service; CM-1, General Metered Service; CMC-1, General Metered Service; CM-7ML Limited Metered Service; CMH-3M, Measured Irrigation Service; CMP-3M, Metered Irrigation Service; OC-1, General Metered Service, OC-3M, Metered Irrigation Service; SD-1, General Metered Service; SD-3, Measured Irrigation Service, and SG-1, General Metered Service, by assessing a surcharge of \$0.027 per Ccf (One Ccf is equals to one hundred cubic feet)

over 24 months, to recover a \$1,636,622 or 2.5% under-collection, including interest.

Bay Point District: By Advice Letter No. 1119-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedule No. BY-1, General Metered Service, by assessing a one-time surcredit of \$4.02 per customer to refund \$20,093 or (0.4%) over-collection, including interest.

Clearlake District: By Advice Letter No. 1120-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedule No. CL-1, General Metered Service, by assessing a surcharge of \$0.183, per Ccf, per customer for 12 months to recover a \$28,975 or 2.2% under-collection, including interest.

Los Osos District: By Advice Letter No. 1121-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedule No. LO-1, General Metered Service, by assessing a surcharge of \$0.188, per Ccf, per customer for 12 months to recover a \$108,767 or 5.3% under-collection, including interest.

Santa Maria District: By Advice Letter No. 1122-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedule Nos. SM-1, General Metered Service, and SM-3ML, Limited Metered Irrigation Service, by assessing a surcharge of \$0.070 per Ccf per customer for 12 months to recover a \$281,344 or 4.3% under-collection, including interest.

Ojai District: By Advice Letter No. 1124-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedules Nos. OJ-1, General Metered Service, and OJ-7ML, Public Park Metered Service, by assessing a surcharge of \$0.122 per Ccf per customer for 12 months to recover an \$110,835 or 4.2% under-collection, including interest.

This resolution authorizes the above requested increases and refunds. The increases will not result in a rate of return greater than last authorized for SCWC.

SCWC/ALS 1117-W, 1118-W, 1119-W, 1120-W, 1121-W, 1122-W, 1123-W, 1124-W, and 1125-W ABJ/HJL:jj

By Advice Letter Nos. 1123-W, and 1125-W, filed on March 17, 2003, SCWC seeks to recover the net under-collection in its balancing accounts producing additional combined revenues of the amounts indicated for the following districts:

Simi Valley District: By Advice Letter No. 1125-W, filed March 17, 2003, SCWC seeks revision to its tariff Schedule No. SI-1, General Metered Service, by assessing a surcharge of \$0.016, per Ccf, per customer for 12 months to recover a \$52,977 or 0.7% under-collection, including interest.

Arden-Cordova District: By Advice Letter No. 1123-W, filed on March 17, 2003, SCWC seeks revision to its tariff Schedules Nos. AC-1 and AC-2, General Metered Service, and Flat Rate Service, respectively, by assessing a surcharge of \$0.0028 per Ccf per customer on all water sold to metered customers and a surcharge of \$0.09 per month for residential flat rate customers for a period of 12 months to recover a \$22,123 or 0.3% under-collection, including interest.

BACKGROUND

SCWC serves about 99,200 metered customers in its Region II District. The present rates for the Region II District became effective on February 4, 2003, via Advice Letter 1116-W.

SCWC serves about 95,000 metered customers in its Region III District. The present rates for the Region III District became effective on April 1, 2001, via Advice Letter 1090-W.

SCWC serves about 4,887 metered customers in its Bay Point District. The present rates for the Bay Point District became effective on April 1, 2001, via Advice Letter 1090-W.

SCWC serves about 2,111 metered customers in its Clearlake District. The present rates for the Clearlake District became effective on April 1, 2001, via Advice Letter 1090-W.

SCWC serves about 3,206 metered customers in its Los Osos District. The present rates for the Los Osos District became effective on January 1, 2003, via Advice Letter 1114-W.

SCWC/ALS 1117-W, 1118-W, 1119-W, 1120-W, 1121-W, 1122-W, 1123-W, 1124-W, and 1125-W ABJ/HJL:jj

SCWC serves about 12,762 metered customers in its Santa Maria District. The present rates for the Santa Maria District became effective on January 1, 2003, via Advice Letter 1115-W.

SCWC serves about 2,768 metered customers in its Ojai District. The present rates for the Ojai District became effective on January 1, 2003, via Advice Letter 1113-W.

SCWC serves about 2,457 metered and 11,279 flat rate customers in its Arden-Cordova District. The present rates for the Arden-Cordova District became effective on January 1, 2002, via Advice Letter 1103-W.

SCWC serves about 13,069 metered customers in its Simi Valley District. The present rates for the Simi Valley District became effective on January 1, 2002, via Advice Letter 1104-W.

SCWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase annual revenue in the following districts to recover/ refund under/over-collections in their respective purchased water and purchased power balancing accounts:

Region II District - (\$64,860) or 0.1%
Region III District - \$1,636,622 or 2.5%
Bay Point District - (\$20,093) or 0.4%
Clearlake District - \$28,975 or 2.2%
Los Osos District - \$108,767 or 5.3%
Santa Maria District - \$281,344 or 4.3%
Ojai District - \$110,835 or 4.2%
Simi Valley District - \$52,977 or 0.7%
Arden-Cordova District - \$22,123 or 0.3%

The above-mentioned Advice Letter filings meet the requirements of Ordering Paragraph 2 of Commission Decision No. (D.) 12-12-055, dated December 17, 2002. This ordering paragraph is discussed in the Discussion section of this resolution.

DISCUSSION

Advice Letter Nos. 1117-W through 1122-W, and 1124-W were filed in compliance with Ordering Paragraph 2 of D.02-12-055 which states:

“Utilities requesting recovery of existing balancing accounts prior to November 29, 2001 shall file, within 90 days from the effective date of this decision, advice letters requesting recovery pursuant to the existing balancing account procedures.”

The existing procedure for recovery of balancing accounts is as follows:

(1) Utilities, at their option, may request a surcharge once under-collections reach 2%; (2) Otherwise, balancing account review and recovery of remaining balances are processed at the time of the utility’s next General Rate Case. The recovery requested in Advice Letters Nos. 1123-W and 1125-W are for recovery of under-collection balances which are less than 2%. Consistent with existing balancing account procedures, the Water Division (Division) recommends that recovery sought in Advice Letter Nos. 1123-W and 1125-W be denied in this resolution and that SCWC request recovery in the next General Rate Case for its Arden-Cordova and Simi Valley Districts.

The Division has reviewed SCWC’s requests and supporting workpapers for Advice Letter Nos. 1117-W through 1122-W, and 1124-W and determines them to be reasonable. Therefore, the Division recommends that SCWC be authorized to increase/decrease revenue in each of its Districts as follows:

<u>District</u>	<u>Ccf Surcharge</u>	<u>Flat Rate Surcharge</u>	<u>Revenue Increase</u>
Region II (one-time surcredit)	(\$0.68)		\$ (64,860) or (0.1%)
Region III (24 months)	\$0.027		\$ 1,636 or 2.5%
Bay Point (one-time surcredit)	(\$4.02)		\$ (20,093) or (0.4%)
Clearlake (12 months)	\$0.183		\$ 28,975 or 2.2%
Los Osos (12 months)	\$0.188		\$ 108,767 or 5.3%
Santa Maria (12 months)	\$0.070		\$ 281,344 or 4.3%
Ojai (12 months)	\$0.122		\$ 110,835 or 4.2%

NOTICE AND PROTESTS

SCWC has given public notice of the request for an increase by publishing in a local newspaper per the following table:

<u>District</u>	<u>Publication Date of Notice</u>
Region III	April 10, 2003
Clearlake	April 10, 2003
Los Osos	April 12, 2003
Santa Maria	April 10, 2003
Ojai	April 10, 2003
Simi Valley	April 10, 2003
Arden-Cordova	April 9, 2003

Proof of Publication has been provided to staff and one protest letter was received.

FINDINGS

1. SCWC filed Advice Letter Nos. 1117-W through 1125-W for thirteen of its Districts, in compliance with Ordering Paragraph No. 2 of D.02-12-055 which states:

”Utilities requesting recovery of existing balancing accounts prior to November 29, 2001 shall file, within 90 days from the effective date of this Decision, advice letters requesting recovery pursuant to the existing balancing account procedures.”

2. Existing procedure for recovery of balancing accounts is as follows:
 - (1) Utilities, at their option, may request a surcharge once under-collections reach 2%;
 - (2) Otherwise, balancing account review and recovery of remaining balances are processed at the time of the utilities next general rate case.
3. The recovery requested in Advice Letters Nos. 1125-W and 1123-W for the Simi Valley and Arden-Cordova Districts, respectively, is less than 2%, therefore, these requests should be denied and incorporated in the next General Rate Cases for the Simi Valley and Arden-Cordova Districts.

SCWC/ALS 1117-W, 1118-W, 1119-W, 1120-W, 1121-W, 1122-W, 1123-W, 1124-W, and 1125-W ABJ/HJL:jj

4. The Commission finds, after investigation by the Water Division, that the changes requested by SCWC in Advice Letters Nos. 1117-W through 1122-W, and 1124-W, are justified and the resulting rates are just and reasonable.

THEREFORE IT IS ORDERED THAT:

1. Southern California Water Company is authorized five days after the effective date herein, to make effective revised rates Schedules Nos.: ME-1, General Metered Service; BA-1, General Metered Service; CM-1, General Metered Service; CMC-1, General Metered Service; CM-7ML, Limited Metered Service; CMH-3M, Measured Irrigation Service; CMP-3M, Metered Irrigation Service; OC-1, General Metered Service; OC-3M, Metered Irrigation Service; SD-1, General Metered Service; SD-3, Measured Irrigation Service; SG-1, BY-1, General Metered Service; CL-1, General Metered Service; LO-1, General Metered Service; SM-1, General Metered Service; SM-3ML, Limited Metered Irrigation Service; OJ-1, General Metered Service; and OJ-7ML, Public Park Metered Service; as attached to Advice Letters Nos. 1117-W through 1122-W, and 1124-W to concurrently cancel the presently effective rate schedules.
2. Southern California Water Company requests to revise rates as requested in Advice Letter Nos. 1123-W and 1125-W are denied.
3. Southern California Water Company is authorized to incorporate the requests of Advice Letters Nos. 1123-W and 1125-W into the next General Rate Case Application for its Simi Valley and Arden-Cordova Districts or to seek said recovery as otherwise authorized by this Commission.
4. Future recovery from balancing accounts identified in Advice Letter Nos. 1123-W and 1125-W shall be limited to the under-collection effective November 29, 2001 plus interest until the date of recovery.
5. Southern California Water Company is directed to keep maintaining its balancing accounts as required by Public Utilities Code Section 792.5.

6. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on June 19, 2003; the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President

CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners