

ORIGINAL

Decision No. 56879

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )

SANTA PAULA WATER WORKS, LTD., a corporation, for an order authorizing it to change and increase its rates.

Application No. 39603

Teague & Dixon, by James E. Dixon, and W. L. Arnold,  
for applicant.  
D. B. Steger, for the staff of the Public Utilities  
Commission of the State of California.

O P I N I O N

Santa Paula Water Works, Ltd., a corporation, by the above-entitled application filed on December 4, 1957, seeks authority to increase rates for water service furnished pursuant to its Schedule No. 1, General Metered Service. It also has Schedule No. 2, Irrigation Service; Schedule No. 3, Surplus Resale Irrigation Service; Schedule No. 4, Public Fire Hydrant Service; and Schedule No. 5, Fire Sprinkler Service. Applicant does not propose any changes in the rates for service pursuant to Schedules Nos. 2 through 5, inclusive.

A public hearing in this matter was held before Examiner Kent C. Rogers on May 21, 1958. Prior to the hearing notices thereof were published and posted as required by this Commission. There were no protests.

Applicant, on January 1, 1958, was serving 3,988 general metered service customers in addition to providing fire hydrant service through 253 fire hydrants, providing water for 44 irrigation customers, and selling surplus water to Thermal Belt Mutual Water Company for resale for agricultural irrigation purposes. The 1957 revenues total \$187,800 of which \$156,497 was derived from general metered service sales, \$26,742 from irrigation sales, and \$2,994 from public fire protection sales.

The present and proposed general metered service rates are as follows:

Present Rates

<u>Quantity Rates:</u>		<u>Per Meter</u> <u>Per Month</u>
First	500 cu.ft., or less .....	\$1.25
Next	4,500 cu.ft., per 100 cu.ft. ....	.15
Next	5,000 cu.ft., per 100 cu.ft. ....	.12
Over	10,000 cu.ft., per 100 cu.ft. ....	.10

Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$1.25
For	3/4-inch meter .....	1.75
For	1-inch meter .....	2.50
For	1 1/2-inch meter .....	4.00
For	2-inch meter .....	6.00
For	3-inch meter .....	12.00
For	4-inch meter .....	20.00
For	6-inch meter .....	40.00
For	8-inch meter .....	60.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

Proposed Rates

<u>Quantity Rates:</u>		<u>Per Meter Per Month</u>
First	600 cu.ft., or less .....	\$1.75
Next	1,900 cu.ft., per 100 cu.ft. ....	.20
Next	2,500 cu.ft., per 100 cu.ft. ....	.15
Next	5,000 cu.ft., per 100 cu.ft. ....	.12
	Excess over 10,000 cu.ft. per 100 cu.ft. ....	.10

Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$1.75
For	3/4-inch meter .....	3.00
For	1-inch meter .....	3.25
For	1 1/2-inch meter .....	5.00
For	2-inch meter .....	8.00
For	3-inch meter .....	15.00
For	4-inch meter .....	25.00
For	6-inch meter .....	50.00
For	8-inch meter .....	75.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

The estimates of the applicant and the staff witnesses as to the results of operation for 1958 at existing rates indicate an unreasonably low rate of return. The applicant estimates the rate of return will be 4.17 percent and the staff estimates the rate of return will be 3.98 percent. At proposed rates, the estimates are as follows:

	<u>Proposed Rates - Year 1958</u>	
	<u>Company</u>	<u>Staff</u>
	<u>Test</u>	<u>Estimated</u>
	<u>Year</u>	
Operating Revenues	\$227,034	\$227,000
<u>Operating Expenses</u>		
Source of Supply Expenses	1,688	1,680
Pumping Expenses	30,230	29,920
Water Treatment Expenses	1,642	1,600
Transmission & Distribution Expenses	18,006	19,900
Customer Acct. & Collecting Expenses	11,811	11,800
General Expenses	<u>33,792</u>	<u>34,500</u>
Total	97,169	99,400
Taxes Other Than Income	19,157	19,100
Taxes Based on Income	<u>40,554</u>	<u>40,250</u>
Total	59,711	59,350
Depreciation	<u>20,363</u>	<u>20,300</u>
Total Operating Expenses	177,243	179,050
Net Revenue	49,791	47,950
Average Depreciated Rate Base	811,638	804,550
Rate of Return	6.13%	5.96%

From all of the evidence adduced in this matter we now find that the proposed increases in general metered service rates and charges, as hereinbefore described, are justified, and that the present rates, in so far as they differ from those herein authorized, are for the future unjust and unreasonable.

O R D E R

An application as above entitled having been filed, a public hearing having been held thereon, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED:

(1) That Santa Paula Water Works, Ltd., be and it is authorized to file in quadruplicate with this Commission, after the effective date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates for general metered service shown in Appendix A attached hereto, and upon not less than five days' notice to this Commission and to the public, to make said rates effective for general metered service rendered on and after August 1, 1958.

(2) That Santa Paula Water Works, Ltd., shall, within sixty days after the effective date of this order, file four copies of a comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, the principal water production storage and distribution facilities, and the location of the various water-system properties of said company.

(3) That Santa Paula Water Works, Ltd., shall, not later than June 1, 1961, submit a letter to this Commission showing its depreciation review as of January 1, 1961.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California,  
this 24th day of JUNE, 1958.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

## APPENDIX A

## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The incorporated City of Santa Paula and adjacent unincorporated areas, Ventura County.

RATES

	<u>Per Meter Per Month</u>
Quantity Rates:	
First 600 cu.ft. or less .....	\$ 1.75
Next 1,900 cu.ft., per 100 cu.ft. ....	.20
Next 2,500 cu.ft., per 100 cu.ft. ....	.15
Next 5,000 cu.ft., per 100 cu.ft. ....	.12
Over 10,000 cu.ft., per 100 cu.ft. ....	.10
Minimum Charge:	
For 5/8 x 3/4-inch meter .....	\$ 1.75
For 3/4-inch meter .....	3.00
For 1-inch meter .....	3.25
For 1-1/2-inch meter .....	5.00
For 2-inch meter .....	8.00
For 3-inch meter .....	15.00
For 4-inch meter .....	25.00
For 6-inch meter .....	50.00
For 8-inch meter .....	75.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.