

Decision No. 60533**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 the Southern California Water Company  
 for authority to increase water rates  
 in its Central Basin District to  
 offset the increase in operating costs  
 caused by tax assessment on water  
 pumped in said Central Basin District.

Application No. 42406

OPINION AND ORDER

Southern California Water Company, by the above-entitled application filed June 27, 1960, seeks authority to increase its rates commencing July 1, 1960 to yield an estimated \$40,280 of additional revenue annually for water service in its Central Basin District to offset its estimated increase in operating costs caused by the tax assessment of the Central and West Basin Replenishment District (hereinafter called "Replenishment District"). By Resolution No. 60-10, Exhibit E of the application, the Replenishment District made findings in accordance with Section 60315 of the Water Code and levied a tax of \$3.19 per acre-foot on all ground water pumped from the Central and West Basins beginning July 1, 1960 and ending June 30, 1961.

The water supply for the Central Basin District is obtained from 46 applicant-owned wells all within said Replenishment District and from the Metropolitan Water District through the facilities of Central Basin Municipal Water District.

In support of its request applicant presented Exhibit D to its application showing therein its calculation of the pumping tax, the results adopted by this Commission in Decision No. 60209, dated

May 31, 1960 in Application No. 41295, and the effect of the pumping tax at present and proposed rates on the rate of return. In calculating the estimated pumping tax, applicant adopted the pumpage of 5,500,481 ccf estimated by the staff in Exhibit 11 in the proceeding leading to that decision. The results of operation shown in Exhibit D are summarized below:

Item	For Test Year 1959		
	By Dec. 60209:	Including Pumping Tax	
	Present Rates:	Present Rates:	Proposed Rates:
Operating Revenue	\$1,378,000	\$1,378,000	\$1,418,280
<u>Operating Expense</u>			
Oper. & Maint.	533,000	533,000	533,000
Depreciation	147,000	147,000	147,000
Taxes Other Than Income	129,000	169,280	169,280
Taxes on Income	194,000	172,390	194,000
Total Operating Expense	\$1,003,000	\$1,021,670	\$1,043,280
Net Revenue	\$ 375,000	\$ 356,330	\$ 375,000
Depr. Avg. Rate Base	\$5,770,000	\$5,770,000	\$5,770,000
Rate of Return	6.50%	6.18%	6.50%

The Commission will authorize the increase in rates in a slightly different manner from that proposed in the application by maintaining the minimum charges without change and adding one cent to the rate presently applicable to each additional usage block.

Applicant's request that the increased rates become effective July 1, 1960 will be denied, as this Commission does not as a policy fix rates retroactively. However, since the replenishment tax is to be levied beginning July 1, 1960, we will authorize the effective date of the order which follows to be five days after the date hereof.

The Commission has testimony before it in Application No. 41295 as of April 4, 1960, with regard to the then proposed pumping tax. Inasmuch as the tax rate had not been definitely fixed as of that date, it could not be included in the earnings data and the rates which were prescribed by the Commission in Decision No. 60201, dated May 31, 1960 in said application. Now that these data are available and have been related by the applicant to the specific findings which the Commission made in its decision of May 31, 1960, the rate schedules may properly be adjusted herein.

The Commission having considered the request of applicant finds and concludes that an increase in applicant's rates to offset the replenishment tax is warranted, that the rates herein authorized are just and reasonable for the future, and that a public hearing is not necessary; therefore,

IT IS ORDERED that Southern California Water Company is authorized to file in quadruplicate with this Commission after the effective date of this order and in conformance with the provisions of General Order No. 96, the schedules of rates attached as Appendix A to this order for its Central Basin District. Such rates shall become effective upon two days' notice to this Commission and to the public after filing as hereinabove provided.

The effective date of this order shall be five days after the date hereof.

Dated at San Francisco, California, this 9th day of August, 1960.

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

APPENDIX A  
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Schedule No. CBA-1

Central Basin Tariff Area  
Artesia-Norwalk Zone

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered water service.

TERRITORY

Portions of the Cities of Artesia, Dairy Valley, Santa Fe Springs, Norwalk and certain unincorporated territory located two miles northwesterly of the City of Norwalk, and vicinity of each, Los Angeles County.

RATES

Per Meter  
Per Month

Quantity Rates:

First	700 cu.ft. or less .....	\$ 2.10
Next	1,800 cu.ft., per 100 cu.ft. ....	.21
Next	7,500 cu.ft., per 100 cu.ft. ....	.18
Next	90,000 cu.ft., per 100 cu.ft. ....	.16
Next	50,000 cu.ft., per 100 cu.ft. ....	.15
Over	150,000 cu.ft., per 100 cu.ft. ....	.13

Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$ 2.10
For	3/4-inch meter .....	2.75
For	1-inch meter .....	3.50
For	1 1/2-inch meter .....	7.50
For	2-inch meter .....	12.00
For	3-inch meter .....	22.50
For	4-inch meter .....	35.00
For	6-inch meter .....	60.00
For	8-inch meter .....	90.00
For	10-inch meter .....	130.00

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

APPENDIX A  
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## Schedule No. CBB-1

Central Basin Tariff Area  
Bell-Florence ZoneGENERAL METERED SERVICEAPPLICABILITY

Applicable to all general metered water service.

TERRITORY

Portions of the Cities of Bell, Downey, Southgate, Huntington Park, Paramount, Vernon and the communities of Bell Gardens, Hollydale and Florence, and vicinity of each, Los Angeles County.

RATES

		<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:		
First	700 cu.ft. or less .....	\$ 1.80
Next	1,800 cu.ft., per 100 cu.ft. ....	.19
Next	7,500 cu.ft., per 100 cu.ft. ....	.18
Next	90,000 cu.ft., per 100 cu.ft. ....	.16
Next	50,000 cu.ft., per 100 cu.ft. ....	.15
Over	150,000 cu.ft., per 100 cu.ft. ....	.13
Minimum Charge:		
For	5/8 x 3/4-inch meter .....	\$ 1.80
For	3/4-inch meter .....	2.35
For	1-inch meter .....	3.00
For	1 1/2-inch meter .....	7.00
For	2-inch meter .....	12.00
For	3-inch meter .....	22.50
For	4-inch meter .....	35.00
For	6-inch meter .....	60.00
For	8-inch meter .....	90.00
For	10-inch meter .....	130.00

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