

ORIGINAL

Decision No. 60818

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 COAST WATER COMPANY, a corporation,) Application No. 42386
 for authority to increase its rates)
 for water service.)

O P I N I O N

By the above-entitled application, filed June 20, 1960, Coast Water Company, a California corporation, requests authority to increase rates for water service rendered to approximately 893 customers in the unincorporated area of Bell Gardens, Los Angeles County, in an amount sufficient to offset the replenishment assessment levied by the Central and West Basin Water Replenishment District for ground water pumped within the District after June 30, 1960.

Nature of Proceeding

The history and description of applicant's system, its rates, and other pertinent data, were discussed at length in Decision No. 53941, dated October 16, 1956 in Application No. 37458, an application for authority to increase rates. The facts recited therein are found to be substantially valid when compared with conditions and operations of applicant at this date and need not be repeated herein. This proceeding, in essence, is but a supplement to Decision No. 53941, inasmuch as the additional rate relief now requested is only to offset the increase in operating expense occasioned by the pumping assessment levied by the water replenishment district.

Present and Proposed Rates

Applicant's present rates became effective December 5, 1956, having been authorized by Decision No. 53941. The proposed

rates for general metered service and for residential flat rate service are set forth on pages 2 and 3 in Paragraph VI of the application. A review of the proposed rates for general metered service indicates that the increases are proposed only for the several minimum charges and no changes are requested in either the quantity rates or in the volumes in the quantity rate blocks. Applicant provided metered service to 374 customers as of June 30, 1960. The following tabulation sets forth a comparison of the present and proposed meter minimum charges:

GENERAL METERED SERVICE

Minimum Charge:	Per Meter Per Month	
	<u>Present</u>	<u>Proposed</u>
For 5/8 x 3/4-inch meter	\$ 1.50	\$ 1.70
For 3/4-inch meter	1.50	1.70
For 1-inch meter	3.00	3.20
For 1 1/2-inch meter	4.50	4.70
For 2-inch meter	6.50	6.70
For 3-inch meter	10.00	10.00
For 4-inch meter	22.00	22.00
For 6-inch meter	35.00	35.00

Applicant provided flat rate service to 519 customers as of June 30, 1960. The proposed flat rate schedule reflects an increase in charges which is comparable to the requested increase in meter minimum charges, and in the following tabulation there is set forth a comparison of the present and proposed flat rates:

RESIDENTIAL FLAT RATE SERVICE

Rates:	Per Service Connection Per Month	
	<u>Present</u>	<u>Proposed</u>
For single family residential unit including premises	\$1.85	\$2.05
For each additional residential unit on the same premises and served through the same service connection	1.00	1.00

No change has been requested for the existing rates for private fire protection service or for public fire hydrant service.

Summary of Showing

Applicant's Exhibit C, attached to the application, compares the results of operations for the year 1959, as adjusted, at present and proposed rates, to reflect the cost of the replenishment assessment. This exhibit indicates that the replenishment assessment of \$3.19 per acre-foot would increase the annual operating expenses by approximately \$2,060 per year. The proposed rates are estimated to produce an increase in annual revenues of \$2,143. Applicant has experienced a slight increase in other operating expenses, and the net revenue and rate of return produced by the proposed rates is estimated by applicant to be lower than allowed by Decision No. 53941.

Field Investigation

A field investigation of applicant's operations was made by a member of the Commission's engineering staff. No complaints with respect to service were received from the customers who were interviewed. Ground water extractions for the year 1959 and for the six-month period from January 1 through June 30, 1960, were checked and the staff verified the applicability of the assessment by the Central and West Basin Replenishment District. All water distributed by Coast Water Company is pumped from its wells located within the boundaries of this replenishment district.

Findings and Conclusions

After reviewing the application, the Commission finds and concludes that the estimates of operating revenues, expenses (including taxes and depreciation) and the rate bases developed in Exhibit D of the application, after adjusting for the increased expense incident to the replenishment assessment, are reasonable. Therefore, said adjusted revenues, expenses and rate base will be and hereby are adopted for the purpose of this proceeding. The

resulting net income of \$3,395 represents a rate of return of 5.3 per cent on the depreciated rate base of \$63,977. We find and conclude that such results of operation are fair and reasonable for this water utility for the future, and the following order will authorize the increase in rates as requested by the application.

It is found and concluded, therefore, that applicant is entitled to the offsetting rate relief requested and that an order should be issued revising the rates for general metered service and for residential flat rate service to the levels set forth in Appendix A, attached to this order. The present rates for private fire protection service and for public fire hydrant service will remain in effect without change.

The Commission finds that the increases in rates and charges authorized herein for general metered service and for general flat rate service are justified and that the present rates for general metered service and for residential flat rate service, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable.

O R D E R

The Commission having considered the request of applicant and being of the opinion that it should be granted and that a public hearing is not necessary; therefore,

IT IS ORDERED that applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, the schedule of rates for general metered service and for residential flat rate

service attached to this order as Appendix A and, upon not less than five days' notice to the Commission and to the public, to make said rates effective for all such service rendered on and after November 1, 1960.

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

Dated at San Francisco, California, this 15th day of OCTOBER, 1960.

Charles W. Rogers
 President

John P. Mitchell

William J. Bradley

C. Lynn Fox

Theodore J. Finney
 Commissioners

APPENDIX A
Page 1 of 2

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated community of Bell Gardens, Los Angeles County.

RATES

Per Meter
Per Month

Quantity Rates:

First 500 cu.ft. or less	\$ 1.70
Next 1,500 cu.ft., per 100 cu.ft.12
Next 3,000 cu.ft., per 100 cu.ft.10
Over 5,000 cu.ft., per 100 cu.ft.09

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 1.70
For 3/4-inch meter	1.70
For 1-inch meter	3.20
For 1 1/2-inch meter	4.70
For 2-inch meter	6.70
For 3-inch meter	10.00
For 4-inch meter	22.00
For 6-inch meter	35.00

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

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

The unincorporated community of Bell Gardens, Los Angeles County.

RATES

Per Service Connection
Per Month

For a single family residence, including premises	\$2.05
For each additional residence on the same premises and served from the same service connection	1.00

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. A meter may be installed at option of utility or customer for above classification, in which event service thereafter will be furnished only on the basis of Schedule No. 1, General Metered Service.