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Decision No. _____62246_____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA WATER SERVICE COMPANY, a)
corporation, for an order authorizing)
it to increase rates charged for water)
service in the East Los Angeles)
district in order to offset certain)
assessments of the Central and West)
Basin Water Replenishment District.)

Application No. 43502

OPINION AND ORDER

By this application, filed June 14, 1961, California Water Service Company seeks an order of the Commission authorizing an upward adjustment of rates in its East Los Angeles District in order to offset the effect of an assessment levied upon it by the Central and West Basin Water Replenishment District.

The rate schedules now in effect in the East Los Angeles District of applicant became effective December 1, 1958. The Replenishment District assessment in effect during the fiscal year ending June 30, 1961 is $3.19 per acre foot of water pumped from the basin. On April 13, 1961, the Replenishment District levied an assessment of $5.75 per acre foot for the fiscal year July 1, 1961 - June 30, 1962. Based upon the total amount of water which applicant estimates will be pumped from the basin, applicant has determined that because of the assessments the added costs of producing water will aggregate $75,900 on an annual basis. To offset the amount of the assessment, applicant proposes to increase its water rates by one cent per 100 cubic feet of water delivered to its General Metered Service customers. The proposed increase will not wholly offset the amount of the water-basin replenishment assessment.

According to applicant's exhibits, attached to the application, the effect of the replenishment assessment is to lower its rate of return by about 0.5 percent. Applicant's proposed rate increase would partially restore such return. On May 15, 1961, applicant filed with this Commission Application No. 43396 for a general rate increase in its East Los Angeles District by which its rate of return, based upon the year 1961 and without inclusion of any provision for the new replenishment assessment, would be increased from 5.70 percent to 7.06 percent. Such application will be the subject of public hearings to be held during the fall of 1961. In the meantime, however, it appears appropriate to dispose of the matter of the replenishment assessment now being made for the immediate fiscal year beginning July 1, 1961.

A Commission staff engineer has investigated the application and verified the allegations made. He advises that the increase in revenue from the average residential customer would be approximately 3.5 percent and that such increase appears reasonable.

The Commission finds and concludes that applicant is in need of and entitled to the replenishment assessment offset in the total amount sought and that the proposed increase of one cent per 100 cubic feet of water delivered is a fair and reasonable means by which such offset amount may be obtained from its customers. Further, the Commission finds that the increases in rates and charges authorized herein are justified and that present rates, insofar as they differ from those authorized herein, are for the future unjust and unreasonable. Public hearing in this matter is not required.

Good cause appearing therefor,

IT IS HEREBY ORDERED that applicant is authorized to file in quadruplicate with this Commission, on or after the effective date

of this order and in conformity with the provisions of General Order No. 96, Schedule EL-1, General Metered Service, revised as set forth in Exhibit D attached to the application and, on not less than five days' notice to the public and to this Commission, to make said schedule effective for water service rendered on and after August 1, 1961.

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

Dated at _____ San Francisco _____, California, this _____ day of _____ JULY _____, 1961.

President

Commissioners

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