

62248

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CONSERVATIVE WATER COMPANY)
for authority to increase rates to off-)
set increased assessments for re-)
plenishment of underground water and)
increased costs of purchases of)
Colorado River water, Los Angeles)
County.)

Application No. 43480
(Filed June 6, 1961)

O P I N I O N

Applicant is a California corporation furnishing water to domestic consumers in and around portions of Los Angeles, Lynwood, South Gate and adjacent unincorporated areas in Los Angeles County. In the year 1960 it had approximately 8,800 metered connections.

Applicant is within the Central and West Basin Water Replenishment District which is an agency authorized to tax water producers, including applicant, and use the proceeds thereof for the purchase of water from the Metropolitan Water District to replenish the ground water.

In Decision No. 60520, dated August 2, 1960, in Application No. 41814, applicant was authorized to increase its rates, effective September 1, 1960. This decision considered the assessment by the district of \$3.19 per acre foot for the period from July 1, 1960, to June 30, 1961.

On April 13, 1961, the Board of Directors of the district levied an assessment of \$5.75 per acre foot for water produced

within the district for the assessment year commencing July 1, 1961, and ending June 30, 1962. Applicant estimates that it will pump 4,432 acre feet of water from its wells during the said assessment year at a cost of \$25,484, and the staff report, hereby incorporated in the record as Exhibit No. 1 estimates that the applicant will pump 4,213 acre feet at a total cost of \$24,225. These costs represent, respectively, estimated increases in costs to applicant over the charges it paid at the \$3.19 rate in the 1960 - 1961 assessment year of \$11,246 based on the production estimated by the applicant, or \$10,785 based on the production estimated by the staff engineer.

In order to compensate for the added cost of \$2.56 per acre foot in the 1961 - 1962 assessment year, applicant proposes to increase its rates as follows:

		<u>Per Meter Per Month</u>	
		<u>Present</u>	<u>Proposed</u>
Quantity Rates:			
First	500 cu. ft., or less.....	\$ 1.25	\$ 1.25
Next	2,000 cu. ft., per 100 cu. ft....	.17	.18
Next	7,000 cu. ft., per 100 cu. ft....	.15	-
Next	7,500 cu. ft., per 100 cu. ft....	-	.16
Next	40,000 cu. ft., per 100 cu. ft....	.14	.14
Next	150,500 cu. ft., per 100 cu. ft....	.12	-
Next	150,000 cu. ft., per 100 cu. ft....	-	.12
Next	800,000 cu. ft., per 100 cu. ft....	.10	.10
Over	1,000,000 cu. ft., per 100 cu. ft....	.08	.08

Minimum Charge:

For	5/8 X 3/4-inch meter.....	\$ 1.25	\$ 1.25
For	3/4-inch meter.....	2.00	2.00
For	1-inch meter.....	3.00	3.00
For	1 1/2-inch meter.....	4.00	4.00
For	2-inch meter.....	6.00	6.00
For	3-inch meter.....	11.00	11.00
For	4-inch meter.....	17.00	17.00
For	6-inch meter.....	25.00	25.00
For	8-inch meter.....	39.00	39.00

The staff engineer who investigated the application stated in his report that the 1960 rate of return for the applicant

is 4.8 percent and reflects the general rate increase for four months in 1960; that a results of operation study adjusted to reflect the authorized rates for a complete year indicates a return of 6.9 percent; that the increase in assessment for a full year will amount to \$10,785 (the applicant estimates \$11,246); that the rates requested by applicant will yield \$11,381 in increased revenues; that applicant proposes a change in block structure as well as rates; and that an increase in revenue of \$10,700 can be obtained by retaining the present block structure and permitting the change in rates as requested. The engineer estimated that the changes he recommends will give the applicant a rate of return of 6.9 percent.

The staff engineer's estimate of well water usage appears more compatible with past usage than that of applicant and will be accepted as the correct indicia for estimating usage.

Based on the allegations of the verified application and the report of the Commission staff engineer, we find that the increases in rates and charges authorized herein are justified and that the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

A public hearing is not required.

O R D E R

An application as above entitled having been filed, and based upon the evidence of record herein,

IT IS ORDERED that Conservative Water Company be, and it is, authorized to file in quadruplicate with the Commission, after the effective date of this order, and in conformance with General Order No. 96, the schedule of rates as shown in Appendix A attached hereto, and, upon not less than five days' notice to the Commission and to the public, to make said rates effective for service rendered after July 31, 1961.

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

Dated at San Francisco, California, this 11th day of July, 1961.

Grant W. Page
 President

W. H. ...

S. ...

George A. ...

Fredrick B. ...
 Commissioners

APPENDIX A

Schedule No. 1

GENERAL METEDED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Within portions of the Cities of Los Angeles, Lynwood, South Gate, and vicinity, Los Angeles County.

RATES

Per Meter
Per Month

Quantity Rates:

First	500 cu. ft. or less	\$ 1.25
Next	2,000 cu. ft., per 100 cu. ft.18
Next	7,000 cu. ft., per 100 cu. ft.16
Next	40,000 cu. ft., per 100 cu. ft.14
Next	150,500 cu. ft., per 100 cu. ft.12
Next	800,000 cu. ft., per 100 cu. ft.10
Over	1,000,000 cu. ft., per 100 cu. ft.08

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 1.25
For	3/4-inch meter	2.00
For	1-inch meter	3.00
For	1 1/2-inch meter	4.00
For	2-inch meter	6.00
For	3-inch meter	11.00
For	4-inch meter	17.00
For	6-inch meter	25.00
For	8-inch meter	39.00

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