

Decision No. 65210

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SUBURBAN WATER SYSTEMS, a corporation,
for authority to increase its rates
for water service.

) Application No. 43241
) (Rehearing)

Investigation on the Commission's own
motion into the operations, rules,
regulations, contracts and practices
of SUBURBAN WATER SYSTEMS, a corporation.

) Case No. 6323
) (Rehearing)

O P I N I O N

Pursuant to Decision No. 64256, dated September 14, 1962, Suburban Water Systems (Suburban) filed increases in rates which became effective for water service rendered on and after October 10, 1962. Said increased rates were estimated to increase Suburban's annual gross revenues by \$60,500 and result in a rate of return of 6.2 percent based on test year 1961 operations and a rate of return of 6.0 percent for the future.

By petition filed on October 3, 1962, Suburban sought rehearing of said Decision No. 64256. Rehearing limited to reconsideration of the record heretofore made in said proceedings was granted by order of the Commission dated December 11, 1962. Thereafter, on December 24, 1962, Suburban filed a request for informal conference and formal rehearing in said matters.

The Commission has reconsidered the record heretofore made in these proceedings and has considered Suburban's request of December 24, 1962 and finds that:

1. No useful purpose would be served by granting Suburban's request filed on December 24, 1962 and such request should be denied.

2. Decision No. 64256, dated September 14, 1962 should be affirmed, except as hereinafter set forth.

3. A rate of return of 6.5 percent based on test year 1961 is fair and reasonable.

4. Applying a rate of return of 6.5 percent to the reasonable test year 1961 rate base of \$10,410,000, indicates a need for approximately \$676,700 in net revenues, or \$31,300 more than the net revenues produced at the rate levels which were authorized by Decision No. 64256 and which became effective on October 10, 1962. An increase in gross revenues of \$70,400 in addition to the increases authorized by Decision No. 64256 is required to produce such results.

5. The rates authorized herein will yield to Suburban a rate of return of 6.5 percent for the test year 1961 on a depreciated rate base of \$10,410,000, after allowing for reasonable operating expenses, depreciation and taxes as indicated in the tabulation following. Such overall results are fair and reasonable.

SUMMARY OF EARNINGS - ESTIMATED
TEST YEAR 1961 AT RATES AUTHORIZED HEREIN

<u>Item</u>	<u>Amount</u>
Operating Revenues	\$2,630,900
Operating Expenses	1,170,900
Depreciation and Amortization	321,000
Taxes Other Than on Income	217,000
Taxes on Income	<u>245,300</u>
Total Expenses and Taxes	\$1,954,200
Net Revenue	\$676,700
Rate Base	\$10,410,000
Rate of Return	6.5%

6. A comparison of the charges for water service in effect prior to October 10, 1962 with the charges requested by Suburban, those authorized by Decision No. 64256 and those authorized herein based on a monthly usage of 2,000 cubic feet follows:

CHARGE PER MONTH FOR 2,000
CUBIC FEET OF WATER

	<u>Prior to 10/10/62</u>	<u>Requested By Suburban</u>	<u>Authorized By Dec. 64256</u>	<u>Authorized Herein</u>
La Fuente - South Covina	\$3.30	\$5.51	\$3.45	\$3.60
West Covina	4.00	5.51	4.10	4.30
Clendora	4.30	5.51	4.40	4.75
Rivera	4.30	5.51	4.45	4.69
Whittier, Except 600 Ft. Pressure Zone	4.82	5.51	4.92	5.26
Covina Knolls	5.00	6.51	5.10	5.85
Highlands	5.00	6.51	5.00	5.50
Whittier, 600 Ft. Pressure Zone	4.82	6.51	4.92	5.26

7. An order should be issued authorizing increases in rates over those authorized by Decision No. 64256 in the amount of \$70,400 and to the extent set forth in Appendix A following the order herein.

8. The increases in rates and charges authorized herein are justified, the rates and charges authorized herein are reasonable, and the present rates and charges insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

O R D E R

IT IS ORDERED that:

1. Request of Suburban Water Systems filed on December 24, 1962 is denied.

Pink

THE NEXT _____

DOCUMENTS ARE

POOR ORIGINALS

MICROFILMING SERVICES

will not assume responsibility

for the image quality

From the desk of

NOEL COLEMAN

To:

Date: 1/18/65

Decision 65210 in A-4374-1
was signed by Commission
April 9, 1963 without
Commissioners Holboff and
Gover who indicated they
would express their views later.

As of January 18, 1965
no views have been expressed
by Commissioners Holboff
and Gover.



Noel Coleman
1/18/65


2. Suburban Water Systems is authorized to file with this Commission, after the effective date of this order and in conformity with General Order No. 96-A, the schedules of rates attached to this order as Appendix A and, upon not less than five days' notice to the Commission and to the public, to make such rates effective for service rendered on and after May 4, 1963.

3. Decision No. 64256, dated September 14, 1962 is affirmed, except as modified by the findings and order herein.

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

Dated at San Francisco, California, this 9th day of April, 1963.


 _____ President




 _____ Commissioners

I dissent. I will express my views later.
Fredrick B. Holshoff
I dissent. I will express my views later.
George H. Hoover

APPENDIX A
Page 1 of 13

Schedule No. PU-1

Puente-South Covina Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of West Covina, Puente, and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 2.10	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.15	
Next 7,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Over 10,000 cu.ft., per 100 cu.ft. ....	.10	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.10	(I)
For 3/4-inch meter	2.70	
For 1-inch meter	4.75	
For 1 1/2-inch meter	8.50	
For 2-inch meter	13.00	
For 3-inch meter	25.00	
For 4-inch meter	40.00	
For 6-inch meter	80.00	

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

APPENDIX A
Page 2 of 13

Schedule No. PU-9CM

Puente-South Covina Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

Portions of West Covina, Puente, and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 2.10	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.15	
Next 7,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Over 10,000 cu.ft., per 100 cu.ft. ....	.10	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.10	(I)
For 3/4-inch meter	2.70	
For 1-inch meter	4.75	
For 1 1/2-inch meter	8.50	
For 2-inch meter	13.00	

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

APPENDIX A
Page 3 of 13

Schedule No. WC-1

West Covina Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of West Covina and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 2.70	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.16	
Next 2,000 cu.ft., per 100 cu.ft. ....	.14	(I)
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.70	(I)
For 3/4-inch meter	3.10	
For 1-inch meter	5.50	
For 1 1/2-inch meter	10.00	
For 2-inch meter	14.00	
For 3-inch meter	25.00	
For 4-inch meter	40.00	
For 6-inch meter	80.00	

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

APPENDIX A
Page 4 of 13

Schedule No. WC-9CM

West Covina Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

Portions of West Covina and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 2.70	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.16	
Next 2,000 cu.ft., per 100 cu.ft. ....	.14	(I)
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.70	(I)
For 3/4-inch meter	3.10	
For 1-inch meter	5.50	
For 1 1/2-inch meter	10.00	
For 2-inch meter	14.00	

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

APPENDIX A
Page 5 of 13

Schedule No. GL-1

Glendora Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Glendora and Covina and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 2.75	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.20	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.16	
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.75	(I)
For 3/4-inch meter	3.90	(I)
For 1-inch meter	6.00	
For 1 1/2-inch meter	11.00	
For 2-inch meter	15.00	
For 3-inch meter	25.00	
For 4-inch meter	40.00	
For 6-inch meter	80.00	

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

APPENDIX A
Page 6 of 13

Schedule No. GL-9CM

Glendora Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

Portions of Glendora and Covina and vicinity, Los Angeles County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>	
First 1,000 cu.ft. or less	\$ 2.75	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.20	(I)
Next 2,000 cu.ft., per 100 cu.ft. ....	.16	
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	(I)
 Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.75	(I)
For 3/4-inch meter	3.90	(I)
For 1-inch meter	6.00	
For 1 1/2-inch meter	11.00	
For 2-inch meter	15.00	

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

APPENDIX A
Page 7 of 13

Schedule No. CK-1

Covina Knolls Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract No. 18310, located north of Garvey Boulevard and north of Covina Hills Road $\frac{1}{2}$ mile east of West Covina, Los Angeles County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>	
First 1,000 cu.ft. or less	\$ 3.75	(I)
Next 4,000 cu.ft., per 100 cu.ft. ....	.21	
Next 10,000 cu.ft., per 100 cu.ft. ....	.16	
Over 15,000 cu.ft., per 100 cu.ft. ....	.13	
 Minimum Charge:		
For 3/4-inch meter	\$ 3.75	(I)
For 1-inch meter	5.50	(I)
For 1 1/2-inch meter	8.00	
For 2-inch meter	15.00	
For 3-inch meter	25.00	
For 4-inch meter	40.00	
For 6-inch meter	80.00	

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

APPENDIX A
Page 8 of 13

Schedule No. CK-9CM

Covina Knolls Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

The area known as Tract No. 18310, located north of Garvey Boulevard and north of Covina Hills Road, $\frac{1}{2}$ mile east of West Covina, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 1,000 cu.ft. or less	\$ 3.75	(I)
Next 4,000 cu.ft., per 100 cu.ft. ....	.21	
Next 10,000 cu.ft., per 100 cu.ft. ....	.16	
Over 15,000 cu.ft., per 100 cu.ft. ....	.13	
Minimum Charge:		
For 3/4-inch meter	\$ 3.75	(I)
For 1-inch meter	5.50	(I)
For 1 1/2-inch meter	8.00	
For 2-inch meter	15.00	

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

APPENDIX A
Page 9 of 13

Schedule No. HI-1

Highlands Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of West Covina and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 3,000 cu.ft. or less	\$ 5.50	(I)
Next 1,000 cu.ft., per 100 cu.ft. ....	.21	
Next 1,000 cu.ft., per 100 cu.ft. ....	.16	
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	
Minimum Charge:		
For 3/4-inch meter	\$ 5.50	(I)
For 1-inch meter	8.00	
For 1 1/2-inch meter	13.00	
For 2-inch meter	20.00	
For 3-inch meter	35.00	
For 4-inch meter	60.00	
For 6-inch meter	125.00	

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

APPENDIX A
Page 10 of 13

Schedule No. HI-9CM

Highlands Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

Portions of West Covina and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 3,000 cu.ft. or less	\$ 5.50	(I)
Next 1,000 cu.ft., per 100 cu.ft. ....	.21	
Next 1,000 cu.ft., per 100 cu.ft. ....	.16	
Over 5,000 cu.ft., per 100 cu.ft. ....	.13	
Minimum Charge:		
For 3/4-inch meter	\$ 5.50	(I)
For 1-inch meter	8.00	
For 1 1/2-inch meter	13.00	
For 2-inch meter	20.00	

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

APPENDIX A
Page 11 of 13

Schedule No. WH-1

Whittier Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Near Whittier, Los Angeles County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
First 800 cu.ft. or less	\$ 2.50	(I)
Next 1,200 cu.ft., per 100 cu.ft. ....	.23	|
Next 3,000 cu.ft., per 100 cu.ft. ....	.19	|
Next 15,000 cu.ft., per 100 cu.ft. ....	.15	|
Over 20,000 cu.ft., per 100 cu.ft. ....	.12	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.50	(I)
For 3/4-inch meter	3.60	
For 1-inch meter	5.50	
For 1 1/2-inch meter	10.00	
For 2-inch meter	15.00	
For 3-inch meter	35.00	
For 4-inch meter	60.00	
For 6-inch meter	125.00	

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

APPENDIX A
Page 12 of 13

Schedule No. RI-1

Rivera Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Rivera and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 600 cu.ft. or less	\$ 1.75	(I)
Next 2,400 cu.ft., per 100 cu.ft. ....	.21	|
Over 3,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 1.75	(I)
For 3/4-inch meter	2.50	
For 1-inch meter	4.00	
For 1 1/2-inch meter	8.00	
For 2-inch meter	11.00	
For 3-inch meter	25.00	
For 4-inch meter	40.00	
For 6-inch meter	100.00	

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

APPENDIX A
Page 13 of 13

Schedule No. RI-9CM

Rivera Tariff Area

METERED CONSTRUCTION AND TANK TRUCK SERVICE

APPLICABILITY

Applicable to all measured water service furnished for street paving, grading and trench flooding and for delivery to tank trucks.

TERRITORY

Rivera and vicinity, Los Angeles County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
First 600 cu.ft. or less	\$ 1.75	(I)
Next 2,400 cu.ft., per 100 cu.ft. ....	.21	|
Over 3,000 cu.ft., per 100 cu.ft. ....	.13	(I)
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 1.75	(I)
For 3/4-inch meter	2.50	
For 1-inch meter	4.00	
For 1 1/2-inch meter	8.00	
For 2-inch meter	11.00	

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