Decision No. 67300

YPO

## ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application ) of THE CAMPBELL WATER COMPANY, a ) corporation, for authority to ) increase its rates and charges ) for its water system serving the ) City of Campbell, City of San Jose ) and adjacent territory in Santa ) Clara County, in order to offset ) certain pump taxes.

Application No. 46580 (Filed April 21, 1964)

#### <u>O P I N I O N</u>

Applicant, The Campbell Water Company, seeks authority to increase its rates for water service to offset the pump tax which is to become effective July 1, 1964. The Commission staff has reviewed and analyzed this application and prepared a report thereon which is hereby made a part of the record as Exhibit No. 1.

#### Service Area and Source of Supply

Applicant provides water service to some 3,700 customers within a service area of about 2½ square miles, located in and near Campbell, in Santa Clara County. Its sources of supply consist entirely of wells located within the boundaries of (1) Santa Clara County Flood Control and Water Conservation District and (2) Santa Clara Valley Water Conservation District.

#### Rates

Applicant's present rates became effective in 1963 pursuant to Decision No. 64981 in Application No. 43963. They provide for general metered service, measured irrigation service and miscellancous water service, with charges being a function of quantity used, and flat rate fire protection service.

-1-

A. 46580 YP

Following is a comparison of applicant's present general metered service rates and those requested in this application, based upon service through a 5/8 x 3/4-inch meter:

#### Table I

#### Comparison of Rates

Item	Present	Requested
First 500 cu.ft. or less	\$1.65	\$1.90
Next 1,500 cu.ft., per 100 cu.ft	.27	.32
Next 2,000 cu.ft., per 100 cu.ft.	.22	.26
Next 46,000 cu.ft., per 100 cu.ft.	.17	.21
Over 50,000 cu.ft., per 100 cu.ft.	.13	.17

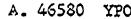
The present rates and requested rates each provide for a graduated scale of increased minimum charges for service through larger than a 5/8 x 3/4-inch meter. Applicant also requests that the present irrigation service rate of \$0.40 per hour for a flow of 100 gpm be increased to \$0.53 and that the present miscellaneous water service rate to tank trucks of \$0.60 per 1,000 gallons be increased to \$0.65. No increases are requested in rates for fire protection service.

#### Pump Taxes

Ground water extraction charges or "pump taxes" soon will be imposed by Santa Clara County Flood Control and Water Conservation District (County) and by Santa Clara Valley Water Conservation District (Valley). upon applicant and others extracting water from the underlying water basin. Inasmuch as such charges had not been fixed at the time of applicant's last rate proceeding, no provision was made therefor in the expense estimates upon which the present rates are based.

Levies of \$5.00 and \$2.25, respectively, per acre foot will be payable to County and Valley for water extracted by applicant for agricultural use. The corresponding tax rates for

-2-



nonagricultural water extractions are \$10.00 and \$8.85. These tax rates apply to the water year ended June 30, 1965. After offsetting an anticipated ad valorcum tax reduction of \$120 and giving consideration to the proportion of applicant's total supply which it delivers to agricultural customers, the rate increases hereinbefore discussed are requested by applicant to offset the pump taxes.

In applicant's proposed irrigation rate, recognition has been given to the lower pump tax rate applicable to water used for agricultural purposes. It is possible that deliveries to some customers under general metered service rates may, in the future, also qualify for the lower tax rate. A special condition in the general metered service rate schedule authorized herein provides an appropriately lower rate for any such deliveries. <u>Financial and Rate Requirements</u>

Exhibit F to the application shows that, excluding the pump tax but reflecting present water rates, the investment tax credit and the reduced income tax rates to become effective for 1965, applicant's rate of return for 1964 would be lower than the 6-3/4 percent found by this Commission to be reasonable in applicant's last rate proceeding. Exhibit No. 1 confirms this. Exhibit No. 1 and Exhibit F show that the 17 percent increase in annual revenues resulting from the requested rates, at the 1964 level of deliveries, would be from \$41,500 to \$44,000. This is slightly less than the applicable pump taxes estimated on a comparable basis. Both exhibits also show that applicant's rate of return would decline to less than 1½ percent at present water rates after the pump tax becomes effective.

-3-

#### A. 46580 YPC

#### Findings and Conclusion

1. Applicant is in need of increased revenues to offset the pump taxes which become effective July 1, 1964.

2. Applicant's estimates of additional operating revenues required to offset the pump taxes are reasonable.

3. 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 prescribed herein, are for the future unjust and unreasonable.

The Commission concludes that the application should be granted as set forth in the ensuing order. A public hearing is not necessary.

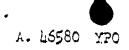
#### O R D E R

IT IS ONDERED that after the effective date of this order, applicant, The Campbell Water Company, is authorized to file the revised schedules of rates set forth in Appendix A to this order. Such filing shall comply with General Order No. 96-A. The revised rate schedules shall become effective for service rendered on and after July 1, 1964 or on and after the fourth day following the date of filing, whichever is later.

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

Dated at San Francisco , California, this day of \_\_\_\_\_, 1964.

-4-



APPENDIX A Page 1 of 4 Ś

Schedulo No. 1

#### GENERAL METERED SERVICE

#### APPLICABILITY

Applicable to all metered water service.

#### TERRITORY

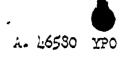
Campbell and vicinity, Santa Clara County.

#### RATES

Quantity Rates:	Per Moter Per Month	
First 500 cu.ft. or less Next 1,500 cu.ft., per 100 cu.ft. Next 2,000 cu.ft., per 100 cu.ft. Next 46,000 cu.ft., per 100 cu.ft. Over 50,000 cu.ft., per 100 cu.ft.	.21	(I)
Minimum Charge: For 5/8 x 3/4-inch meter For 3/4-inch meter For 1-inch meter For 1-inch meter For 2-inch meter For 3-inch meter For 4-inch meter For 6-inch meter For 8-inch meter	2.90 4.60 9.40 14.40 24.50 37.00 75.00	(I)

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

(Continued)



APPENDIX A Page 2 of 4

#### Schedule No. 1

#### <u>GENERAL METERED</u> <u>SERVICE</u> (Continued)

#### SPECIAL CONDITION

Customers who receive water deliveries for agricultural purposes (N) under this schedule, and who present evidence to the utility that such deliveries qualify for the lower pump tax rates levied by Santa Clara County Flood Control and Water Conservation District and by Santa Clara Valley Water Conservation District for agricultural water, shall receive a credit of three cents por 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill. (N)

# CORRECTION

CORRECTION

### THIS DOCUMENT

## HAS BEEN REPHOTOGRAPHED

TO ASSURE LEGIBILITY



APPENDIX A Page 1 of 4

Schedule No. 1

#### GENERAL METERED SERVICE

#### APPLICABILITY

Applicable to all metered water service.

#### TERRITORY

Campbell and vicinity, Santa Clara County.

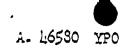
#### RATES

	Per Meter
Quantity Rates:	Per Month

First Next Next Noxt 1	2,000 cu.ft., per 100 cu.ft.	.21	(I)   
Over 9	0,000 cu.ft., per 100 cu.ft.	.17	
Minimum Char	rge :		
For 5/8	3 x 3/4-inch meter	\$1.90	
For	3/u-inch meter	2.90	
For	1-inch meter	4.60	
For	12-inch meter	9-40	
For	2-inch meter	14-10	
For	3-inch meter	24.50	
For	4-inch meter	37.00	
For	6-inch meter	75.00	
For	8-inch meter	125.00	(I)

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

(Continued)



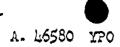
APPENDIX A Page 2 of 4 رهد تعظم والا

#### Schedule No. 1

#### <u>GENERAL METERED</u> <u>SERVICE</u> (Continued)

#### SPECIAL CONDITION

Customers who receive water deliveries for agricultural purposes (N) under this schedule, and who present evidence to the utility that such deliveries qualify for the lowor pump tax rates lovied by Santa Clara County Flood Control and Water Conservation District and by Santa Clara Valley Water Conservation District for agricultural water, shall receive a credit of three cents per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill.



APPENDIX A Page 3 of 4

#### Schedule No. 3ML

#### MEASURED IRRIGATION SERVICE

#### APPLICABILITY

Applicable to all measured irrigation sorvice furnished on a limited basis.

#### TERRITORY

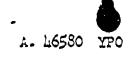
Campbell and vicinity, Santa Clara County.

#### RATES

	Per Delivery	
Minimum charge per service Hourly rate per 100 gallons per minute	\$ 3.00	
stream	-53	(I)

#### SPECIAL CONDITION

Service under this schedule shall be limited to the premises being served hereunder prior to the offective date of this tariff sheet.



APPENDIX A Page 4 of 4

Schedulc No. 9 MC

#### MISCELLANEOUS WATER SERVICE

#### APPLICABILITY

Applicable to water service furnished to tank trucks.

#### TERRITORY

Campbell and vicinity, Santa Clara County.

#### RATE

 $I_{i,i}^{*}$ 

ŗ

	Per 1,000 Gallons	
For all water delivered	\$ 0.65	(I)

7.

11

• •

...

 $e^{i} p^{i}$ 

#### SPECIAL CONDITION

The company has the right to specify the location and amounts of usage of all such water.

2.5

۰,

÷.