

ORIGINALDecision No. 69270

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. 47529
(Filed April 27, 1965)

O P I N I O N

The Campbell Water Company seeks authority to increase its rates for water service to offset increases in pump taxes which are to become effective July 1, 1965. 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 3,800 customers within a service area of about 2½ square miles, located in or near Campbell, in Santa Clara County. Its sources of supply consist of 13 wells located within the boundaries of (1) Santa Clara County Flood Control and Water District (County) and (2) Santa Clara Valley Water Conservation District (Valley).

Present Rates

Applicant's present rates became effective in 1964 pursuant to Decision No. 67300 in Application No. 46580. They provide for general metered service, irrigation service, fire protection service, miscellaneous service and free service to company employees.

Pump Taxes

Increases in ground water extraction charges or "pump taxes" will be imposed by County and by Valley upon applicant and others extracting water from the underlying water basin beginning July 1, 1965. Inasmuch as these increases 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.

Present levies of \$5.00 and \$2.25, respectively, per acre-foot payable to County and Valley for water extracted by applicant for agricultural use will be \$5.00 and \$2.60, respectively. The corresponding present tax rates of \$10.00 and \$8.85 for non-agricultural water extractions will be \$16.00 and \$9.20.

Financial and Rate Requirements

The increase of \$6.35 per acre-foot in pump tax for nonagricultural use results in an average additional expense of 1.57 cents for each 100 cubic feet of water sold.

Exhibit No. 1 shows that the difference of \$17.60 per acre-foot in total pump tax rates applicable to irrigation use as compared with nonirrigation use results in 4 cents per hundred cubic feet lower taxes for irrigation deliveries than for non-irrigation deliveries.

Decision No. 64981, dated February 19, 1963, in Application No. 43963, found a rate of return of 6.75 percent to be reasonable for applicant.

Exhibit No. 1 shows that the proposed rate increase will offset the increased pump taxes of approximately \$16,000. There is no indication that the rate of return of 6-3/4 percent found

reasonable in Decision No. 64981 will be exceeded under normal conditions in 1965. For a typical residential usage of 1,700 cubic feet per month, the average bill would be \$5.74 at present rates and \$6.02 at proposed rates, an increase of 28 cents. The staff recommends that if general service customers use water for agricultural purposes, as provided by the special condition of applicant's Schedule No. 1, their credit for such usage, as set forth in the special condition, should be increased from 3 cents per 100 cubic feet to 4 cents, to reflect the lesser increase in the pump taxes applicable to agricultural use. Also, the proposed increase in Schedule No. 3ML, Measured Irrigation Service, is unnecessary as it would produce more revenue (approximately \$23) than required to offset the relatively small increase (approximately \$16) in the pump taxes applicable to water pumped for agricultural use. The staff's recommended rate schedules are reasonable and will be adopted.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of increased revenues to offset the increases in pump taxes which will become effective July 1, 1965.
2. Applicant's estimates of additional operating revenues required to offset the pump taxes are reasonable.
3. The increases in rates authorized herein are justified; the rates authorized herein are reasonable; and the present rates, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.
4. A public hearing is not necessary.

The Commission concludes that the application should be granted.

ORDER

IT IS ORDERED that, after the effective date of this order, applicant The Campbell Water Company is authorized to file the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be July 1, 1965, or the date of filing, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.

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

Dated at San Francisco, California, this 22nd day of JUNE, 1965.

Frederick B. Halaloff
President

George E. Hoover

Augusta

William C. ...
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Campbell and vicinity, Santa Clara County.

RATES

		Per Meter Per Month	
Quantity Rates:			
First	500 cu.-ft. or less	\$ 2.00	(I)
Next	1,500 cu.-ft., per 100 cu.-ft.335	
Next	2,000 cu.-ft., per 100 cu.-ft.275	
Next	46,000 cu.-ft., per 100 cu.-ft.225	
Over	50,000 cu.-ft., per 100 cu.-ft.185	
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 2.00	(I)
For	3/4-inch meter	2.90	
For	1-inch meter	4.60	
For	1 1/2-inch meter	9.40	
For	2-inch meter	14.40	
For	3-inch meter	24.50	
For	4-inch meter	37.00	
For	6-inch meter	75.00	
For	8-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.

SPECIAL CONDITION

Customers who receive water deliveries for agricultural purposes under this schedule, and who present evidence to the utility that such

(Continued)

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Schedule No. 1

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION (Contd.)

deliveries qualify for the lower pump tax rates levied by Santa Clara County Flood Control and Water District and by Santa Clara Valley Water (T) Conservation District for agricultural water, shall receive a credit of 4 cents per 100 cubic feet on each water bill for the quantities of (I) water used during the period covered by that bill.

Schedule No. 9MC

MISCELLANEOUS WATER SERVICE

APPLICABILITY

Applicable to water service furnished to tank trucks.

TERRITORY

Campbell and vicinity, Santa Clara County.

RATE

Per 1,000 Gallons

For all water delivered \$.67 (I)

SPECIAL CONDITION

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