

ORIGINAL

Decision No. 71032

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 an in-)
creased pump tax.)

Application No. 48513
(Filed May 27, 1966)

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 became effective July 1, 1966. 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's service area consists of some 2-1/2 square miles of territory in Santa Clara County, in and about Campbell. Applicant has approximately 3,800 customers.

Applicant's water supply is obtained from wells located within the boundaries of Santa Clara Valley Water Conservation District (Valley) and Santa Clara County Flood Control and Water District (County).

Rates

Applicant's present rates provide for general metered service, measured irrigation service, fire protection service, service to tank trucks and service to company employees. The general metered service rates became effective June 1, 1966, pursuant to Decision No. 70668 in Application No. 47515.

Following is a comparison of applicant's present general metered service rates and those requested in this application:

TABLE 1

Comparison of Rates

<u>Item</u>	<u>Present</u>	<u>Requested</u>
First 30,000 cu.ft., per 100 cu.ft.	\$0.285	\$0.288
Over 30,000 cu.ft., per 100 cu.ft.	.230	.232

The present rates provide for a graduated scale of service charges for service through various sizes of meters. No increases are requested in these service charges nor in rates for service to tank trucks, fire protection service, and service to company employees. Applicant proposes to increase the present irrigation service hourly rate of 53 cents per 100 gpm stream to 54 cents but proposes no increase in the present credit of 4.0 cents per 100 cubic feet for agricultural customers who receive service under general meter rates and who qualify for lower pump tax rates.

Pump Taxes

Increases in ground water extraction charges or "pump taxes" have been imposed by Valley upon applicant and others extracting water from the underlying water basin. Inasmuch as such 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.

The present levy of \$2.60 per acre-foot payable to Valley for water extracted by applicant for agricultural use will be \$3. The corresponding present tax rate of \$9.20 for nonagricultural water extractions will be \$10.40. These revised tax rates will apply for the water year ending June 30, 1967.

County also collects pump taxes. It has extended for another year the present tax rates of \$5 and \$16, respectively, per acre-foot for agricultural and nonagricultural use.

Financial and Rate Requirements

The increase of \$1.20 per acre-foot in pump tax for non-agricultural use, which is applicable to practically all of the water produced by applicant, results in an average additional expense of 0.296 cents for each 100 cubic feet of water sold. At applicant's estimated current annual deliveries, this would increase annual expenses by about \$3,200.

The difference of \$18.40 per acre-foot in total pump tax rates applicable to irrigation use as compared with nonirrigation use results in 4.2 cents per 100 cubic feet lower taxes for irrigation deliveries than for nonirrigation deliveries.

Decision No. 70668, dated May 10, 1966, in Application No. 47515, found a rate of return of 6.8 percent for the test year 1966 to be reasonable for applicant. Exhibit No. 1 shows that, in the opinion of the Commission staff, (1) the proposed rate increase will approximately offset the increased assessments, (2) there is no indication that the rate of return of 6.8 percent authorized for the test year 1966 will be exceeded under normal conditions, and (3) applicant's proposed revised rate schedules are reasonable, except that the 4.0 cents per 100 cubic feet credit for customers who present evidence that their deliveries under general metered service rates qualify for lower pump tax rates should be increased to 4.2 cents.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of increased revenues to offset the increases in pump taxes which became effective July 1, 1966.
2. Applicant's estimates of additional operating revenues required to offset the pump taxes are reasonable.

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

A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that, after the effective date of this order, applicant The Campbell Water Company is authorized to file revised rate schedules such as are attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedule shall be August 1, 1966, 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 the date hereof.

Dated at San Francisco, California, this 26th day of JULY, 1966.

[Signature] President
George T. Brewer
Fredrick B. Halaloff
[Signature]
William W. Bennett 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

Service Charge:	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter	\$ 1.70
For 3/4-inch meter	1.90
For 1-inch meter	2.50
For 1 1/2-inch meter	3.50
For 2-inch meter	4.60
For 3-inch meter	8.50
For 4-inch meter	12.00
For 6-inch meter	20.00
For 8-inch meter	30.00

Quantity Rates:

For the first 30,000 cu.ft., per 100 cu.ft....	\$ 0.288	(I)
For all over 30,000 cu.ft., per 100 cu.ft....	0.232	(I)

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

(Continued)

Schedule No. 1

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION

Customers who receive water deliveries for agricultural purposes 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 District and by Santa Clara Valley Water Conservation District for agricultural water shall receive a credit of 4.2 cents per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill. (I)

Schedule No. 3ML

MEASURED IRRIGATION SERVICE

APPLICABILITY

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

TERRITORY

Campbell and vicinity, Santa Clara County.

RATES

	<u>Per</u> <u>Delivery</u>	
Minimum charge per service	\$ 3.00	
Hourly rate per 100 gallons per minute stream.....	.54	(I)

SPECIAL CONDITION

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