

SW/LM

ORIGINAL

Decision No. 73118

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLECITO WATER COMPANY for authority to increase its rates for water service to offset increased costs of pumping due to replenishment and make-up assessments.

Application No. 49452
(Filed June 9, 1967)

OPINION AND ORDER

By this application Vallecito Water Company seeks an offset rate increase to compensate for the make-up assessment levied by Upper San Gabriel Valley Municipal Water District (District) to provide funds for the purchase of water to maintain a normal flow from the Main San Gabriel Basin to the Central Basin and to compensate for the replenishment assessment levied by District to provide funds for the purchase of water to recharge the Main San Gabriel Basin. An increase of gross annual revenues of \$27,460 to meet the revenue requirements based on 1965 recorded earnings is sought.

A Commission staff engineer has submitted a report on his investigation of the application dated August 25, 1967. It is received as Exhibit No. 1. Said Exhibit shows, among other things, that the total cash outlay for the assessments for the period 1964 through 1971 would be \$125,208, and there would be an accrued but unpaid assessment of approximately \$12,400 at the end of the period.

The make-up assessment based on test year 1966 pumping of 4,058 acre feet at an assessment rate of \$1.50 per acre-foot amounts to \$6,087, and the replenishment assessment, based on the same pumpage at \$3.75 per acre-foot, amounts to \$15,218, totalling \$21,305 for the test year. The rate of assessment is based on an average of adopted rates plus estimated rates for two succeeding years. The make-up assessment levied between July 1, 1966, and July 1, 1967, for the year 1964, based on 3,752 acre feet of pumping at \$1.06 per acre-foot, amounts to \$3,979; for the year 1965, based on 3,933 acre feet at \$1.95 per acre-foot, amounts to \$7,687; and the replenishment assessment for the last half of the year 1966, based on 2,260 acre feet at \$2.20 per acre-foot, amounts to \$4,973, and for the first half of the year 1967, based on 1,688 acre feet at \$2.20 per acre-foot, amounts to \$3,714, totalling \$20,353 to be amortized over a five-year period at an annual expense of \$4,071. Total estimated test year and five-year amortized assessments amount to \$25,376.

Applicant proposes to adopt the accounting procedure prescribed by Decision No. 72498, dated May 23, 1967, in Application No. 49061 of San Gabriel Valley Water Company to increase rates for water service in its El Monte District to offset District assessments.

Although applicant's proposed rates would develop additional annual gross revenues of about \$27,500, an increase of approximately 8.7 percent, the staff concluded in Exhibit No. 1 that in its opinion the difference between the gross

revenues and additional expenses was relatively insignificant in view of the aforementioned remaining accrued assessment at the end of the year 1971, and recommended that the application be granted.

On July 11, 1967, applicant notified by postcard all customers of this application. No letters of protest have been received.

The Commission finds that public hearing is not necessary and that the increases in rates proposed in the application are reasonable and insofar as the rates authorized hereinafter differ from applicant's present rates, the present rates are unjust and unreasonable.

It is concluded that the application should be granted, and, because the assessments for the period 1964 through June 30, 1967, have already been levied by District and were payable on July 31, 1967, it is further concluded that the effective date of the order which follows should be its date, therefore,

IT IS ORDERED that:

1. Vallecito Water Company is authorized to file, after the effective date of this order, the revised schedule of rates 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 October 1, 1967 or four days after the date of the filing, whichever is later. The revised schedule shall apply only to service rendered on and after the effective date thereof.

2. Applicant is authorized and directed to follow substantially the accounting procedures set forth in its application for the accounting of make-up and replenishment assessments and offset revenues, provided that applicant shall submit a summary of accounting therein annually no later than ninety days after the close of each calendar year and provided that at some appropriate future time the Commission may require the closing of the sub-accounts.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 26th day of SEPTEMBER, 1967.

[Signature]
President

[Signature]

William J. [Signature]

[Signature]
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered service.

TERRITORY

The unincorporated area approximately 2 miles north and east of the City of Whittier in the Puente Hills, Los Angeles County.

RATES

Quantity Rates:	Per Meter Per Month	
First 1,000 cu.ft. or less	\$ 2.80	(I)
Next 2,000 cu.ft., per 100 cu.ft.....	.21	
Next 5,000 cu.ft., per 100 cu.ft.....	.16	
Next 12,000 cu.ft., per 100 cu.ft.....	.11	
Over 20,000 cu.ft., per 100 cu.ft.....	.09	(I)
 Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 2.80	(I)
For 3/4-inch meter	3.35	
For 1-inch meter	4.40	
For 1 1/2-inch meter	6.90	
For 2-inch meter	9.10	
For 3-inch meter	14.00	
For 4-inch meter	21.60	(I)

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

Schedule No. L-3M

IRRIGATION SERVICE

LOWER ZONE

APPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

The lower zone of the area located in the Puente Hills approximately 2 miles northeast of Whittier, Los Angeles County.

RATES

	<u>Per Service Connection</u>	
Quantity Rates:		
First 1,800 cu.ft. or less	\$3.70	(I)
Over 1,800 cu.ft., per 100 cu.ft.....	.086	(I)
Minimum Charge:		
For each irrigation delivery	\$3.70	(I)

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

Schedule No. U-3M

IRRIGATION SERVICE

UPPER ZONE

APPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

The upper zone of the area located in the Puente Hills approximately 2 miles northeast of Whittier, Los Angeles County.

RATES

	<u>Per Service Connection</u>	
Quantity Rates:		
First 1,800 cu.ft. or less	\$4.40	(I)
Over 1,800 cu-ft., per 100 cu.ft.114	(I)
Minimum Charge:		
For each irrigation delivery	\$4.40	(I)

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