

SW/NB

Decision No. 73125

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of EAST PASADENA WATER CO. for)
authority to increase its rates)
for water service to offset in-)
creased costs of pumping due to)
replenishment and make-up)
assessments.)

Application No. 49409
(Filed May 26, 1967)

OPINION AND ORDER

By this application East Pasadena Water Co. 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. The total make-up assessment for the test year, based on 1966 pumping of 1,515 acre-feet subject to assessment, is \$7,954.

By Decision No. 72136, dated March 14, 1967, in Application No. 48805, filed September 20, 1966, the applicant herein was authorized to file new rates to offset the replenishment assessment levied by District to provide funds for the purchase of water to recharge the Main San Gabriel Basin. Although the application covered both types of assessments, said decision authorized only the replenishment assessment offset because the record thereon relating to the make-up assessment was inadequate.

Applicant has neither filed nor put into effect the authorized rates, having chosen to file the instant application instead.

The total replenishment assessment for the last one-half of the year 1966, based on 799 acre-feet of pumping subject to assessment, amounts to \$1,757; and for the first one-half of the year 1967, it amounts to \$1,575. To this should be added make-up assessments for the year 1964 based on pumping of 1,454 acre-feet totalling \$1,542; and for the year 1965, 1,408 acre-feet of pumping for an assessment of \$2,751.

A report, dated July 17, 1967, of his investigation of the instant application has been submitted by a Commission staff engineer and it is received as Exhibit No. 1. It confirms the allegations of the application. The total of the estimated test year and a five-year, \$1,525 per year, amortization of the 1964-1965 make-up assessment and the replenishment assessment for the last one-half of 1966 and the first one-half of 1967, all as proposed by the staff, is \$9,479. Applicant's proposed rates would develop additional annual gross revenues of about \$9,891. Although the estimate of annual gross revenues is slightly greater than the annual increased costs of approximately \$9,500 for the make-up and replenishment assessments, the staff concluded that the difference is relatively insignificant, applicant's request is reasonable, and the application should be granted.

Applicant furnishes water service to approximately 2,500 customers in its two tariff areas designated as A-1 and B-1. The A-1 tariff area has approximately 150 customers located

east of the City of Pasadena. These would not be affected by the application since water supplied to them is pumped from the Raymond Basin not subject to District assessments. The B-1 tariff area has approximately 2,350 customers and is located adjacent to the Cities of Pasadena and San Marino and within and adjacent to the Cities of Temple City and Arcadia, all in Los Angeles County. Only the water pumped from the San Gabriel Basin supplied to customers in the B-1 tariff area is subject to District assessments. In the year 1965, such San Gabriel Basin pumped water amounted to 1,408 acre-feet out of a total production of 1,629 acre-feet for the area.

On June 27, 1967, all customers were notified of this application. No letters were received complaining of service or quality of water; three letters were received protesting any increase in rates on the general grounds of objecting to higher charges.

Applicant proposes to use an accounting procedure by which an independent record is kept of assessment accruals and payments together with the offset revenue accruals. Said procedure follows the procedure authorized by Decision No. 72498, dated May 23, 1967, in Application No. 49061, of San Gabriel Valley Water Company.

Exhibit No. 1 shows that there have been no appreciable changes in applicant's operations since Decision No. 71024, dated July 26, 1966, in Application No. 47056, which authorized a rate of return of 6.5 percent based on the estimated test year 1965.

Exhibit No. 1 further shows that the adoption of the proposed rates would result in an increase of approximately 30 cents per month for a typical customer using 2,000 cubic feet of water.

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 have already been levied by District and are payable, it is further concluded that the effective date of the order which follows should be its date, therefore,

IT IS ORDERED that:

1. East Pasadena Water Co. 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 subaccounts.

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 Lyons, Jr.

[Signature]
Commissioners

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

APPENDIX A

Schedule No. B-1

METERED SERVICE

(T)

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The territory within and adjacent to the Cities of Temple City and Arcadia, and adjacent to the Cities of Pasadena and San Marino, and as described on service area map as the B-1 area.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 500 cu.ft. or less	\$ 1.65	(I)
Next 2,500 cu.ft., per 100 cu.ft.19	
Next 2,000 cu.ft., per 100 cu.ft.16	
Over 5,000 cu.ft., per 100 cu.ft.13	(I)
Minimum Charges:		
For 5/8 x 3/4-inch meter	\$ 1.65	(I)
For 3/4-inch meter	2.45	
For 1-inch meter	3.25	
For 1 1/2-inch meter	5.30	
For 2-inch meter	8.50	
For 3-inch meter	18.25	(I)

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