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Decision No. 76905

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application }
of SOUTHERN CALIFORNIA WATER }
COMPANY for an order authorizing }
it to increase the rates and }
charges for water service in its }
Simi Valley District. }

Application No. 50460
(Supplemental Application Filed
January 15, 1970)

OPINION AND ORDER

Decision No. 75879, dated July 8, 1969, established rates for applicant's Simi Valley District which gave recognition to the then effective investment tax credit and the expiration of the 10-percent surcharge on federal income taxes. Since then, the investment tax credit has been revoked and a temporary 5-percent surcharge on federal income taxes has been imposed. Applicant now requests adjustment of its rates to reflect those changes.

Copies of the supplemental application have been served and notice of the filing of the supplemental application published, in accordance with this Commission's rules of procedure. The Commission staff has reviewed and analyzed the supplemental application and has prepared a report thereon, dated February 5, 1970, which hereby is received as Exhibit No. 13.

Applicant proposes to increase its Simi Valley District rates for general metered service and limited metered service by about 3 to 4 percent to compensate for loss of the investment tax credit and to add a temporary 3/4-percent surcharge to offset the five-percent tax surcharge. The resulting proposed rates are as set forth in Appendix A to the order which follows.

The staff shows in Exhibit No. 13 that the requested increases will add about 28 cents to the monthly bill of a typical commercial customer. Exhibit No. 13 also shows that, in the opinion of the Commission staff, (1) the proposed rate increases will offset the increased expenses resulting from the elimination of the investment tax credit and the imposition of a 5-percent income tax surcharge, (2) the earnings which will be produced under the conditions set forth in the supplemental application do not exceed the previously authorized rate of return of 7.0 percent on rate base for the Simi Valley District, and (3) applicant's computations include no significant errors, and (4) the proposed rate increase should be authorized.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of increased revenues to offset increases in federal income taxes resulting from revocation of the investment tax credit and imposition of a five-percent surcharge.
2. Applicant's estimate of the rate increase required to offset the future effect of the changes in the tax laws is 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.

A public hearing is not necessary.

The Commission concludes that the application should be granted and that the order herein should be effective immediately.

IT IS ORDERED that, after the effective date of this order, applicant Southern California Water Company is authorized to file for its Simi Valley District 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 four days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date thereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 10th day of MARCH, 1970.

William S. Moore, Jr.
President

Augusta

William A. [unclear]

[unclear]

Vernon L. Sturgeon
Commissioners

APPENDIX A
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Schedule No. SI-1
Simi Valley Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Simi Valley, Ventura County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
First 10,000 cubic feet, per 100 cubic feet.....	\$ 0.257	(I)
Over 10,000 cubic feet, per 100 cubic feet.....	0.228	(I)
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 2.60	(I)
For 3/4-inch meter	3.10	
For 1-inch meter	4.65	
For 1 1/2-inch meter	6.45	
For 2-inch meter	10.30	
For 3-inch meter	12.90	
For 4-inch meter	27.85	
For 6-inch meter	51.60	
For 8-inch meter	72.25	(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 Rate.

(Continued)

Schedule No. SI-1

Simi Valley Tariff Area

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION

While the 5% Surcharge to Federal Income Tax is in effect, bills computed under the above tariff will be increased by 0.75%. At such time as the tax surcharge is effectively terminated or reduced, the above percentage shall be eliminated or reduced to the extent of the reduction in the tax surcharge.

(N)

(N)

Schedule No. SI-3M

Simi Valley Tariff Area

LIMITED METERED IRRIGATION SERVICE

APPLICABILITY

Applicable to irrigation water delivered to parcels of land in excess of 5 acres in one ownership and devoted to the raising of commercial agricultural crops or livestock.

TERRITORY

Within certificated areas in Section 11 and 14 T. 2 N., R. 18 W., S.B.B. & M., Ventura County.

RATE

Quantity Rate:

Per acre-foot \$56.75 (I)

SPECIAL CONDITION

While the 5% Surcharge to Federal Income Tax is in effect, bills computed under the above tariff will be increased by 0.75%. At such time as the tax surcharge is effectively terminated or reduced, the above percentage shall be eliminated or reduced to the extent of the reduction in the tax surcharge.

(N)

(N)