

ORIGINAL

Decision No. 77103

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
 California Water Service Company, a )  
 corporation, for an order autho- )  
 rizing it to increase rates charged )  
 for water service in the Dixon, )  
 King City, Los Altos-Suburban, )  
 Seima and Willows districts in )  
 order to offset the increase in )  
 federal income taxes resulting from )  
 termination of the investment tax )  
 credit by the Tax Reform Act of )  
 1969. )

Application No. 51683  
 (Filed February 4, 1970)

OPINION AND ORDER

Various decisions during 1969 established rates for five of applicant's districts which gave recognition to the then effective investment tax credit. Since then, the investment tax credit has been revoked. Applicant now requests adjustment of its rates to reflect that change.

Copies of the application have been served and notice of the filing of the application published, in accordance with this Commission's rules of procedure. The Commission staff has reviewed and analyzed the application and has prepared a report thereon, dated March 4, 1970, which hereby is received as Exhibit No. 1.

Applicant proposes to increase its rates for general metered service and, where applicable, residential flat rate service, to compensate for loss of the investment tax credit. The resulting proposed rates are as set forth in Appendix A to the order which follows.

The staff states in Exhibit No. 1 that the requested increases would add from 1.09 to 1.83 percent to the average customer's monthly bill. Exhibit No. 1 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, (2) the earnings which will be produced under the conditions set forth in the application do not exceed the previously authorized rates of return on rate base for applicant's operations in the five districts, (3) applicant's computations are reasonable, and (4) the proposed rate increases 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.

2. Applicant's estimates of rate increases required to offset the future effect of the change in the tax laws are 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 rates requested in 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 California Water Service 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 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 shall be the date hereof.

Dated at San Francisco, California, this 12th day of 1 APRIL, 1970.

William S. ...  
President

...  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. DX-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Dixon and vicinity, Solano County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Service Charge:		
For 5/8 x 3/4-inch meter .....	\$ 2.88	(I)   (I)
For 3/4-inch meter .....	3.18	
For 1-inch meter .....	4.28	
For 1 1/2-inch meter .....	5.93	
For 2-inch meter .....	7.58	
For 3-inch meter .....	13.88	
For 4-inch meter .....	19.13	
For 6-inch meter .....	31.13	
For 8-inch meter .....	46.13	
For 10-inch meter .....	57.13	
Quantity Rate:		
For all water delivered, per 100 cu.ft. ....	\$ 0.187	

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.

SPECIAL CONDITION

While the 5 percent surcharge to Federal income tax is in effect, bills computed under the above tariff will be increased by 1.37 percent. 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.

Schedule No. KC-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

King City and vicinity, Monterey County.

RATES

Service Charge:	Per Meter Per Month		
	Until 1-1-71	After 12-31-70	
For 5/8 x 3/4-inch meter .....	\$ 3.23	\$ 3.33	(I)                     (I)
For 3/4-inch meter .....	3.53	3.63	
For 1-inch meter .....	4.78	4.93	
For 1 1/2-inch meter .....	6.63	6.83	
For 2-inch meter .....	8.53	8.78	
For 3-inch meter .....	15.63	16.13	
For 4-inch meter .....	21.13	22.13	
For 6-inch meter .....	35.13	36.13	
For 8-inch meter .....	52.13	54.13	
For 10-inch meter .....	65.13	67.13	

Quantity Rate:

For all water delivered, per 100 cu.ft. ....	.23	.24
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The Service Charge is a readiness-to-serve charge applicable to all metered water service and to which is to be added the monthly charge computed at the Quantity Rate.

SPECIAL CONDITION

While the 5 percent surcharge to Federal income tax is in effect, bills computed under the above tariff will be increased by 1.78 percent. 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.

Schedule No. LS-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Los Altos and vicinity, Santa Clara County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Service Charge:		
For 5/8 x 3/4-inch meter .....	\$ 3.08	(I)   (I)
For 3/4-inch meter .....	3.38	
For 1-inch meter .....	4.58	
For 1 1/2-inch meter .....	6.33	
For 2-inch meter .....	8.13	
For 3-inch meter .....	15.13	
For 4-inch meter .....	20.13	
For 6-inch meter .....	31.13	
For 8-inch meter .....	50.13	
For 10-inch meter .....	60.13	

Quantity Rate:

For all water delivered, per 100 cu.ft. .... \$ 0.379

The Service Charge is applicable to all metered service. It is a readiness-to-serve charge to which is added the charge, computed at the Quantity Rate, for water used during the month.

SPECIAL CONDITIONS

1. 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

(Continued)

Schedule No. IS-1

GENERAL METERED SERVICE

SPECIAL CONDITIONS - Contd.

Flood Control and Water District for agricultural water, shall receive a credit of 4.8 cents per 100 cubic foot on each water bill for the quantities of water used during the period covered by that bill.

2. While the 5 percent surcharge to Federal income tax is in effect, bills computed under the above tariff will be increased by 1.30 percent. 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.

Schedule No. SL-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Selma and vicinity, Fresno County.

RATES

	Per Meter Per Month			
	Before 1971	During 1971	After 1971	
Service Charge:				
For 5/8 x 3/4-inch meter .....	\$ 2.79	\$ 2.85	\$ 2.92	(I)
For 3/4-inch meter .....	3.08	3.15	3.22	
For 1-inch meter .....	4.18	4.27	4.37	
For 1 1/2-inch meter .....	5.80	5.93	6.07	
For 2-inch meter .....	7.43	7.59	7.77	
For 3-inch meter .....	13.69	13.90	14.32	
For 4-inch meter .....	18.23	18.65	19.07	
For 6-inch meter .....	30.67	31.37	32.07	
For 8-inch meter .....	45.97	46.97	48.07	
For 10-inch meter .....	56.47	57.67	59.07	

Quantity Rate:

For all water delivered, per 100 cu.ft. ....	\$ 0.143	\$ 0.147	\$ 0.150
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The Service Charge is a readiness-to-service charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rate.

SPECIAL CONDITION

Until the 5% surcharge to Federal income taxes is removed, bills computed under the above tariff will be increased by 1.6%. 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.



Schedule No. SL-2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Selma and vicinity, Fresno County.

RATES

	<u>Per Service Connection Per Month</u>			
	<u>Before 1971</u>	<u>During 1971</u>	<u>After 1971</u>	
For a single-family residential unit, including premises, having the following area:				
6,000 sq.ft. or less .....	\$ 5.95	\$ 6.08	\$ 6.22	(I)
6,001 to 10,000 sq.ft. ....	7.19	7.35	7.52	
10,001 to 16,000 sq.ft. ....	9.10	9.30	9.52	
16,001 to 25,000 sq.ft. ....	11.44	11.70	11.97	
For each additional single-family residential unit on the same premises and served from the same service connection .....	3.94	4.03	4.12	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. SL-1, General Metered Service.

(Continued)

Schedule No. SL-2R

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd.

4. Until the 5% surcharge on Federal income taxes is removed, bills computed under this tariff will be increased by 1.6%. 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.

Schedule No. WL-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The City of Willows and vicinity, Glenn County.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Service Charge:		
For 5/8 x 3/4-inch meter .....	\$ 3.10	(I)                     (I)
For 3/4-inch meter .....	3.40	
For 1-inch meter .....	4.60	
For 1 1/2-inch meter .....	6.40	
For 2-inch meter .....	8.20	
For 3-inch meter .....	15.10	
For 4-inch meter .....	20.10	
For 6-inch meter .....	34.10	
For 8-inch meter .....	50.10	
For 10-inch meter .....	62.10	

Quantity Rate:

For all water delivered, per 100 cu.ft. .... \$ 0.222

The Service Charge is applicable to all metered service. It is a readiness-to-serve charge to which is added the charge, computed at the Quantity Rate, for water used during the month.

SPECIAL CONDITION

While the 5 percent surcharge to Federal income tax is in effect, bills computed under the above tariff will be increased by 1.47 percent. 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.

Schedule No. WL-2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

The City of Willows and vicinity, Glenn County.

RATES

Per Service Connection  
Per Month

For a single-family residential unit,  
including premises having the following  
areas:

6,000 sq.ft., or less .....	\$ 6.45	(I)
6,001 to 10,000 sq.ft. ....	8.55	
10,001 to 16,000 sq.ft. ....	10.70	
16,001 to 25,000 sq.ft. ....	13.90	

For each additional single-family residential unit on the same premises and served from the same service connection .....	5.10	(I)
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SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. Meters shall be installed if either the utility or customer so chooses for above classification, in which event service thereafter shall be furnished on the basis of Schedule No. WL-1, General Metered Service.

(Continued)

Schedule No. WL-2R

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd.

4. While the 5 percent surcharge to Federal income tax is in effect bills computed under the above tariff will be increased by 1.47 percent. 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.