

Decision No. 78884

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOSE WATER WORKS, a corporation,)
for an order authorizing it to)
increase rates charged for water)
service to offset certain increased)
charges.)

Application No. 52620
(Filed May 17, 1971)

O P I N I O N

San Jose Water Works requests authority to increase its rates for water service.

Applicant is presently engaged as a public utility in the business of supplying water to domestic, commercial and industrial customers in San Jose, Los Gatos, Saratoga and Monte Sereno and in portions of Campbell, Cupertino and Santa Clara and in territory in the County of Santa Clara surrounding and adjacent to these municipalities. It requests an 0.91 percent increase in rates for metered service to offset the effects of increases in pump tax, purchased power and postage. The requested increase would add approximately 8 cents to the monthly bill of a typical commercial customer with a consumption of 2,175 cubic feet per month.

The present rate schedules now in effect are those authorized by Decision No. 77766, which became effective October 12, 1970. The Commission therein found that said rates should produce a rate of return of 7.4 percent over a period of 36 months based upon the estimated results of operations for the test year 1970. Said estimate was predicated upon the pump tax rates, the postal rates and the

purchased power rates which were in effect as of September 1970. Since that time the pump tax imposed upon ground water extracted by the Santa Clara Valley Water Conservation District has been increased from \$29 per acre-foot to \$30 per acre-foot effective July 1, 1971. The rate for first class postage was increased from 6 cents per ounce to 8 cents per ounce as of May 17, 1971. The cost of electric power purchased by applicant from Pacific Gas and Electric Company was increased 7 percent pursuant to an authorized increase in electrical rates effective February 13, 1971.

The annual total of these three increases in expenses is \$167,000. To offset these increases applicant proposes to revise its quantity rates for general metered service as set forth in Exhibit G attached to the application.

After consideration the Commission finds that:

1. Applicant has experienced increases in pump tax, postage cost and power cost.
2. The increase in postage is not an appropriate expense item to be considered for an offset rate increase.
3. The increases authorized herein will offset the increased expenses resulting from the increases in pump tax and power cost.
4. The earnings which would be produced under the rates authorized herein do not exceed the previously authorized rate of return.
5. The increases authorized herein are just and reasonable.

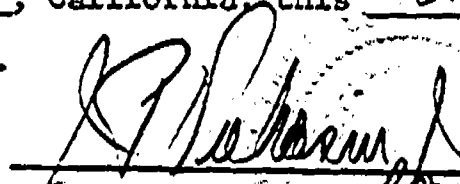
The Commission therefore concludes that the application should be granted to the extent set forth in the order which follows.

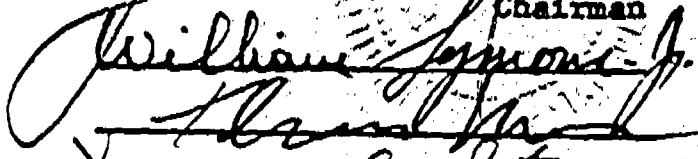
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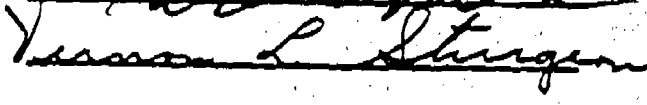
IT IS ORDERED that after the effective date of this order San Jose Water Works is authorized to file the revised rate schedule attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedule shall be four days after the date of filing. The revised schedule 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 29th day of JUNE, 1971.



Chairman




Commissioners

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

APPENDIX A
Page 1 of 2

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

TERRITORY

Portions of Campbell, Cupertino, San Jose and Santa Clara, and in Los Gatos, Monte Sereno, and Saratoga and in contiguous territory in the County of Santa Clara.

RATES

	<u>Per Meter Per Month</u>		
	<u>Before</u> <u>10-1-71</u>	<u>10-1-71</u> <u>Through</u> <u>9-30-72</u>	<u>After</u> <u>9-30-72</u>
Service Charge:			
For 5/8 x 3/4-inch meter	\$ 2.25	\$ 2.30	\$ 2.35
For 3/4-inch meter	2.50	2.55	2.60
For 1-inch meter	3.35	3.45	3.50
For 1-1/2-inch meter	4.70	4.80	4.90
For 2-inch meter	6.10	6.25	6.35
For 3-inch meter	11.30	11.55	11.75
For 4-inch meter	15.35	15.70	16.00
For 6-inch meter	25.50	26.00	26.50
For 8-inch meter	37.50	38.30	39.00
For 10-inch meter	46.70	47.60	48.50

Quantity Rates:

First 30,000 cu.ft., per 100 cu.ft.	0.328	0.335	0.341 (I)
Over 30,000 cu.ft., per 100 cu.ft.	0.289	0.292	0.300 (I)

The Service Charge is a readiness-to-serve charge, 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 the Santa Clara County Flood Control and Water District for agricultural water, shall receive a credit of 5.1 cents per 100 cubic feet on each water bill for the quantities of water used during the period covered by that bill. (I)