

Decision No. 78976

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application  
of the SOUTHERN CALIFORNIA WATER  
COMPANY for an order authorizing  
it to increase the rates for water  
service in its Culver City District  
to offset the increase in the price  
of water purchased from The Metro-  
politan Water District of Southern  
California.

Application No. 52662  
(Filed May 28, 1971)

O P I N I O N

Applicant, Southern California Water Company, seeks authority to increase its general metered service rates<sup>1/</sup> in its Culver City District to offset increases in its cost of water purchased from The Metropolitan Water District of Southern California (MWD). The requested increase in revenue is \$25,400 on an annual basis, or 2.7 percent.

Service Area and Source of Supply

Applicant's Culver City District (district) lies substantially within the boundaries of Culver City, a municipal corporation, in the west central portion of the Los Angeles basin. As of December 31, 1970, applicant served 7,980 general metered customers and 91 flat rate private fire connection customers in this district. In addition, there were 583 public fire hydrants connected throughout the system.

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Applicant also has rates for private fire protection, public fire hydrant, and construction service.

Applicant supplies water to the district through a distribution system consisting of approximately 471,000 feet of mains of varying sizes. It purchases approximately 90% of the water through three connections to the facilities of the West Basin Municipal Water District, a member agency of MWD. It also obtains water from two producing plants. It also has water treatment, storage and booster pumps and other auxiliary equipment at the wells. Booster pumps and storage facilities are also located at various locations in the district.

Water from three of applicant's local wells normally is blended with the purchased water. Two other wells provide an emergency standby source.

As of December 31, 1970, the net depreciated original cost of facilities in the district was \$3,145,215.

Rates

Applicant's present and proposed rates are as follows:

Schedule No. CC-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Culver City and vicinity, Los Angeles County

RATES

	<u>Per Meter</u>	<u>Per Month</u>
	<u>Present</u>	<u>Proposed</u>
Quantity Rate:		
For all water delivered, per 100 cu.ft.	\$ 0.274	\$ 0.284
Service Charge:		
For 5/8 x 3/4-inch meter	\$ 1.90	\$ 1.90
For 3/4-inch meter	2.10	2.10
For 1-inch meter	2.70	2.70
For 1-1/2-inch meter	4.50	4.50
For 2-inch meter	7.00	7.00
For 3-inch meter	14.00	14.00
For 4-inch meter	21.00	21.00
For 6-inch meter	35.00	35.00
For 8-inch meter	60.00	60.00
For 10-inch meter	90.00	90.00

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.

The proposed rates reflect an increase of one cent per ccf per month from the present rates. At the present usage of 20 ccf per month the average customer's bill would increase 20 cents or 2.7 percent over present rates.

Cost of Purchased Water

Applicant's cost of MWD water has increased from 1967 to 1971 as follows:

<u>Date Prices Effective</u>	<u>Water Per Acre-Foot</u>
July 1, 1967	\$43.30
July 1, 1968	46.30
July 1, 1969	49.30
July 1, 1970	53.30
July 1, 1971	57.30

The applicant alleges that its last rate increase was per Decision No. 77365, dated June 16, 1970, in Application No. 51412, that in July 1970 the MWD water cost \$53.30 per acre-foot and that since said date the cost of MWD water increased to \$57.30 on July 1, 1971, and that the total increased cost to applicant is \$28,716.00, based on the 12 months ended March 31, 1971.

The applicant alleges that for the 12 months ending March 31, 1971, its rate of return in the district, considering the increased cost of MWD water to the July 1, 1971, level will be 7.2 percent; that the Commission authorized a rate of return of 7.8 percent for the test year 1970; and that the herein requested increased rates will give applicant a return of 7.64 percent which is below the rate of return (allowing for attrition) authorized by the Commission by Decision No. 77365, supra.

Copies of the application were served and published as required by this Commission. There were no protests.

The Commission staff reviewed and analyzed the application and prepared a report which has been received as Exhibit No. 1. This exhibit shows that the proposed rate increase, corrected for a minor error, will only offset increased cost of water and that the earnings

which will be produced hereby will not exceed those previously authorized for the district and in effect when the herein considered application was filed.

Findings and Conclusions

The Commission finds that:

1. Applicant is in need of increased revenues to offset increases in costs of purchased water.
2. The Commission staff estimates of the revenue increases required to offset the future effect of the increased costs of water 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.
4. A public hearing is not necessary.

We conclude that the application should be granted to the extent set forth in the order that follows.

O R D E R

IT IS ORDERED that Southern California Water Company is authorized to file, after the effective date of this order, 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, and it shall apply only to service rendered on and after the said effective date.

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

Dated at San Francisco, California, this 27th  
day of JULY, 1971.

Chairman

William J. ...  
Thomas ...  
Vernon L. ...

Commissioners

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

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

APPENDIX A

Schedule No. CC-1

Culver City District

GENERAL METERED SERVICE

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APPLICABILITY

Applicable to all metered water service.

TERRITORY

Culver City and vicinity, Los Angeles County.

RATES

Quantity Rate:		Per Meter Per Month	
For all water delivered, per 100 cu. ft.		\$ 0.283	(I)
Service Charge:			
For	5/8 x 3/4-inch meter	\$ 1.90	
For	3/4-inch meter	2.10	
For	1-inch meter	2.70	
For	1 1/2-inch meter	4.50	
For	2-inch meter	7.00	
For	3-inch meter	14.00	
For	4-inch meter	21.00	
For	6-inch meter	35.00	
For	8-inch meter	60.00	
For	10-inch meter	90.00	

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.