

ORIGINAL

Decision No. 80403

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of MESA CREST WATER COMPANY, a  
California corporation, for  
authorization to increase its  
rates for water service to offset  
the increased cost of purchased  
water and the increase of ad  
valorem taxes of the County of  
Los Angeles.

Application No. 53287  
(Filed April 24, 1972)

O P I N I O N

By this application, Mesa Crest Water Company, a closely held California corporation, seeks an order of the Public Utilities Commission authorizing it to increase its rates for water service to offset an increase in the cost of purchased water and an increase in ad valorem taxes imposed by the County of Los Angeles. Exhibit B attached to the application develops applicant's estimate of the revenue increase required to offset the increase in expenses due to increased purchased water costs and increased ad valorem taxes for the fiscal year 1971-72. The results of operation were developed on the adopted amounts for test year 1971 shown in Decision No. 79364, dated November 22, 1971, in Application No. 52251.

An engineer from the Commission's staff conducted an independent study of applicant's request. The results of the engineer's study are contained in a report dated June 12, 1972. This report is received as Exhibit 1 in this proceeding.

The staff concluded that rate increases due to increased ad valorem taxes for one year should not be considered. It did agree, however, that a rate increase due to increased cost of purchased water as well as the effect of latest known tax rates should be considered.

Applicant is requesting a gross revenue increase of \$8,950 while the staff is recommending that applicant be authorized an increase in gross revenues of \$3,870.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of additional revenues. However, the proposed rates set forth in the application are unreasonable.

2. Staff's estimates previously discussed herein reasonably indicate the results of applicant's operations for the future and are adopted.

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. Pursuant to subparagraph (A) of Rule 23.1 of the Commission's Rules of Procedure the rate increases are exempt from the requirements of that rule, applicant being a utility which qualifies for the small business exemption set forth in Title 6, Economic Stabilization, Section 101.51 subparagraph (E).

5. A public hearing is not required.

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

O R D E R

IT IS ORDERED that after the effective date of this order, Mesa Crest Water Company is authorized to file the revised rate schedule attached to this order as Appendix A, and concurrently to withdraw and cancel presently effective Schedule No. 1. Such filing shall comply with General Order No. 96-A. The effective date of the

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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 ten days after the date hereof.

Dated at San Francisco, California, this 29<sup>th</sup>  
day of AUGUST, 1972.

Vernon L. Sturgeon  
President  
William Sproun, Jr.  
J. Palmer  
John Brown  
Ed. H. H. H.  
Commissioners

## APPENDIX A

## Schedule No. 1

METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The vicinity of La Canada, Los Angeles County.

RATES

## Quantity Rates:

	Per Meter Per Month	
First 700 cu.ft., or less .....	\$ 8.00	(I)
Next 2,300 cu.ft., per 100 cu.ft. ....	.67	
Next 2,000 cu.ft., per 100 cu.ft. ....	.59	
Over 5,000 cu.ft., per 100 cu.ft. ....	.46	(I)

## Minimum Charge:

For 5/8 x 3/4-inch meter .....	\$ 8.00	(I)
For 3/4-inch meter .....	10.50	
For 1-inch meter .....	12.50	
For 1 1/2-inch meter .....	17.00	
For 2-inch meter .....	24.00	
For 3-inch meter .....	36.00	
For 4-inch meter .....	58.00	
For 6-inch meter .....	115.00	(I)

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