

Decision No. 80501

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
COAST WATER COMPANY, a California)
corporation, for authorization to)
increase its rates for water service)
to offset the increased costs of)
purchased Replenishment District)
exchange pool water, replenishment)
assessment and the increased cost)
of electric power for pumping.)

Application No. 53424
(Filed June 23, 1972)

O P I N I O N

By this application, Coast Water Company (Coast) seeks an ex parte order of the Public Utilities Commission authorizing it to increase its rates for water service by \$7,220 to offset increases in costs of power for pumping, of purchases of exchange pool water and of replenishment assessments.

Coast is a California corporation and serves in the Cities of Bell and Bell Gardens, and vicinity, Los Angeles County. Coast's present rates were authorized by Decision No. 71121, dated August 16, 1966, in Application No. 47973. The proposed rates would increase charges to metered and flat rate customers by 13.2%.

An engineer from the Commission's staff conducted an independent study of Coast's request and submitted a report dated July 28, 1972. This report is received as Exhibit 1 in this proceeding.

The staff report stated that Coast's books show a \$6,956 operating loss for the recorded year 1971. Staff estimates using 1971 recorded revenues and the latest rate levels for the three offset categories listed above, show that Coast would experience a \$9,853 loss for the adjusted 1971 year. Using these same cost levels

and increasing Coast's revenues by \$7,220 as proposed would drop the operating losses to \$2,633. The following tabulation summarizes these results:

	RECORDED 1971	STAFF ADJUSTED 1971	
		: Latest	: Latest
		: Cost Level	: Cost Level
		: Present Rates	: Proposed Rates
Operating Revenues	\$ 55,507	\$ 55,507	\$ 62,727
Replenishment Assessment	4,169	6,253	6,253
Purchased Water	10,565	10,565	10,565
Power for Pumping	3,984	4,797	4,797
Salaries	15,649	15,649	15,649
Taxes	3,323	3,323	3,323
Depreciation	3,721	3,721	3,721
Other Expenses	21,052	21,052	21,052
Income Taxes	-	-	-
Total Operating Expenses	<u>62,463</u>	<u>65,360</u>	<u>65,360</u>
Net Operating Income	<u>\$ (6,956)</u>	<u>\$ (9,853)</u>	<u>\$ (2,633)</u>

() Indicates Operating Loss

The staff concluded that the requested increases would only offset increases in the categories of costs considered.

The staff also concluded that Coast should be authorized to file the schedule of proposed rates as set forth in the application.

Copies of the application have been sent to the Cities of Bell and Bell Gardens and to the County of Los Angeles. No protests have been received.

Findings and Conclusion

The Commission finds that:

1. Coast is in need of additional revenues, and the proposed rates set forth in the application are reasonable.
2. Staff's estimates, previously discussed herein, reasonably indicate the results of Coast 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. A public hearing is not required.
5. The rates authorized herein are needed by Coast to offset increased costs of operation.
6. 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 because applicant qualifies for the small business exemption set forth in Title 6, Economic Stabilization Act, Section 101.51, Subpart E.

The Commission concludes that the application should be granted as set forth in the order which follows:

O R D E R

IT IS ORDERED that after the effective date of this order, Coast Water Company is authorized to file the revised rate schedules attached to this order as Appendix A, and concurrently to withdraw

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presently effective Schedules No. 1 and 2R. 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 ten days after the date hereof.

Dated at San Francisco, California, this 19th
day of SEPTEMBER, 1972.

Vernon L. Sturgeon
President
William J. Moran
Thomas Moran
Edmund J. Moran
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Bell Gardens and vicinity, Los Angeles County

(T)

RATES

Quantity Rates:

Per Meter
Per Month

First 500 cu. ft. or less	\$ 2.32	(I)
Next 1,500 cu. ft., per 100 cu. ft.15	
Over 2,000 cu. ft., per 100 cu. ft.12	

Minimum Charge:

For 5/8 x 3/4-inch meter	2.32	
For 3/4-inch meter	3.40	
For 1-inch meter	5.09	
For 1 1/2-inch meter	7.92	
For 2-inch meter	11.32	
For 3-inch meter	22.64	
For 4-inch meter	33.96	
For 6-inch meter	67.92	(I)

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

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Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Bell Gardens and vicinity, Los Angeles County.

(T)

RATES

Per Service Connection
Per Month

For a single-family residential unit, including premises	\$ 2.94	(I)
For each additional residential unit on the same premises and served from the same service connection	\$ 1.42	(I)

SPECIAL CONDITIONS

1. The above residential flat rates apply to a service connection 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. For service covered by the above classification, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.