

ORIGINAL

Decision No. 81688

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHWEST WATER COMPANY, a)
California Corporation, for)
Authority to Increase its Rates)
Charged for Water Service in its)
La Mirada District to offset)
increased costs of water supplies.)

Application No. 53963
(Filed April 13, 1973)

O P I N I O N

By this application Southwest Water Company requests a five percent increase in rates for metered service in its La Mirada District to offset the effects of an average increase in water supply costs of \$6.13 per acre-foot. The specific authority being sought is to increase the quantity rate per 100 cubic feet from \$0.18 to \$0.197. The requested increase would add about \$0.34 to the monthly bill of a typical commercial customer with a consumption of 2,000 cubic feet per month presently costing \$6.75. It would produce an increase in annual gross revenues of \$62,026.

Applicant, a California corporation, is presently engaged in the business of the supply and distribution of water for domestic and industrial purposes in three separate districts. The La Mirada District provides service to some 12,000 customers located in the city of La Mirada and vicinity, in Los Angeles and Orange Counties. The rates for metered service now in effect for this district were established by Decision No. 80476 dated September 12, 1972 in Application No. 52640.

The Commission staff has reviewed information contained in this application as well as in work papers and has made an independent analysis. The results of the staff study are contained in a

report dated May 1, 1973 and received herein as Exhibit No. 1. The staff has determined that applicant's computations supporting the requested increase in rates are reasonable and concludes that while such increase will offset the effect of the increased expenses previously specified, it will not produce earnings in excess of the 7.3 percent rate of return found reasonable for this district in Decision No. 80476, supra. The staff recommends that the application be granted. Notice of the application was given in accordance with the Commission's Rules; there are no protests.

Findings

1. Applicant has already experienced certain increases, and on July 1, 1973 will experience further increases, in costs of water supply over and above those costs recognized in Decision No. 80476.

2. The estimated amounts of these increases in expenses as set forth in the application and Exhibit 1 are reasonable.

3. The rate increase to be authorized will offset the effect of the increases in these expenses but not produce earnings in excess of the 7.3 percent rate of return found reasonable in Decision No. 80476.

4. The increases in 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.

5. Rule 23.1 of the Commission's Rules of Procedure does not apply to the rate increase authorized herein because applicant qualifies for the small business exemption set forth in Title 6, Economic Stabilization, Section 130.40, Sub Part E.

A public hearing is not necessary.

The Commission therefore concludes that the application should be granted.

O R D E R

IT IS ORDERED that on or after the effective date of this order Southwest Water Company 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 not earlier than August 13, 1973. The revised schedule shall apply to service rendered on and after the effective date thereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 31st
day of JULY, 1973.

William Seymour-Jr. President
[Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgoon, being necessarily absent, did not participate in the disposition of this proceeding.

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

APPENDIX A

Schedule No. LM-1

La Mirada Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

La Mirada, Norwalk, Cerritos, Buena Park, and vicinity. Los Angeles (T) and Orange Counties.

RATES

Service Charge:

For Meter
Per Month

For 5/8 x 3/4-inch meter	\$ 3.15
For 3/4-inch meter	3.30
For 1-inch meter	4.30
For 1-1/2-inch meter	8.80
For 2-inch meter	11.00
For 3-inch meter	16.00
For 4-inch meter	22.00
For 6-inch meter	33.00
For 8-inch meter	55.00

Quantity Rates:

For all water delivered, per 100 cu.ft.	0.197	(I)
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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 Rates, for water used during the month.