

Decision No. 81823

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA CITIES WATER COMPANY, a
California corporation, for author-
ization to increase rates and charges
for water service in its San Dimas
District to offset a replacement
water assessment and an increase in
the cost of purchased power.

Application No. 54131
(Filed June 22, 1973)

O P I N I O N

California Cities Water Company seeks an ex parte order authorizing increased rates and charges for water service in its San Dimas District to offset an increase in the source of supply expense resulting from the imposition of a replacement water assessment and an increase in the cost of purchased power.

Applicant is subject to the payment of a replacement water assessment under the provisions of a decision of Los Angeles Superior Court No. 924128 on November 21, 1972, in the case of Upper San Gabriel Valley Municipal Water District v City of Alhambra, et al. The watermaster, appointed under the provisions of this decision, has established a replacement water assessment rate of \$30 per acre-foot for production in the fiscal year 1973-1974. This water assessment charge was scheduled to become effective on July 1, 1973.

The increased cost of electric power is due to an incremental increase in fuel cost granted to Southern California Edison Company. As of May 1, 1973, this fuel cost adjustment billing factor was 0.274 cents per kilowatt-hour more than the unit fuel cost used in the Commission's Decision No. 80207 dated June 27, 1972, which is the latest decision in the San Dimas District.

The requested increase would add \$0.64 or 6.0 percent over present rates to the monthly bill of a typical customer with an average monthly consumption of 2,700 cubic feet.

A staff report dated July 12, 1973, hereby received as Exhibit No. 1, sets forth that applicant's rate of return in the San Dimas District under the proposed rates does not, in the years 1971 and 1972, exceed that adopted in Decision No. 80207. The staff report recommends that the rates proposed by applicant be authorized.

Findings and Conclusion

We find that:

1. Effective July 1, 1973, applicant's cost of extracting ground water increased \$30 per acre-foot pumped plus 0.274 cents per kilowatt-hour of electric energy used.
 2. The requested increase would add \$0.64 to the monthly bill of a typical customer with an average monthly consumption of 2,700 cubic feet.
 3. The last adopted rate of return of 7.7 percent will not be exceeded under normal conditions at the proposed rates.
 4. The increases in rates and charges authorized by this decision are justified and are reasonable; and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable.
 5. A public hearing is not necessary.
 6. Applicant presently employs 42 employees. Eleven of these employees are presently engaged in the San Dimas District operation.
- We conclude that increased rates to offset increased ground water and energy costs should be authorized.

O R D E R

IT IS ORDERED that after the effective date of this order, California Cities Water Company is authorized to file the revised rate schedules in accord with the schedules of proposed rates set forth in Exhibit B, pages 6 and 7, attached to the application. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date of the revised schedules.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th
day of AUGUST, 1973.

Vernon L. Stearns
President
William J. ...
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...
Commissioners

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