

ORIGINAL

Decision No. 82545

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 Los Osos
District to offset an increase in the
cost of purchased power.

Application No. 54529
(Filed December 20, 1973)

O P I N I O N

California Cities Water Company requests, for its Los Osos district, authority to increase metered general service water rates \$980 (1.19 percent) annually to offset the increased cost of purchased power due to the electric power rate increases granted to the Pacific Gas and Electric Company since the last general increase in Los Osos district water rates granted applicant by Decision No. 81462 dated June 12, 1973.

Applicant operates water systems in a number of different communities throughout the State of California and has organized these facilities into six operating districts. The Los Osos district is located in San Luis Obispo County.

The Commission staff has made an independent analysis of this application. The results of the staff study are contained in a report dated January 21, 1974 which is received herein as Exhibit 1.

The Commission staff has reviewed the information contained in the application, the exhibits which the applicant has developed in connection therewith and independently developed staff working papers based on the adopted results of Decision No. 81462. The staff concludes that:

- a. Applicant's proposed tariff increases the minimum charges and rate blocks by 2.0 percent. This percentage applied to the gross metered revenue authorized by Decision No. 81462 results in a gross revenue increase of approximately \$1,595.

This exceeds the increase in purchased electric power by \$615 thereby increasing the rate of return to 7.93 percent which is 0.13 percent greater than that authorized.

- b. The requested rate increases will more than offset increased expenses resulting from an increase in the cost of purchased electric power.
- c. The earnings which would be produced under the conditions set forth in the application exceed the previously authorized rate of return by 0.13 percent.
- d. A schedule of rates less than those proposed is reasonable to offset the cost of purchased power.

The staff recommends that applicant should be authorized to file a schedule of rates, which rates will produce an increase of \$980, which will offset the \$980 increase in cost of purchased power. Such a schedule will add \$0.08 or 1.3 percent over present rates to the monthly bill of a typical customer with an average monthly consumption of 1,400 cubic feet.

Notice of the application was given in accordance with the Commission's rule. There are no protests.

Findings

- 1. Since June 12, 1973 applicant has experienced increases in costs of purchased electric power supplied by the Pacific Gas and Electric Company.
- 2. The 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 increase in these expenses.
- 4. The rate of return produced as a result of the increases authorized will not exceed the 7.8 percent rate of return previously adopted for this district in Decision No. 81462 dated June 12, 1973.
- 5. 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.

A public hearing is not necessary.

The Commission concludes that the application should be granted.

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 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 five days after the date of filing. The revised schedule shall apply only to service rendered on and after the effective date of the revised schedule.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th
day of MARCH, 1974.

Herman L. Steiner
President
William J. Moran
Thomas Moran
Commissioners

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

APPENDIX A

Schedule No. 10-1

METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Los Osos Highlands, Morro View and Vicinity, located approximately ten miles northwest of San Luis Obispo, San Luis Obispo County.

RATES

Quantity Rates:		Per Meter Per Month	
First	800 cu.ft. or less	\$4.56	(I)
Next	1,400 cu.ft., per 100 cu.ft.253	
Next	3,000 cu.ft., per 100 cu.ft.202	
Over	5,200 cu.ft., per 100 cu.ft.152	
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 4.56	(I)
For	3/4-inch meter	6.07	
For	1-inch meter	8.10	
For	1 1/2-inch meter	11.14	
For	2-inch meter	15.18	
For	3-inch meter	20.25	

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