

ORIGINAL

Decision No. 82787

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of CALIFORNIA-AMERICAN WATER COMPANY for an order authorizing it to increase the rates for water service in its Baldwin Hills District to offset increases in the cost of purchased water.

Application No. 54570

(Filed January 10, 1974)

O P I N I O N

Applicant California-American Water Company, a California corporation, seeks authority to increase rates for general metered service in its Baldwin Hills District by 4.1 percent to yield additional gross revenues of \$29,300. Applicant alleges that the increase is required to offset increases in the cost of purchased water.

Applicant's Baldwin Hills District provides public utility water service to consumers in an area of approximately 2,000 acres located in the unincorporated area of Baldwin Hills and a small portion of the city of Inglewood, all in Los Angeles County. Applicant's current rates for its Baldwin Hills District were authorized by Decision No. 80544 dated September 26, 1972 in Application No. 52948, filed October 27, 1971.

Applicant's Request

Applicant's showing is based upon the results of operations adopted by Decision No. 80544 for the test year 1972. Applicant alleges that the price of supplemental water purchased from the West Basin Municipal Water District (a member of the Metropolitan Water District of Southern California) has increased approximately 19.7 percent above the price utilized in Decision No. 80544.

Applicant's requested rate increase of \$29,300 will offset the increase in purchased water expense, based upon the 1972 results of operations adopted in Decision No. 80544. The effect of the requested offset is that the rate of return for the Baldwin Hills District, as computed by applicant, remains at the 7.8 percent level authorized by Decision No. 80544.

Staff Recommendation

The staff reports that applicant's computations are reasonable, the requested rate increase will offset increased purchased water expenses, and the rate of return, which would be produced under conditions set forth in the application, would not exceed the previously authorized rate of return of 7.8 percent for applicant's Baldwin Hills District. The staff recommends that the applicant be authorized to file the proposed rates.

Findings

1. Applicant California-American Water Company's present rates for its Baldwin Hills District were authorized by Decision No. 80544. Based upon the 1972 results of operations adopted in that Decision, a reasonable rate of return for applicant's Baldwin Hills District is 7.8 percent.
2. On September 1, 1973 the rates charged applicant for purchased water increased approximately 19.7 percent above that utilized by the Commission in Decision No. 80544.
3. Based upon the 1972 test year operating results adopted by Decision No. 80544, the increased price of purchased water will increase applicant's expenses by \$29,300.
4. Based upon the 1972 adopted results of operations, the requested increase of 4.1 percent in gross operating revenues will yield an additional \$29,300 in revenue, and will directly offset the increased cost of purchased water.
5. A public hearing is not necessary.

O R D E R

IT IS ORDERED that after the effective date of this order California-American Water Company is authorized to file the revised rate schedule attached to this order as Appendix A, and to cancel its present Schedule No. BH-1. Such filing shall comply with the Commission's General Order No. 96-Series. 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 thereof.

The effective date of this order shall be five days after the date hereof.

Dated at San Francisco, California,
this 13th day of APRIL, 1974.

Vernon L. Steyer
President
William J. Simpson
J. M. Lark
James R. Lark
Commissioners

APPENDIX A

Schedule No. BH-1

Baldwin Hills District Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Baldwin Hills, Windsor Hills, View Park, Ladera Heights, and vicinity, Los Angeles County.

RATESPer Meter
Per Month

Quantity Rates:

First 500 cu.ft. or less	\$ 2.60 (I)
Next 1,500 cu.ft., per 100 cu.ft.43
Next 3,000 cu.ft., per 100 cu.ft.31
Over 5,000 cu.ft., per 100 cu.ft.27

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 2.60
For 3/4-inch meter	3.85
For 1-inch meter	6.65
For 1 1/2-inch meter	12.75
For 2-inch meter	18.75
For 3-inch meter	33.00
For 4-inch meter	52.00
For 6-inch meter	93.50
For 8-inch meter	145.75
For 10-inch meter	218.50 (I)

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