

Decision No. 84069

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
FARMERS IRRIGATION COMPANY, a
California corporation, for author-
ization to increase rates and
charges for water service to offset
an increase in the cost of purchased
power.

Application No. 55079
(Filed July 30, 1974)

O P I N I O N

Farmers Irrigation Company (Farmers) seeks authority to increase its water rates approximately \$18,350 (18.6 percent) to offset increased purchased power expense.

Farmers, a California corporation, operates its water system in a portion of the Santa Clara Valley adjacent to the city of Santa Paula in Ventura County. All water is sold pursuant to Farmers' Schedule No. 3M for measured irrigation service. Irrigation customers consist of private individuals, agricultural corporations, and two mutual water companies.

Farmers' presently effective rates were established by Decision No. 74269 dated June 18, 1968 in Application No. 49833 for a general rate increase. This decision authorized rates which were expected to produce a 7.4 percent return on rate base for the test year 1968.

Since Farmers' rates were established by Decision No. 74269, this Commission has granted Southern California Edison Company (Edison) several increases. Exhibit B to the application shows that purchased power costs for the test year 1973 would have been \$15,074 at electric rates in effect when Decision No. 74269 was issued as compared to \$33,410 computed at rates in effect as of May 8, 1974, a difference of \$18,336.

The adopted rate of return in Decision No. 74269 was 7.4 percent for the test year 1968. Exhibit B to the application shows that for the test year 1973 at the May 8, 1974 purchased power electric rates, Farmers would be operating at a loss as contrasted to earning a 5.2 percent rate of return at the purchased power rates in effect when Decision No. 74209 was issued. Exhibit B further shows that the requested increase would restore the 1973 test year rate of return to 5.2 percent.

The Commission staff prepared a report dated November 1, 1974 setting forth the results of its investigation and analysis of the application. This report, received as Exhibit 1, states that the staff, after review of the application and work papers and formal matters pertaining to the last general rate increase, concludes that Farmers' computations are reasonable; that the requested increase will offset the increased purchased power expense; and that the rate of return which would be produced under the conditions set forth in the application would not exceed the previously authorized rate of return of 7.4 percent.

The staff recommends that Farmers be authorized to file its proposed rates.

Farmers proposes the increases be applicable to the quantity portion of the rates. Present and proposed rates for measured irrigation service are as follows:

<u>Rates</u>	<u>Present Rates</u>	<u>Proposed Rates</u>
1. Irrigation Service		
Quantity Rate:		
For all water delivered, per miner's inch day.	\$ 0.48	\$ 0.57
Minimum Charge:		
For each delivery per 24-hour period or portion thereof.	7.20	7.20
The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rate.		
2. Nonirrigation purposes, when no irrigation services provided.		
Service Charge:		
For each delivery per 24-hour period or any portion thereof.	15.00	15.00
Quantity Rate:		
For all water delivered, per miner's inch day.	0.48	0.57
The Service Charge is a readiness-to-serve charge applicable to service for nonirrigation purposes and to which is to be added the charge computed at the Quantity Rate.		

Copies of the application were served and publication was made as required by this Commission. There were no protests.

Findings

1. Applicant is in need of increased revenues to offset increases in purchased water and electric power costs.
2. Applicant's request for rates to increase revenues an estimated \$18,350 is reasonable and the requested rates will be authorized.

3. The increases authorized herein will offset increased purchased power costs but will not produce revenues that will result in a rate of return in excess of the rate of return found reasonable in Decision No. 74269 dated June 18, 1968 in Application No. 49833 for a general rate increase.

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.

A public hearing is not necessary.

The Commission concludes that the application should be granted to the extent set forth in the order which follows.

O R D E R

IT IS ORDERED that after the effective date of this order, Farmers Irrigation Company is authorized to file the revised rate schedules attached to this order as Appendix A, and concurrently to cancel and withdraw presently effective schedules for the general metered services. 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 twenty days after the date hereof.

Dated at San Francisco, California, this 11th
day of FEBRUARY, 1975.

William L. Steyer
President
William J. Givens Jr.
William J. Givens Jr.

Leonard Ross
Commissioners

APPENDIX A
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Schedule No. 3M

Measured Irrigation ServiceAPPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

A portion of Santa Paula and vicinity, Ventura County.

RATESPer Service

1. Irrigation Service.

Quantity Rate:

For all water delivered, per miner's		
inch day	\$ 0.57	(I)

Minimum Charge:

For each delivery per 24-hour period	
or portion thereof	7.20

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

2. Nonirrigation purposes, when no irrigation service is provided.

Service Charge:

For each delivery per 24-hour period	
or any portion thereof	15.00

(Continued)

APPENDIX A
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Schedule No. 3M

Measured Irrigation Service

RATES - Contd.

Per Service

Quantity Rate:

For all water delivered, per miner's inch day	\$ 0.57	(I)
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The Service Charge is a readiness-
to-serve charge applicable to serve
for nonirrigation purposes and to
which is to be added the charge
computed at the Quantity Rate.

SPECIAL CONDITION

A miner's inch day is defined as a continuous flow equal to
one-fiftieth (1/50) cubic foot per second for a 24-hour period.