

ORIGINALDecision No. 84322

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
KERN RIVER CANAL AND IRRIGATING
COMPANY, a corporation, for an
order under section 454 of the
Public Utilities Code authorizing
an increase in rates charged for
irrigation water services to
offset an increase in property
taxes related to irrigation service.

Application No. 55125
(Filed August 20, 1974;
amended September 26, 1974)

O P I N I O NProceeding

Applicant requests ex parte authorization of increased irrigation water service rates to offset increased property taxes.

Applicant originally requested an increase in revenue to offset an estimated increase in the property taxes of \$16,700 for the year 1974-1975 tax year. In the amendment, applicant requested an additional increase of \$8,529 to cover the final billed taxes. Applicant protested this high increase at first without success. Since then, the county tax assessor recomputed the taxes and issued new bills which reduced the actual tax increase to \$11,700. An increase of \$11,700 is now requested by applicant's letter of January 22, 1975, which is hereby received as Exhibit No. 1.

The staff on February 18, 1975, filed a report on the results of its investigation which is hereby received as Exhibit No. 2. The staff used Exhibit No. 1 in its calculations.

Staff Recommendation

The staff after reviewing information contained in the application, the amendment, applicant's workpapers, final revised tax bills, and the staff records, concludes that:

- a. A rate increase of \$0.73 per acre-foot will offset the increase in the property taxes.
- b. The expected future earnings will not exceed the last previously authorized rate of return.

Therefore, the staff recommends that applicant should be authorized to file the rate schedule attached hereto as Appendix A.

Findings

1. The adjusted estimates, previously set forth, of operating revenues, operating expenses, and rate base for the test year 1973 reasonably indicate the results of applicant's operations in the near future.

2. A rate of return of 7.9 percent on the rate base adopted in Decision No. 81820 has therein been found to be reasonable.

3. Revenues will be increased \$11,700 by the rates authorized.

4. The increases in rates and charges authorized are justified, the rates and charges authorized 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.

We conclude 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 Kern River Canal & Irrigating Company is authorized to file the rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the new and revised schedules shall be four days after the date of filing. These 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 15th
day of APRIL, 1975.

Thomas L. Shugen
President
William L. Brown
Leonard Ray
Robert L. Brown
Commissioners

APPENDIX A

Schedule No. 3M

MEASURED IRRIGATION SERVICE

APPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

The area served by the utility's canal system northwest of, and in the vicinity of, the city of Bakersfield, Kern County.

RATE

	<u>Per Acre-Foot</u>	
For all water delivered	\$5.83	(I)

SPECIAL CONDITIONS

1. Application for water service under this schedule shall be made in accordance with the effective rules on file as part of these tariff schedules.

2. The minimum charge for delivery of water shall be for the delivery of two acre-feet per day.