

Decision No. 86359

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American
Water Company, a corporation, for
authority to raise rates in its
Coronado, Sweetwater, Baldwin Hills,
Duarte, San Marino, Monterey, and
Village Districts.

Application No. 54942
(Filed June 7, 1974;
amended December 26, 1974)

ORDER MODIFYING DECISION

Decision No. 86249 dated August 17, 1976 in this proceeding conditionally authorized California-American Water Company to file certain increased rates for all districts. All districts presently have on file tariff schedules which provide a discount of 25% for all water service to permanent employees of the utility, and the Coronado, Monterey Peninsula and Village Districts presently have on file rate schedules for off-peak golf course irrigation service which provide for charges at the monthly quantity rates under the general metered service schedule for the district less 25%. The revenues and general metered service rate schedules adopted and authorized in Decision No. 86249 reflect a reduction in these discounts to 15% which was inadvertently not ordered in that decision. The Commission finds that this change in the off-peak golf course irrigation service schedules and the schedules for service to company employees should be made.

Finding No. 11 of Decision No. 86249 states that the maximum level of rate of return of 9.2% will be reasonable only if substantial progress on the Monterey District's construction projects is indicated within 120 days after a final order concerning the environmental impact of those projects, and that in the event that such construction has not progressed to that extent, the lower level of 8.6% is reasonable for most districts. Ordering Paragraph No. 1 of Decision No. 86249 specifies that the rate

schedules containing the higher level of rates shall be published to expire May 30, 1977 or as extended by the Commission in consideration of Commission action concerning the construction projects. The opinion and order in Decision No. 86249 do not clearly state the conditions under which the higher level of rates may become finally and permanently authorized. The Commission finds and concludes that Decision No. 86249 should be modified to specify the conditions under which the higher level of rates will be permanently authorized, and to order the filing of increased rates for off-peak golf course irrigation service and for service to company employees.

O R D E R

IT IS ORDERED that Decision No. 86249 is modified to amend ordering paragraph No. 1 and to include ordering paragraph No. 6 as follows:

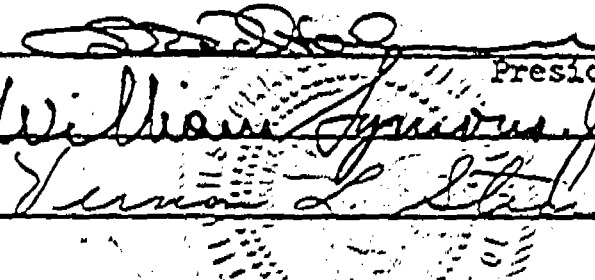
1. After the effective date of this order, California-American Water Company is authorized to file the higher rate levels contained in the revised rate schedules attached to this order as Appendix A. Rate schedules (except Schedules Nos. BE-1, MO-7, V9FL, and V-9MC) containing the higher level rates shall be published to expire one hundred twenty days after the effective date of a final order of this Commission concerning the environmental impact of the construction projects. The higher level of rates attached to Decision No. 86249 as Appendix A will be authorized by supplemental order herein to be permanently effective after the Commission finds that the construction projects in the Monterey District necessary to provide an adequate water supply and water system have been financed, construction contracts executed with satisfactory scheduling, and there is a reasonable possibility of prompt completion of the construction projects.

The schedules containing the lower level of rates shall become effective on the expiration date of the higher rate schedules set forth in Appendix A, except that rates for the Monterey Peninsula district shall revert to present rates now in effect (or such other rates subsequently ordered by the Commission).

6. After the effective date of this order and of Decision No. 86249, California-American Water Company is authorized and directed to file revised rate schedules Nos. CO-2, MO-3M, and V-3ML to provide that the charges for off-peak golf course irrigation service will be at a reduction of 15% from the rates under the district general metered service schedule, and to withdraw and cancel all schedules for service to company employees and to file one schedule for such service applicable to all districts providing for a discount of 15%. The effective date of the revised schedules shall be five days after filing. Such filings shall comply with General Order No. 96-A. The revised schedules shall apply only to service rendered on or after the effective date thereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 1st day of SEPTEMBER, 1976.


William Synovius, Jr. President
Vernon L. Stalgen
Robert B. Baird Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.