

Decision 84 07 013

JUL 5 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Hillview Water Co.,)
 Inc. Oakhurst, California, for an)
 Emergency Adjustment of Rates or)
 Rate Structure, in order to increase)
 revenues collected by approximately) Application 84-04-023
 24% to the \$182,651.00 authorized by) (Filed April 4, 1984;
 Decision No. 82-08-083, dated) amended April 19, 1984)
 August 18, 1982. No increase in)
Authorized Revenue or Authorized)
Rate of Return is being requested.)

ORDER DENYING IMMEDIATE INTERIM RELIEF

Decision (D.) 82-08-083 dated August 18, 1982 authorized Hillview Water Co., Inc. (Hillview) to increase its rates to produce additional gross annual revenues of \$26,766.¹ This application seeks authorization to increase rates to produce the gross operating revenues determined by D.82-08-083 to be needed by Hillview. Hearing on this application is scheduled for July 19, 1984.

On May 29, 1984 Hillview filed a petition requesting interim ex parte order granting the full amount of the rate relief sought in this application, pending a hearing on this application.

In its petition, Hillview alleges it has operated at a loss since 1977 and that this has caused a serious financial crisis where it is unable to pay current operating expenses, including federal withholding taxes. It alleges it has received a demand for payment of these taxes from the Federal Internal Revenue Service.

Hillview alleges that the revenue shortfall is caused by the reduced water usage of all system customers and that the usage projections recommended by the staff in Application (A.) 61148 and

¹ By D.82-01-105 dated January 21, 1982, Hillview was granted interim emergency relief of \$36,055 and by Resolution W-2975 dated April 21, 1982 was granted a \$13,300 power offset.

adopted by the Commission in D.82-08-083 were unrealistic. It states that the rate design advocated in this application is necessary to provide sufficient revenues during low usage periods.

It also alleges that the expense projections presented by Hillview during the hearing on A.61148 were in line with 1983 recorded figures, which were higher than staff estimates and those adopted by D.82-08-083.

The Hydraulic Branch of the Commission staff has prepared a report on Hillview's request, which report was distributed on June 18, 1984.

The Hydraulic Branch report states that the amount of reduced consumption experienced by Hillview is unclear. By using the water use table submitted in the original filing of A.83-04-023, the Hydraulic Branch estimated revenues of \$230,641, rather than the \$147,819 claimed by Hillview. Also the staff noted that, whereas 1983 expenses were \$17,275 higher than those for 1982, much of the increase appeared to be in salaries and other discretionary areas.

The staff concluded that, assuming that Hillview's claimed \$147,819 revenue estimate was correct, Hillview's realized rate of return for 1983 was a positive 3.4%, rather than a loss as claimed by Hillview.

After careful review of Hillview's pleadings and of the Hydraulic Branch's report, the Commission is not convinced that the need for emergency interim relief has been sufficiently documented. Recognizing that some relief may be needed, hearing on the application has been scheduled at an early date which should provide adequate time for determination of relief needed.

Findings of Fact

1. Hillview is currently earning a positive rate of return.
2. The need for emergency interim relief has not been sufficiently documented.

Conclusion of Law

The request for interim emergency relief should be denied. ✓

IT IS ORDERED that the request for emergency interim rate relief requested by Hillview Water Co., Inc. is denied.

This order is effective today.

Dated July 5, 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

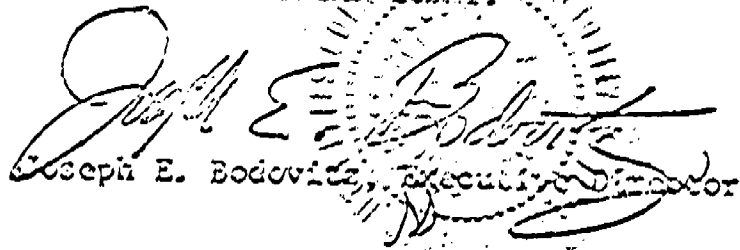
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS.


Joseph E. Bodovick, Executive Director

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