

Decision 87 11 044 NOV 25 1987

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
APPLE VALLEY RANCHOS WATER CO.)
(U 346 W) for an order authorizing)
an increase in rates as authorized)
in NOI 85-10-047.)

Application 85-11-041
(Filed November 25, 1985)

ORDER EXTENDING TIME

On September 23, 1987, Apple Valley Ranchos Water Co. (AV) petitioned the Commission for an extension of time to comply with Ordering Paragraph 2 of Decision (D.) 87-08-024. It seeks to move the filing date for the initial straight-line remaining life (SLRL) depreciation study ordered from October 1, 1987 to January 1, 1988. The study will be reviewed by the Commission's Evaluation and Compliance Division (E&C).

AV avers that:

1. Preparation of a meaningful SLRL study will require mortality studies; determination of composite ages of plant retired, for each account; establishment of appropriate total group lives by type of facilities, segregation of original costs of plant by year of acquisition for all plant in service to calculate appropriate group composite dollar-weighted remaining lives.
2. AV was acquired by Park Water Company (Park) pursuant to D.87-05-028. Park will provide administrative support to AV to provide the engineering and ratemaking expertise needed to prepare the SLRL study.
3. AV does not have the continuous property records system data needed for the mortality studies and plant vintaging. That information must be compiled manually from AV's records. Furthermore, AV's plant and depreciation records for the period prior to Park's acquisition of that company are not in the form needed for the study.

4. The E&C Division Water Branch concurs with its request for additional time to prepare the study.

Findings of Fact

1. AV was unable to complete the initial SLRL study by October 1, 1987, as ordered in Ordering Paragraph 2 of D.87-08-024. Due to problems in the organization of its plant and depreciation records, it requests an extension of time until January 1, 1988 to file the study.

2. AV's petition does not address the time scheduling for subsequent SLRL studies.

Conclusions of Law

1. The interval for preparing subsequent remaining life studies pursuant to Ordering Paragraph 2 of D.87-08-024 should be based upon the three-year interval from the time the initial study is filed unless major changes in the composition of the plant warrant earlier filings.

2. It would be reasonable to grant the requested extension of time.

IT IS ORDERED that:

1. Ordering Paragraph 2 of D.87-08-024 involving Apple Valley Ranchos Water Co. (AV) shall be modified as follows:

- "2. AV shall file a straight-line remaining life depreciation study by January 1, 1988 for review by the Commission Advisory and Compliance Division (CACD). It shall file further studies with the Commission at intervals not greater than three years."

2. AV's request is granted as set forth above.

This order is effective today.

Dated NOV 25 1987, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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


Victor Weiss, Executive Director

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4. The E&C Division Water Branch concurs with its request for additional time to prepare the study.

Findings of Fact

1. AV was unable to complete the initial SLRL study by October 1, 1987, as ordered in Ordering Paragraph 2 of D.87-08-024. Due to problems in the organization of its plant and depreciation records, it requests an extension of time until January 1, 1988 to file the study.
2. AV's petition does not address the time scheduling for subsequent SLRL studies.

Conclusions of Law

1. The interval for preparing subsequent remaining life studies pursuant to Ordering Paragraph 2 of D.87-08-024 should be based upon the three-year interval from the time the initial study is filed unless major changes in the composition of the plant warrant earlier filings.
2. It would be reasonable to grant the requested extension of time.

IT IS ORDERED that:

1. Ordering Paragraph 2 of D.87-08-024 involving Apple Valley Ranchos Water Co. (AV) shall be modified as follows:
"2. AV shall file a straight-line remaining life depreciation study by January 1, 1988 for review by the Commission's Evaluation and Compliance Division (E & C). It shall file further studies with the Commission at intervals not greater than three years."