

ALJ/PAB/pc

Decision 90 06 012 JUN 06 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	ORIGINAL Application 89-07-011 (Filed July 3, 1989)
Apple Valley Ranchos Water Company)	
(U 346 W) for authority to increase)	
rates as authorized by NOI 89-06-050.)	
_____)	

ORDER MODIFYING DECISION 90-02-045

Apple Valley Ranchos Water Company (Ranchos) petitioned the Commission for modification of Decision (D.) 90-02-045 on April 3, 1990. Ranchos requests that Ordering Paragraphs 4 and 5 be revised to require an advice letter filing on November 5, 1990 and 1991, instead of January 1, 1991 and 1992. Ranchos' 1990 rates are effective February 23, 1990 or roughly ten months in 1990. Ranchos indicates it will not have 12 months recorded data upon which to base an advice letter if required to file on December 30, 1990 and 1991. Therefore, Ranchos requests that supporting data for 1991 and 1992 rates be for the 12 months ending September 30, 1990 and 1991. Ranchos also requests the correction of an inadvertent error in its new Schedule 2.

Ranchos indicates it has discussed its petition with the Commission's Water Utilities Branch (Branch) and Ranchos believes the revisions requested conform to the Commission's standard timetable for step-increase filings. We received no response to this petition from Branch.

The rate increase granted by D.90-02-045 was calculated to be effective for ten months in 1990. Therefore, Ranchos will only have seven months recorded data in November upon which to base an advice letter. Therefore, we believe the request is reasonable. We will authorize the filing of an advice letter on or after November 5, 1990 and 1991, based upon supporting data for 12-month

periods ending September 30, 1990 and September 30, 1991. We will revise Ordering Paragraphs 4 and 5 of D.90-02-045 accordingly.

Evidently, the requested revision of Schedule 2 was due to an inadvertent error not corrected by either party during the proceeding. Since there is no dispute over this revision, we will order that the fourth and fifth sentence of Special Condition No. 4 be revised to read:

"...The cost of such installation and the cost of the meter or other device shall be paid by the applicant."

Appendix A contains the complete Order with the revisions herein authorized.

Findings of Fact

1. Rates authorized in this proceeding for 1990 are effective for 10 months in 1990 and 12 months in 1991 and 1992.
2. The submission of 12 months supporting data for periods ending September 30, 1990 and September 30, 1991, and a November 5, 1990 and November 5, 1991 advice letter filing is reasonable.
3. The corrections to Schedule 2 authorized in this decision should be made effective immediately.

Conclusions of Law

1. Ordering Paragraphs 4 and 5 of D.90-02-045 should be revised.
2. Schedule 2 should be revised immediately.

IT IS ORDERED that:

1. Ordering Paragraphs 4 and 5 of D.90-02-045 are modified to read:

On or after November 5, 1990, Ranchos is authorized to file an advice letter, with appropriate supporting workpapers, requesting the step rate increases for 1991 included in Appendixes or to file lesser increases, in the event that the rate of return on rate base, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1990, exceeds the later of (a) the rate of return found

event that the rate of return on rate base, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1990, exceeds the later of (a) the rate of return found reasonable by the Commission for applicant for the corresponding period in the then most recent rate decision, or (b) 11.73 percent. This filing shall comply with GO 96. The requested rates shall be reviewed by the staff to determine their conformity with this order and shall go into effect upon the staff's determination of conformity. Staff shall inform the Commission if it finds that the proposed rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedules shall be no earlier than January 1, 1991, or 40 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

On or after November 5, 1991, Ranchos is authorized to file an advice letter, with appropriate supporting workpapers, requesting the step rate increases for 1992 included in Appendixes, or to file lesser increases for any district, in the event that the rate of return on rate base for that district, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1991, exceeds the later of (a) the rate of return found reasonable by the Commission for applicant for the corresponding period in the then most recent rate decision, or (b) 11.73 percent. This filing shall comply with GO 96. The requested rates shall be reviewed by the staff to determine their conformity with this order and shall go into effect upon the staff's determination of conformity. Staff shall inform the Commission if it finds that the proposed rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedules shall be no earlier than January 1, 1992, or 40 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

2. Special Condition 4 of Schedule 2 is revised to read:

"4. Service hereunder is for private fire systems which are regularly inspected by the local fire protection agency having jurisdiction and to which no connections for other than fire suppression purposes shall be made. Service shall be installed according to specifications of the utility and shall be maintained to the satisfaction of the utility. The utility will install the detector listed by the Underwriters Laboratories, Inc. or other device to indicate unauthorized use, leakage, or waste of water. The cost of such installation and the cost of the meter or other device shall be paid by the applicant."

3. Applicant shall file a revised Schedule 2 within 30 days from the effective date of this order.

4. Appendix A contains the entire order from D.90-02-045, as modified today.

This order is effective today.

Dated JUN 06 1990, at San Francisco, California.

G. MITCHELL WALK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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


NEAL J. SHULMAN, Executive Director
DB

APPENDIX A
Page 1

O R D E R

IT IS ORDERED that Apple Valley Ranchos Water Company (Ranchos) shall:

1. File the revised rate schedules in Appendix A in compliance with General Order (GO) 96 after the effective date of this order. The revised schedules shall apply only to service rendered on and after that effective date, which shall be 5 days after filing. Concurrent with the adoption of revised rate schedules, the tariff schedules for the territory formerly served by Apple Valley Resources, Inc. should be cancelled and withdrawn.

2. Within 30 days after the effective date of this order, Ranchos shall update its tariff to conform to the currently required format and language and revise its service and maps to correspond with the revised rate schedules.

3. Common equity of 76 percent shall be imputed in Ranchos' 1990 capital structure effective today. Common equity of 72 percent and 69 percent shall be imputed on January 1, 1991 and January 1, 1992, respectively.

4. On or after November 5, 1990, Ranchos is authorized to file an advice letter, with appropriate supporting workpapers, requesting the step rate increases for 1991 included in Appendixes or to file lesser increases, in the event that the rate of return on rate base, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1990, exceeds the later of (a) the rate of return found reasonable by the Commission for applicant for the corresponding period in the then most recent rate decision, or (b) 11.73 percent. This filing shall comply with GO 96. The

APPENDIX A
Page 2

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5. On or after November 5, 1991, Ranchos is authorized to file an advice letter, with appropriate supporting workpapers, requesting the step rate increases for 1992 included in Appendixes, or to file lesser increases for any district, in the event that the rate of return on rate base for that district, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ending September 30, 1991, exceeds the later of (a) the rate of return found reasonable by the Commission for applicant for the corresponding period in the then most recent rate decision, or (b) 11.73 percent. This filing shall comply with GO 96. The requested rates shall be reviewed by the staff to determine their conformity with this order and shall go into effect upon the staff's determination of conformity. Staff shall inform the Commission if it finds that the proposed rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedules shall be no earlier than January 1, 1992, or 40 days after filing, whichever is later. The revised schedules shall apply only to service rendered on and after their effective date.

6. Ranchos shall comply with the advance limit notification requirements contained in its Main Extension Rule 15.

(END OF APPENDIX A)