

ORIGINAL

Decision SZ 05 078 MAY 18 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA WATER)
COMPANY for authority to increase)
rates charged for water service)
in its Santa Maria District, dba)
California Cities Water.)

Application 60799
(Filed August 5, 1981)

ORDER CORRECTING ARITHMETICAL ERROR
AND REQUIRING BILL INSERT

The Commission on March 16, 1982 issued Decision (D.) 82-03-057 in this application. Modification of the decision is necessary to correct an arithmetic error which would result in overcharges of \$66,000, or 3.2%, in 1984 attrition year revenues, and to require a bill insert explaining the effect of the Economic Recovery Tax Act of 1981.

Good cause appearing, IT IS ORDERED that:

1. The first sentence on page 24 of D.82-03-057 is modified to read:

"To offset the 0.93% combined financial-operational attrition rate, we may authorize a step increase for 1984 of up to \$75,400."

2. Finding 5.b. on page 27a of D.82-03-057 is modified to read:

"b. Limitation of increases in any one year to 50% will mitigate the effect of large increases on customers and will result in increases for 1982 of \$535,700, for 1983 of \$289,000, and for 1984 of \$75,400."

3. In Appendix B to D.82-03-057 the increases in quantity rates, effective January 1, 1984, are reduced from \$0.044 to \$0.018 per 100 cubic feet for the first 300 cubic feet and from \$0.040 to \$0.014 per 100 cubic feet for all over 300 cubic feet.

4. Appendix E to D.82-03-057 is corrected as shown in Appendix A to this order.

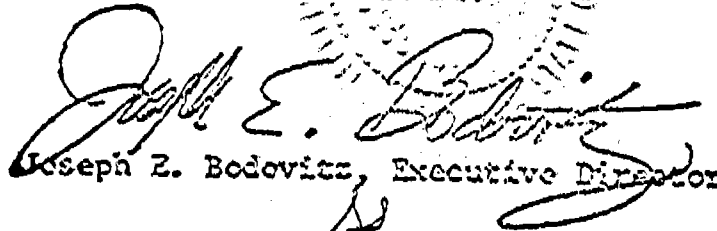
5. Within 60 days after the effective date of this order applicant shall mail to all its customers in this district the bill insert notice set out in Appendix B to this order.

This order is effective today.

Dated MAY 18 1982 , at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph Z. Bodovitz, Executive Director

APPENDIX A

(Corrected Appendix E to D.82-03-057)

<u>1982</u>	<u>Adopted</u>	<u>Adjustments</u>	<u>Distribution</u>
		(Dollars in Thousands)	
Present Rates	\$1,071.3		\$1,071.3
Adopted Rates	1,751.8	(144.8)	1,607.0
Increase	680.5 (63.5%)		535.7 (50%)
 <u>1983</u>			
1982 Authorized Rates	1,824.7		1,673.9
Adopted Rates	1,896.8	66.1 ^{a/}	1,962.9
Increase	72.1		289.0
 <u>1984 Attrition Allowance</u>			
Adopted	75.4		75.4 ^{1/}

Deferred amount \$680.5 - \$535.7 = \$144.8

For 9.5 months $\frac{(9.5)}{12} = \$114.6$

Interest

1982 $\$114.6 \times 10.97\% \times \frac{16.75 \text{ mo.}}{12 \text{ mo.}} = \17.5

Total Amount Deferred

114.6 + 17.5 = 132.1

Distribution

^{a/} \$66.1 in 1983, and \$66.0 in 1984.^{1/} Corrected number.

(END OF APPENDIX A)

APPENDIX B

Bill Insert for SoCal Customers
(Santa Maria District)

N O T I C E

\$236,100 of the recent rate increase granted to Southern California Water Company's Santa Maria District was made necessary by changes in tax laws proposed by the President and passed by Congress last year. This was the Economic Recovery Tax Act of 1981. Among its provisions was a requirement that utility ratepayers be charged for certain corporate taxes even though the utility does not have to pay them. This results from the way utilities may treat tax savings from depreciation on their plant and equipment. The savings can no longer be credited to the ratepayer, but must be left with the company and its shareholders.

For a more detailed explanation of this tax change, send a stamped self-addressed envelope to:

Consumer Affairs Branch
Public Utilities Commission
350 McAllister Street
San Francisco, CA 94102

(END OF APPENDIX B)

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Bill Insert for SoCal Customers
(Santa Maria District)

One item of expense included in the rate increase recently granted to Southern California Water Company for its Santa Maria District by the Public Utilities Commission amounting to \$236,100 was attributable to President Reagan's Economic Recovery Tax Act of 1981, which requires the Public Utilities Commission to charge ratepayers for the expense of taxes which are not now being paid to the Federal Government and which may never be paid. This expense may increase in the future as a percent of your bill.

(END OF APPENDIX B)