

ORIGINAL

Decision No. 90053 · MAR 13 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Sam S. & Mary J. Yaco,
Complainants,
vs.
Alfred E. Augenstein, dba
Buckingham Park Water System,
Defendant.

Case No. 10418
(Reopened August 3, 1978)

Ivan Swisher and Margaret
Swisher,
Complainants,
vs.
A. Augenstein, dba Buckingham
Park Water System,
Defendant.

Case No. 10421
(Reopened August 3, 1978)

Maxwell K. Taylor,
Complainant,
vs.
Alfred E. Augenstein, dba
Buckingham Park Water System,
Defendant.

Case No. 10431
(Reopened August 3, 1978)

Maxwell K. Taylor, for himself, complainant.
A. E. Augenstein, for Buckingham Park Water System,
defendant.
Edwin A. Balcer, M.D. and Arthur A. Levin, for
themselves, intervenors.
Clifford L. Bowen, for the Commission staff.

O P I N I O N

Decision No. 89178 dated August 3, 1978, reopened, on the
Commission's own motion, complaint Cases Nos. 10418, 10421, and 10431 and

The amendment further alleges that Del Este has experienced substantial increases in certain expenses since filing of the application, including an increase in payroll of \$60,000 over 1977, a \$20,000 increase in power costs, miscellaneous expense increases of \$75,000, and an increase in depreciation expense of \$25,000. The amendment states that as a result of the passage of Proposition 13, real property taxes for calendar 1979 will be approximately \$31,000 or 54 percent less than 1977. Additionally, as a result of the passage of the Federal Revenue Act of 1978, federal income taxes will be approximately \$58,000, roughly 45 percent of the amount of such taxes for 1977.

As a result of the increased expenses and decreases in taxes listed in the preceding paragraph, the amendment states that the net increase in expenses is approximately \$78,000.

Del Este applies for partial relief because our present policy does not allow a Class A water company, which includes the applicant, an advice letter offset rate increase filing for other than purchased water and power and real property taxes. Del Este estimates that its net income for 1978 at current rates will be approximately \$203,000 producing a rate of return on rate base of approximately 8.0 percent. However, Del Este further estimates that its net income for 1979 at current rates will be only \$134,000, producing a rate of return of approximately 5.2 percent. ✓

Attached to the amendment to the application is Del Este's approved construction budget for the year 1979. It aggregates \$322,000. Del Este avers that these improvements are essential to maintain current service standards. In this connection the petition states:

"Applicant's approved construction budget for the year 1979 aggregates \$322,000. Included therein and set forth on Exhibit A hereto are improvements deemed essential by Applicant if it is to maintain its current standard of service to its customers. While Applicant has approximately \$100,000 available

2. The Health Dept. had actual notice of the hearing and declined to appear.

3. The only primary evidence presented was that there is no shortage of water for the Buckingham Park Water System, and water outages, if any, were unrelated to the supply.

4. The initial decision in these complaint cases, Decision No. 88539, was not stayed by Decision No. 89178.

Conclusion

The water rationing program ordered by Decision No. 89178 should be terminated.

O R D E R

IT IS ORDERED that the emergency water rationing program for the Buckingham Park Water System ordered by Decision No. 89178 is terminated, and Cases Nos. 10418, 10421, and 10431 are closed.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 13th day of MARCH, 1979.

John E. Coyne
President

Veron L. Sturgeon

Richard D. Howell

Clair J. DeSire

Thomas M. Pinner
Commissioners