

ORIGINAL

Decision No. 91975 JUL 2 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application )  
of California Water Service Company, )  
a corporation, for an Order )  
authorizing it to increase rates )  
charged for water service in the )  
Bear Gulch District. )

Application No. 58091  
(Filed May 25, 1978)

OPINION AND ORDER ON MODIFICATION

The Commission on June 19, 1979 issued Decision No. 90437 in this application. This decision provided rate increases, which included step rates extending into calendar year 1981. The 1981 step increase was designed to include an allowance for both operational and financial attrition. However, because of an omission, the calculation of the amount of attrition actually justified by the evidence was understated. As a result, Tables I and II, Finding 4, and Appendix B of that decision were erroneous. Corrected tables and Finding 4 are set forth in Appendix A to this decision, showing both the original figures (stricken) and the corrected numbers. Appendix B is a substitute for the 1981 tariff sheet which was Appendix B to the original decision.

As a result of this error, we find that Finding 4 and Appendix B of Decision No. 90437 did not reflect our intent and that our original intent is set forth in the corrected tables and finding set forth in Appendix A to this order. We conclude that Appendix B to this decision should be substituted for Appendix B of Decision No. 90437.

IT IS HEREBY ORDERED that Finding 4 and Tables I and II of Decision No. 90437 are corrected as shown in Appendix A and that Appendix B to this decision is hereby substituted for Appendix B of Decision No. 90437; all other requirements, terms, and conditions of that decision shall remain in full force and effect.

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

Dated JUL 2 1980, at San Francisco, California.




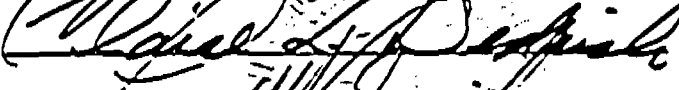

  
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President  
  
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Commissioners

TABLE I  
BEAR GULCH DISTRICT  
COMPARISON OF MONTHLY RATES

	Present* Rates	Proposed Rates†			Adopted Rates			Corrected 1981
		1979	1980	1981	1979	1980	1981	
<b>Service Charge:</b>								
For 5/8 x 3/4-inch meter ...	\$ 3.80	\$ 4.40	\$ 4.75	\$ 5.25	\$ 4.05	\$ 4.20	\$ 4.30	\$ 4.35
For 3/4-inch meter ...	4.15	6.50	7.00	7.70	6.25	6.70	7.00	7.25
For 1-inch meter ...	5.65	8.90	9.50	10.50	8.40	9.00	9.50	10.00
For 1-1/2-inch meter ...	7.95	12.40	13.30	14.60	12.00	13.00	14.00	
For 2-inch meter ...	10.20	16.00	17.00	18.90	15.00	16.00	17.00	
For 3-inch meter ...	18.85	31.00	32.00	35.00	29.00	32.00	33.00	
For 4-inch meter ...	25.70	40.00	43.00	48.00	39.00	43.00	44.00	45.00
For 6-inch meter ...	42.70	67.00	72.00	79.00	64.00	69.00	72.00	74.00
For 8-inch meter ...	63.50	99.00	107.00	118.00	95.00	102.00	106.00	110.00
For 10-inch meter ...	78.60	123.00	132.00	146.00	118.00	127.00	132.00	137.00
<b>Quantity Rates:</b>								
For the first 300 cu.ft., per 100 cu.ft. ....	0.497	0.596	0.610	0.629	0.532	0.552	0.562	0.566
For the next 200 cu.ft., per 100 cu.ft. ....	.497	.795	.815	.839	.720	.743	.754	.756
For all over 500 cu.ft., per 100 cu.ft. ....	.558	.776	.800	.824	.720	.743	.754	.756

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

\* From Tariff Sheet 2209-W, effective January 11, 1979.

† Set forth in applicant's Exhibit 37-B, Page 1, which reflects rates set forth in the application minus those portions of the reductions effected by Advice Letters 630 and 652 related to changes in expense levels from those used in the application.

APPENDIX A  
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TABLE II

Comparison of Monthly Charges

<u>Item</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>Corrected 1981</u>
<u>Average Commercial Customer</u>				
Present Rates, Monthly Charge	\$ 14.66	\$ 14.66	\$ 14.66	
Rates Proposed at the Hearing:				
Monthly Charge	19.42	20.21	21.18	
Increase Over Present Rates:				
Amount	4.76	5.55	6.52	
Percent	32.5%	37.9%	44.5%	
Adopted Rates:				
Monthly Charge	17.89	18.49	<del>18.80</del>	\$ 18.90
Increase Over Present Rates:				
Amount	3.23	3.83	<del>4.14</del>	4.24
Percent	22.0%	26.1%	<del>28.2%</del>	28.9%
<u>Average Industrial Customer</u>				
Present Rates:				
Monthly Charge	120.26	120.26	120.26	
Rates Proposed at the Hearing:				
Monthly Charge	171.42	178.46	187.53	
Increase Over Present Rates:				
Amount	51.16	58.20	67.27	
Percent	42.5%	48.4%	55.9%	
Adopted Rates:				
Monthly Charge	160.84	168.74	<del>171.60</del>	172.95
Increase Over Present Rates:				
Amount	40.58	48.48	<del>51.34</del>	52.69
Percent	33.7%	40.3%	<del>42.7%</del>	43.8%

FINDING 4

4. Rate of return of 10.08, 10.27, and 10.43 percent, respectively, on applicant's rate base for 1979, 1980, and 1981 is reasonable, and will maintain a return on common equity of 13.00 percent until the end of 1981. This will require an increase of \$838,300, or 26.3 percent, in annual revenues for 1979; a further increase of \$156,400, or 3.9 percent, for 1980; and a further increase of \$93,588 \$130,400, or 2-3 3.1 percent, for 1981.

## APPENDIX B

BEAR GULCH TARIFF AREA  
AUTHORIZED INCREASE IN RATES

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rates which would otherwise be in effect on that date.

	<u>Rates to be Effective</u>	
	<u>1-1-80</u>	<u>1-1-81</u>
<b>Service Charge:</b>		
For 5/8 x 3/4-inch meter	\$ .15	\$ .15
For 3/4-inch meter	.45	.55
For 1-inch meter	.60	1.00
For 1-1/2-inch meter	1.00	1.00
For 2-inch meter	1.00	1.00
For 3-inch meter	3.00	1.00
For 4-inch meter	4.00	2.00
For 6-inch meter	5.00	5.00
For 8-inch meter	7.00	8.00
For 10-inch meter	9.00	10.00
<b>Quantity Rates:</b>		
For first 300 cu.ft., per 100 cu.ft.	0.020	0.014
For all over 300 cu.ft., per 100 cu.ft.	.023	.013