

**ORIGINAL**

Decision No. 92110 AUG 19 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 )  
Hermosa-Redondo District. )

Application No. 58093  
(Filed May 25, 1978)

OPINION AND ORDER ON MODIFICATION


The Commission on June 19, 1979 issued Decision No. 90425 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. 90425 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. 90425.

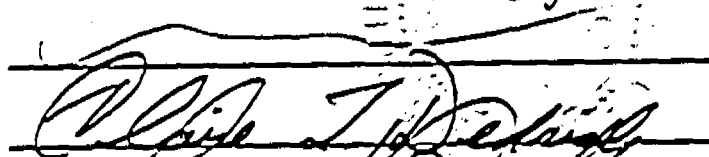
IT IS HEREBY ORDERED that Finding 4 and Tables I and II of Decision No. 90425 are corrected as shown in Appendix A and that Appendix B to this decision is hereby substituted for Appendix B of Decision No. 90425; all other requirements, terms, and conditions of that decision shall remain in full force and effect.

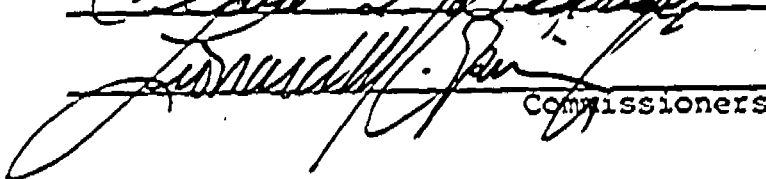
The effective date of this order shall be thirty days after the date hereof.

Dated AUG 19 1988, at San Francisco, California.

  
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President

  
\_\_\_\_\_  
Commissioner

  
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Commissioner

  
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Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
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TABLE I  
HERMOSA-REDONDO DISTRICT  
COMPARISON OF MONTHLY RATES

	Present <sup>a</sup> Rates	Proposed Rates <sup>b</sup>			Adopted Rates			Corrected 1981
		1979	1980	1981	1979	1980	1981	
<b>Service Charges:</b>								
For 5/8 x 3/4-inch meter .....	\$ 3.36	\$ 3.70	\$ 3.95	\$ 4.20	\$ 3.36	\$ 3.36	\$ 3.44	\$ 3.47
For 3/4-inch meter .....	3.70	5.40	5.80	6.20	5.00	6.00	6.20	6.30
For 1-inch meter .....	5.04	7.40	7.90	8.40	7.00	8.00	8.50	
For 1 1/4-inch meter .....	7.06	10.20	11.20	11.90	10.00	11.00	12.00	
For 2-inch meter .....	9.07	13.20	14.30	15.30	12.00	14.00	16.00	
For 3-inch meter .....	16.80	25.00	26.00	28.00	22.00	23.00	26.00	27.00
For 4-inch meter .....	22.85	33.00	36.00	38.00	31.00	37.00	41.00	
For 6-inch meter .....	37.98	55.00	60.00	64.00	52.00	61.00	65.00	
For 8-inch meter .....	56.46	82.00	89.00	95.00	76.00	92.00	97.00	
For 10-inch meter .....	69.91	102.00	110.00	117.00	95.00	113.00	119.00	
<b>Quantity Rates:</b>								
For the first 300 cu.ft., per 100 cu.ft. ....	0.415	0.415	0.415	0.415	0.415	0.415	0.424	0.427
For the next 200 cu.ft., per 100 cu.ft. ....	.440	.533	.539	.547	.500	.516	0.522	0.527
For all over 500 cu.ft., per 100 cu.ft. ....	.452	.520	.526	.534	.500	.516	0.522	0.527

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.

<sup>a</sup> From tariff sheet 2201-W, effective January 30, 1979.

<sup>b</sup> Set forth in applicant's Exhibit 38-II, Page 1, which reflects rates set forth in the application, minus the reductions effected by Advice Letter 630 and plus the increase effected by Advice Letter 650.

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TABLE II  
Comparison of Monthly Charges

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>Corrected 1981</u>
<u>Average Commercial Customer</u>				
Present Rates, Monthly Charge	\$ 11.36	\$ 11.36	\$ 11.36	
Proposed Rates:				
Monthly Charge	12.77	13.11	13.48	
Increase Over Present Rates:				
Amount	1.41	1.75	2.12	
Percent	12.4%	15.4%	18.7%	
Authorized Rates:				
Monthly Charge	12.11	12.35	<del>12.54</del>	\$ 12.66
Increase Over Present Rates:				
Amount	.75	.99	<del>1.18</del>	1.30
Percent	6.6%	8.7%	<del>10.4%</del>	11.4%
<u>Average Industrial Customer</u>				
Present Rates:				
Monthly Charge	438.56	438.56	438.56	
Proposed Rates:				
Monthly Charge	511.11	519.61	528.95	
Increase Over Present Rates:				
Amount	72.55	81.05	90.39	
Percent	16.5%	18.5%	20.6%	
Authorized Rates:				
Monthly Charge	490.75	511.42	<del>520.95</del>	525.54
Increase Over Present Rates:				
Amount	52.19	72.86	<del>82.39</del>	86.98
Percent	11.9%	16.6%	<del>18.8%</del>	19.8%

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FINDING 4

4. Rates of return of 10.08, 10.27, and 10.43 percent, respectively, on applicant's rate base for 1979, 1980, and 1981, are reasonable. The related return on common equity each year is 13.00 percent. This will require an increase of \$369,100 or 10.0 percent, in annual revenues for 1979; a further increase of \$141,400, or 3.5 percent, for 1980; a further increase of \$134,100, or 3.2 percent, for 1981.

APPENDIX B

Hermosa-Redondo 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 .....	\$ -	\$ 0.11
For 3/4-inch meter .....	1.00	0.30
For 1-inch meter .....	1.00	0.50
For 1 1/4-inch meter .....	1.00	1.00
For 2-inch meter .....	2.00	2.00
For 3-inch meter .....	1.00	4.00
For 4-inch meter .....	6.00	4.00
For 6-inch meter .....	9.00	4.00
For 8-inch meter .....	16.00	5.00
For 10-inch meter .....	18.00	6.00
 <b>Quantity Rates:</b>		
For the first 300 cu.ft., per 100 cu.ft. ....	-	0.012
For all over 300 cu.ft., per 100 cu.ft. ....	0.016	0.011