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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. W-1545

UTILITIES DIVISION
BRANCH/SECTION: Hydraulic
DATE: April 23, 1974

RESOLUTION

SUBJECT: Order authorizing Desert Crest Incorporated, to increase rates for sewer service in Riverside County.

WHEREAS: DESERT CREST INCORPORATED, by Advice Letter No. 2, filed April 4, 1974 requests authority under General Order No. 96-A, Section VI, and Section 454 of the Public Utilities Code to increase rates for sewer service in Riverside County, and

WHEREAS: The Commission is of the opinion, after investigation by its staff, that the requested rate increase is reasonable,

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are, for the future, unjust and unreasonable,

IT IS ORDERED that Desert Crest Incorporated is authorized to make effective the revised rate schedules attached to Advice Letter No. 2 and on the effective date herein to cancel the presently effective rate schedules for sewer service. The effective date of the revised rate schedule shall be May 1, 1974.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 23rd day of April, 1974, the following Commissioners voting favorably thereon:

VERNON L. STURGEON, President
WILLIAM SYMONS, JR., J. P. VUKASIN, JR.,
THOMAS MORAN, D. W. HOLMES, Commissioners

William R. Johnson
.....
Secretary

FORM U-14-A

D R A F T

_____ File No. 602-19
(Date)

TO THE CUSTOMERS OF DESERT CREST INCORPORATED--SEWER COMPANY INC.

We recently informed you that the Commission would give consideration to the views expressed in your petition and letters which were prompted by the request of Desert Crest Incorporated for authority to raise its rates for sewer service.

Our staff has concluded its investigation of this matter, and based upon this study and your comments, the Commission has authorized a 50 percent increase to become effective _____.

The staff's investigation disclosed that the present rates were not sufficient to compensate the company for necessary repairs and required improvements. Even at the authorized rates the utility will not earn any return on its capital investment. The State Regional Water Quality Control Board and the County Department of Public Health have requested the company, to make extensive improvements to the sewer treatment plant to ensure that effluent disposal does meet prescribed standards. In addition, there have been increases in cost of power and other operating expenses which were taken into consideration. While the Commission appreciates the burden on owners of retirement and vacation homes, our staff studies indicate that the company is operating at a loss. The increase in rates authorized will allow recovery of operating expenses only and will ensure that required improvements are made.

The Commission appreciates your cooperation in writing to us about this matter.

Very truly yours,

PUBLIC UTILITIES COMMISSION

By

WILLIAM R. JOHNSON, Secretary