

2433
ORIGINAL

Decision No. 40601

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the Central Valley Water Company for
an order authorizing an additional
rate schedule to become effective
during any drought period in which
circumstances require water to be
hailed by truck from Shasta Dam.

Application No. 28519.

Bernard R. Steffen, for Applicant.

O P I N I O N

Bernard R. Steffen operates a water system under the fictitious firm name of Central Valley Water Company, in and in the vicinity of the unincorporated town of Central Valley, Shasta County. In his application Mr. Steffen alleges that the shortage of rainfall during the past winter has caused the well supply to become depleted and that a period of drought is expected to begin during the month of July when it will be necessary to haul water from Shasta Dam during the remainder of summer and fall months. Mr. Steffen further alleges that during 1946 water was hauled by truck from Shasta Dam to Central Valley beginning July 3, and continuing until December 6, and that there was a heavy loss suffered because of the increased cost of obtaining water. Applicant, therefore, asks the Commission for a temporary rate adjustment to compensate for the extra costs that will be incurred for hauling water.

A public hearing in this matter was held before Examiner M. R. MacKall in Redding.

The Central Valley Water Company originally was installed in 1938 by Ben Steffen and was transferred to his son Bernard R. Steffen in August, 1945, who is operating the system at the present time in conjunction with serving the town of Anderson, also in Shasta County. The main water supply for this system is obtained from six shallow wells. During the dry months the well supply must be augmented by

hauling water from a storage tank located at Shasta Dam. This water is dumped into the wells and pumped directly into the distribution mains. At present there is a total of 170 metered consumers being supplied with water.

The present schedule of rates was established by this Commission in its Decision No. 32854, issued the 27th day of February, 1940. The flat rate provides for a charge of \$2.00 to \$2.50 per month for domestic and commercial service. The measured rates provide for a monthly minimum charge of \$2.00 with an allowance of 1,000 gallons. Excess use is reduced through three blocks to \$.05 per 100 gallons.

Results of operations for the year of 1946 were shown by Mr. Steffen as follows:

Fixed Capital.....	\$24,077.95
Revenues.....	4,300.75
Expenses.....	<u>7,747.00</u>
Net Revenues.....	<u>(3,446.25)</u>

Note: (R-d Figure)

According to the evidence, because of the low and depleted yield of water from his wells, Mr. Steffen was forced to haul approximately 1,733,000 gallons of water from Shasta Dam, in order to serve his consumers during the period from July 3 to December 2, 1946. There were no charges made for this water at the dam, but during the year 1946 \$2,300 was spent for truck hauling, about five miles, or approximately \$1.30 per 1,000 gallons. Mr. Steffen estimated that the increased costs of labor and truck hire will raise the charge to \$2.12 per 1,000 gallons for this year.

The evidence presented indicates a certain amount of duplication in the salary charges of applicant and the time allocated by him to hauling water. Mr. Steffen receives a salary for his management and superintendence of the two utilities owned and operated by him, allocation being made upon the basis of time devoted to each system. Eliminating this duplication the extra costs of hired labor, gasoline, repairs and truck upkeep show that the cost of hauling water should be reduced to \$2.00 per 1,000 gallons.

According to the testimony presented, a water district has been duly formed

and organized covering the town of Central Valley and several other adjoining and adjacent communities, a bond issue has been duly passed by the voters of the district and a complete waterworks is planned to be installed and in operation by the end of this year, 1947. This water system will parallel all existing mains of Central Valley Water Company and will take over all of the Company's consumers. The Commission has been advised that no part of the mains, or any other facilities of the water company, will be acquired by the water district.

It is conceded by all parties concerned that the new district system can not now supply water in applicant's territory, and until such time as it is able so to do, it is the duty of this utility to continue service. However, Mr. Steffen cannot reasonably be required again to stand the losses suffered by the necessity of hauling water such as were incurred last year. For this reason the extra costs incurred will be added to the quantity charges during the period it is necessary for the Company to haul 50,000 gallons of water or in excess thereof per month.

O R D E R

Application as entitled above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted, and this Commission now being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT, that the rates now charged by Bernard R. Steffen, doing business as Central Valley Water Company, for water delivered to his customers in and in the vicinity of the unincorporated town of Central Valley, in the County of Shasta, are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates to be charged for the service rendered; and basing its Order upon the foregoing finding of fact, and upon further statements of fact contained in the Opinion which precedes the Order,

IT IS HEREBY ORDERED that Bernard R. Steffen, doing business as Central Valley Water Company, be and he is hereby authorized and directed to file with the Public Utilities Commission of the State of California within ten (10) days from the date of this Order the following schedule of temporary rates for water service

furnished on and after the date of this Order, said rates to remain in effect until the supply from well sources is sufficient to make the hauling of water unnecessary:

TEMPORARY RATES

In any month when it is necessary for Central Valley Water Company to haul 50,000 gallons of water, or in excess thereof, an additional charge of 20¢ per 100 gallons for all water used will be made over and above the regular charges computed at the monthly quantity rates and monthly minimum charges now in effect.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 12th day of August, 1947.

Harold P. Hill
Justin J. Green
Wesley F. Powell
A. J. Dunning
Kimeth L. Potter
Commissioners.