

Decision No. 42822

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
C. C. JOHNSON For an order authorizing
an increase in rates for his water system.

Application No. 30715

Glenn D. Newton, for applicant.O P I N I O N

C. C. Johnson, doing business as Johnson Water Works, and engaged in distributing and selling water in Johnson Park Subdivision, located two and one-half miles northeast of the town of Burney, Shasta County, asks for authority to increase the flat rates being charged for the service rendered.

A public hearing was held in the proceeding at Burney before Examiner Stava.

Applicant was granted a certificate of public convenience and necessity by the Commission in its Decision No. 39558, issued October 22, 1946, in Application No. 27664, to operate a public utility water system in a 380-acre territory. One hundred acres have been subdivided into 150 lots that vary in size from business parcels having an area of 5,400 square feet, to acreage property having an area of six acres. Some of the larger sized lots are not being resubdivided into business and residential properties.

The water supply is obtained from an eight-inch drilled well 226 feet deep, which is equipped with a deep well turbine pump directly connected to a ten hp electric motor. The pump has a capacity of 120 gallons per minute, and delivers the water into a 1,000-gallon pressure

tank. The water is thence distributed to the consumers through 8,750 feet of pipe lines that vary from two to four inches in diameter, at pressures that range from 30 to 60 pounds per square inch. There were 30 consumers being served as of December 31, 1949, all on a flat rate basis.

The rates in effect were established by the Commission in said Decision No. 39558, and provide for a monthly flat rate charge of \$2 for each residence and lot. In the application the Commission is asked to establish a \$2 monthly flat rate for a residence without a bath, \$3 per month for a residence with a bath, a \$5 monthly charge for a restaurant, and a \$25 monthly charge for a lumber mill.

At the hearing applicant asked to amend the application and requested that the rate schedule also provide an allowance of 600 square feet for irrigation on each lot, a charge of ten cents per 100 square feet for all irrigation use over 600 square feet, and also a charge of \$2.50 per month for each additional residence or cabin with a bath on a lot. A meter rate was also requested in the amendment to the application that provided for a monthly minimum charge of \$2.25, with an allowance of 500 cubic feet of water. The charges for excess use are reduced through four blocks to 12 cents per 100 cubic feet for all water delivered over 20,000 cubic feet. The requested flat and metered rates are similar to those charged by Burney Public Utility District for water service furnished in the town of Burney.

Applicant testified that the investment in the water system totaled \$10,459, which included an allowance of \$200 for the portion of a lot on which the pump and well are located; that the operating revenues and operating expenses for the year 1949 were \$981 and \$1,013, respectively, resulting in a loss of \$132 for the year. The operating

expenses included \$500 for depreciation allowance which was computed on a straight-line basis, but did not include taxes for the system which were paid in connection with his other property. Applicant claimed that he has not charged for the time he spends in managing the property, as he hires outside help for all maintenance, repairs, and bookkeeping required in connection with operating the system.

One of the Commission engineering staff presented a report covering an investigation of the system and its operations, which showed the historical cost of the system, including \$300 allowance for pump site land, to be \$11,203, and the historical cost less depreciation at \$10,075. The 1949 revenues were shown to be \$981 at present rates, and were estimated as \$1,530 at the requested rates. The estimated normal operating expenses totaled \$1,230, which included the sum of \$470 for depreciation, computed on a straight-line basis. The results of operation showed a loss of \$249 at present rates and a net revenue of \$300 at the requested rates, or a return of 3% on the depreciated cost of the property of \$10,075.

The consumers objected to the proposed flat rates on the grounds that they were excessive for the service furnished and that they would not spread the charges equitably among the consumers. Witnesses for the consumers testified that applicant was not applying the present rates uniformly, in that excessive charges were made for separate cabins on lots and for trailer camps, as compared to the charges made for residential service. These witnesses asked that the present minimum flat rate be maintained for a small sized cabin or residence, and that additional charges be made for large sized premises that use water for irrigation purposes. These witnesses also asked that a meter rate be established and that the consumers have the option of receiving

service on a measured or a flat rate basis. Other witnesses stated that water service was shut off in the entire system without notice when a repair to any of the mains was necessary or when a new service connection was being installed, and resulted in burning out the hot water coils in the stoves. Applicant agreed to install meters for all consumers desiring a measured rate, and stated that hereafter he would notify the users of all interruptions in service when it was known that the plant would be shut down. However, he further stated that during the summer the electric motor at the pump had been burned out several times by lightning striking the power lines and, under the circumstances, he had been unable to give any advance notice of the breakdown in service.

It is apparent from the record that some increase in rates should be granted and certain revision made in the schedule of flat rates that will distribute the charges more fairly among the consumers, and that meter rates should be established and meters installed on services to commercial property or to premises not covered by the schedule of flat rates. The schedule of rates set out in the following order is estimated to produce a gross revenue of about \$1,500 per year, which is subject to increase as the system is developed.

O R D E R

C. C. Johnson, doing business as Johnson Water Works, having applied to this Commission for an order authorizing increases in rates, a public hearing having been held thereon, the matter having been submitted for decision, and the Commission being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the increases in rates authorized herein are justified; therefore,

IT IS HEREBY ORDERED as follows:

1. That C. C. Johnson, doing business as Johnson Water Works, is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with this Commission's General Order No. 96, the schedule of rates shown in Exhibit A attached hereto, and, on not less than five (5) days' notice to the Commission and the public, to make said rates effective for service rendered on and after the first day of March 1950.
2. That C. C. Johnson, doing business as Johnson Water Works, shall within 40 days after the effective date of this order, file four copies of a comprehensive map drawn to an indicated scale of not less than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the locations of the various properties of applicant.
3. That C. C. Johnson, doing business as Johnson Water Works, shall within 40 days after the effective date of this order, file four copies of tariff service area map upon a sheet 8 1/2 by 11 inches in size in conformity with the Commission General Order No. 96.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 14th day of February, 1950.

[Signature]
Justice J. Coe
[Signature]
Harold P. Hills
[Signature]
 Commissioners.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service rendered on a measured basis.

TERRITORY

Within Johnson Park Subdivision, Shasta County, as delineated on the map filed as Exhibit No. 2 in Application No. 30715.

RATES

Per Meter
Per Month

Quantity Rates:

First	500 cu. ft. or less	\$2.25
Next	1,500 cu. ft., per 100 cu. ft. ....	.30
Next	3,000 cu. ft., per 100 cu. ft. ....	.25
Next	5,000 cu. ft., per 100 cu. ft. ....	.20
Next	10,000 cu. ft., per 100 cu. ft. ....	.15
Over	20,000 cu. ft., per 100 cu. ft. ....	.12

Monthly Minimum Charge:

For	5/8 x 3/4-inch meter	2.25
For	3/4-inch meter	3.06
For	1-inch meter	4.00
For	1 1/2-inch meter	5.00
For	2-inch meter	7.00

The Minimum Monthly Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

SPECIAL CONDITION:

Meters may be installed at the option of either the consumer or utility.

Schedule No. 2

FLAT RATE SERVICEAPPLICABILITY

Applicable to all water service rendered on a flat rate basis.

TERRITORY

Within Johnson Park Subdivision, Shasta County, as delineated on the map filed as Exhibit No. 2 in Application No. 30715.

RATESPer Month

For each dwelling house, flat or apartment of four rooms or less, including water for sprinkling or watering of not over 600 square feet of lawns, gardens, shrubbery and trees	\$2.00
For each additional dwelling unit on same premises and taking water through same connection	2.00
For each additional room .....	.15
For each bathtub or shower .....	.25
For each flush toilet .....	.25
Sprinkling of lawns, gardens, shrubbery and trees, in excess of 600 square feet for each residential premises, payable during the five months of May to September, inclusive, and any other months of the year when water is actually used for sprinkling or watering purposes, per 100 square feet .....	.05
For each window box type air cooling unit, in addition to regular flat rates, during months of use which will be considered as the months of May, June, July, August, and September, except where the consumer notified the company as to the months during the above period on which the unit will not be in service, provided the unit is disconnected during such months subject to inspection by company representatives.	
For water wasting type .....	.60
For recirculating type .....	.30

All other use of water to be charged for at meter rates.