

Decision No. 46484

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ARROYO DITCH COMPANY for authority to
increase its rates for furnishing
water to Plymouth Water Works, Plymouth,
California.

} Application No. 30660
} as amended

- Pierce Deasy, for applicant.
- A. J. DePaoli, for Eugene Conterno, dba
Plymouth Water Works.
- Edson Abel and Eldon Dye, for California
Farm Bureau Federation.
- Jeremy Cook, for W. Coburn Cook, City Attorney,
for City of Plymouth.
- Charles O. Busick, for Willow Springs Water
Users Association.

OPINION ON REHEARING

Arroyo Ditch Company petitioned the Commission for rehear-
ing following issuance of Decision No. 45963 in the above-entitled
application. In issuing that decision, which authorized the utility
to increase its rate to Plymouth Water Works from \$25 to \$100 per
month and the rate charged for irrigation water from 35 cents to 50
cents per miner's inch day of 24 hours, the Commission pointed out
that the company could not be expected to continue service unless the
irrigation users took sufficient water to support operation of the
ditch.

Petitioner, while conceding the mathematical accuracy of
the Commission's calculation of a return based on the sought rates,
nevertheless asserts that the order is erroneous, unrealistic, and
confiscatory because premised on assumptions not grounded on evidence;
namely, that the utility can provide service solely to Plymouth Water
Works for less than \$300 per month during the period of nonuse by
agricultural consumers, approximating six months annually; that the

agricultural users in the past have taken, or in the future would take, quantities of water sufficient to provide their share of revenue necessary for the company's operations, including deferred maintenance. Petitioner summarizes its objections to the order thus:

"Adequate rates without a firmed volume and continued sub-normal domestic rates without water constitute a vacuum through which equity, justice and reasonableness may not penetrate."

Rehearing was held before Examiner Gregory at Plymouth on August 30, 1951, at which time further evidence was placed in the record relating, among other things, to the company's experience during the first seven months of 1951. According to the company's exhibit, its total water sales during the period shown produced revenues of \$1,414.87, its total expenses were \$4,018.49 and its operating loss amounted to \$2,603.62. The company also requested at the hearing that its application be further amended to provide for a minimum monthly charge of \$350 to the Plymouth Water Works, or 75 cents per miner's inch day of 24 hours seven days per week.

Nothing in the way of substantial evidence was brought forward at the rehearing which requires elaboration beyond the discussion set out in Decision No. 45963. The problem faced by the utility and its consumers is the same - inadequate revenues for operation and maintenance of the system chiefly because of lack of firm commitments on the part of the irrigation users to take and pay for water.^{1/} As long as this condition obtains, it is idle to expect relief merely through authorization to charge higher rates.

According to the testimony of the company's superintendent, the system must produce revenues amounting to \$13,200 annually in order to function adequately for all consumers. Of the total sum,

^{1/} In 1950, under rates then in effect, revenues from Plymouth Water Works were only \$300 and, from the balance of the system, only \$2,373.60. Average operating expenses from 1946-1950 were more than double the average revenues.

\$9,000 would be derived from agricultural users and the balance of \$4,200 from Plymouth Water Works. It comes with singular ill grace from the company, however, to say now to this Commission that it needs these sums from the irrigation users, when the record shows it has for years consistently rejected proposals, apparently advanced in good faith by those consumers, to take and pay for specific quantities of water.

Were it not for the pressing needs of domestic consumers served by Plymouth Water Works, we would be strongly inclined, at this point, to put an end to the matter by authorizing immediate discontinuance of service by the utility. But so long as there exists some hope that those concerned with the operation of this system, including irrigation consumers, may cease their bickering and unite in a common effort to produce and utilize the water they need, we conceive it to be our duty to authorize rates which will in some measure provide the company with enough revenue to carry on normal operations as well as to make much needed repairs to its ditches. We take this occasion to reiterate, however, that the mere authorization of increased rates on paper will never save this utility. Nor is it our function to provide a perpetual forum for the futile airing of complaints, both personal and fiscal, the solution of which is the primary responsibility not of this body but of the persons or interests involved.

We believe applicant's request for an increase in the rate charged Plymouth Water Works to be justified, although we recognize that the inevitable result will be a request to increase the rates charged by that utility to its domestic consumers. These consumers, however, demand water service daily throughout the year and unless an adequate supply is made available, through repairs to the Arroyo Ditch Company's system, they will be constantly faced with shortages.

Accordingly, we will authorize an increase, at this time, in the flat rate to be charged Plymouth Water Works from \$100 per month, as provided by Decision No. 45963, to \$350 per month. The increased rate is estimated to produce annual revenues of \$3,900 over those obtainable from this consumer under the rate of \$25 per month authorized in 1947, and should enable the utility at least to commence work on needed repairs.

To what extent the irrigation users may provide revenue or participate in rehabilitation of the system remains an enigma on this record. We see no reason, at this time, to alter the rates provided in Decision No. 45963 for that class of service.

To the extent that the existing rates provided by Decision No. 45963 differ from those hereinafter prescribed, such existing rates are hereby found to be unjust and unreasonable.

ORDER

Rehearing having been held on the above-entitled and numbered application, as amended, the matter having been submitted and now being ready for decision,

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

IT IS HEREBY ORDERED that applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates shown in Exhibit A, attached hereto, and, after not less than five (5) days' notice to the Commission and the public, to make said rates effective for service rendered on and after January 1, 1952.

IT IS HEREBY FURTHER ORDERED as follows:

1. That applicant shall file within thirty (30) days after the effective date of this order four sets of rules and regulations governing relations with its customers.

EXHIBIT A

FLAT RATE SERVICE

APPLICABILITY

For all water service delivered for residential domestic purposes.

TERRITORY

Area supplied by Enterprise Ditch System in El Dorado and Amador Counties in the general vicinity of the town of Plymouth.

RATES

	<u>Per Month</u>
For all residential domestic service	\$ 2.75
Plymouth Water Works	350.00

2. That, except as herein specifically granted, the application, as amended, be and it hereby is denied.

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

Dated at San Francisco, California, this 4th day of December, 1951.

R. T. Anderson
- President
Justin F. Cravens
Harold K. Hale
Fraschetti Potter
John L. McCall
Commissioners