

ORIGINAL

Decision No. 46659

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ACTON M. CLEVELAND and)
MAUDELENE M. CLEVELAND (Camptonville)
Water Service), Camptonville, County) Application No. A-32590
of Yuba, State of California, to)
increase rates.)

Acton M. Cleveland, for applicants;
W. C. Williams, for Board of Trustees,
Camptonville Union School District,
interested party; E. Ronald Foster,
for the Commission staff.

O P I N I O N

In this application, filed July 19, 1951, Acton M. Cleveland and Maudelene M. Cleveland (Camptonville Water Service) seek authority to increase rates for water service rendered in the community of Camptonville in Yuba County.

A public hearing in this matter was held before Examiner Emerson on November 29, 1951, at Camptonville.

The present rates of this utility are composed of charges for a considerable number of specific water uses. The basic rate, however, may be considered to be \$2.20 per month. All service is rendered on a flat rate basis. In the cases of commercial establishments the monthly charge is dependent upon either the number of persons employed or housed in the establishment served.

The rates proposed by applicants are based upon a monthly flat rate of \$2.75. The present rate form is maintained and corresponding increases in charges for supplemental usage are proposed. The proposed rates, in general, are 25% higher than present rates.

Applicants allege that because of recent legislation the Yuba County Health Department has directed them to install facilities whereby the water may be continuously chlorinated. Such a treatment plant, for a system such as this, is a costly one to install, maintain and operate because of the widely fluctuating water flow, the necessity of a building to house the equipment, the maintaining of substantial supplies of chlorine and the necessity of heating the plant continuously throughout the winter season. The increased costs of such operations is the primary reason for applicants' request for an increase in rates. All other costs of operations, however, have also increased.

This utility serves 48 consumers, on the average, in a portion of the unincorporated townsite of Camptonville. Water is obtained, by diverting and storing the natural flow of Campbell's Gulch, by a concrete dam located at a point about 3/4-mile upstream from the center of town. From the concrete dam water flows through about 2,150 feet of 8-inch pipe to an earthen reservoir of about 45,000 cubic feet capacity. Water then flows by gravity for distribution through 1,960 feet of 4-inch main line and 1,950 feet of 2-inch branch lines owned by applicants. Service to the school is rendered through a 2-inch line owned by the school and connecting with applicants' 4-inch main while another customer-owned 3-inch line carries water to a lumber mill.

Evidence relative to applicants' water utility earnings, as presented in this proceeding and as adjusted to separate water

operations from other private affairs of applicants and to provide proper classifications of accounts, is summarized as follows:

Item	Adjusted:		Estimated Year 1951*		Estimated Year 1952**	
	Year 1950*	Year 1951*	Pres. Rates	Prop. Rates †	Pres. Rates	Prop. Rates †
Oper. Revenues	\$1,550	\$1,572	\$1,996		\$1,625	\$2,065
Oper. Expenses						
Before taxes and Deprec.	905	920	920		1,100	1,100
Taxes	123	129	219		102	203
Depreciation	229	229	229		284	284
Total Oper. Expenses	1,257	1,278	1,368		1,486	1,587
Net Oper. Rev.	293	294	628		139	478
Rate Base (Deprec.)	5,630	5,400	5,400		6,600	6,600
Rate of Return	5.2%	5.4%	11.6%		2.1%	7.2%

* Includes no revenue from school and \$35 per month for operators' wages.

** Includes revenue from school, \$40 per month for operators' wages and costs of chlorination.

† Assumes proposed rates effective entire year, will not be realized.

From the above tabulation it is apparent that applicants will be in need of increased revenues to offset the increased costs of operations when the chlorination plant is functioning. We conclude, therefore, that applicants are entitled to the rate relief requested and we find that a depreciated rate base of \$6,600 for the estimated year 1952 and a return thereon of 7.2% are just and reasonable.

The present water system had its origin about 1853 when certain water rights were obtained by mining pre-emptions and certain water works were constructed to divert water from the stream to a sawmill. In 1855 the water rights and interests in the water system were conveyed by deed to seven men. From one of these men, through a succession of title conveyances, the Slate Range School District

in 1884 obtained a one-seventh interest in the water right and ditch. The Camptonville Union School District today claims this one-seventh interest in the water rights and works. By a succession of title, the other six-sevenths interest became the property of applicants' predecessor. Apparently in or about 1919, by a "gentlemen's agreement" between the school district trustees and the then operators of the water system, it was agreed that in consideration of the district's one-seventh interest no charge would be made for water used by the school. The district in turn agreed that it would make no demands of the operators for anything from the operation of the water works nor would it thereafter enter into or be responsible for any improvements, upkeep or maintenance of the water system. In July, 1943 the applicants herein became the owners and operators of the system and have honored the prior agreement by making no charge for water used by the school.

delivered The school has grown from a single classroom to one giving instruction in 12 grades, employing 8 persons and having an average daily attendance of over 70 pupils. It has become one of the largest consumers of water served by applicants. The school district is several times the size of applicants' service area and transports pupils into the water system's area. Under the present arrangement whereby no charge is being made for water used at the school, applicants' other customers are in effect paying the costs of supplying water to the school. Although such circumstances may not have been unreasonable or burdensome in the past, with the advent of chlorination of the

water at substantially increased costs it is our opinion that in equity the school district should pay its reasonable proportion of the increased costs of supplying it with potable and safe water. Chlorination of the water will be a safeguard and benefit to the health of the school children and their families over a wide area as well as the direct customers of the local water system. The rates hereinafter authorized will include a charge for service to the school.

O R D E R

Acton M. and Maudelene M. Cleveland (Camptonville Water Service) having applied to this Commission for an order authorizing increases in rates, a public hearing thereon having been held, 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 authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that applicants are authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with 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 March 1, 1952.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicants, within thirty (30) days from the effective date of this order, shall file with this Commission four (4) sets of rules and regulations governing customer relations, each set of which shall contain a suitable map or sketch drawn to an indicated scale upon a sheet 6½ x 11 inches in size, delineating thereupon

applicants' present service area and the location thereof with reference to the immediate surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

2. Applicants, within thirty (30) days from the effective date of this order, shall 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 location of various properties of applicant.
3. Applicants shall, on or before June 30, 1952, complete the installation of a suitable chlorination apparatus with necessary housing and appurtenant facilities.
4. Applicants shall restate their books of account with respect to fixed capital in service so as to place them in conformity with the appraisal of the properties set forth in Exhibit No. 1 in this proceeding and shall submit for approval of this Commission two (2) copies of the proposed accounting entries necessary to effect such restatement.

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

Dated at San Francisco, California, this 15th day of January, 1952.

R. J. [Signature]
President.
Justus J. [Signature]
Harold [Signature]
[Signature]
Commissioners.

EXHIBIT A
Page 1 of 2

Schedule No. 1

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all service rendered on an unmeasured basis.

TERRITORY

Throughout the entire territory served in and adjacent to Camptonville, Yuba County, as delineated on the map included in the tariff sheets.

RATES

<u>Charges for Basic Water Usage</u>	<u>Per Month</u>
For each dwelling, store, shop or business unit on a single lot supplied through a single connection	\$ 2.75
For each additional dwelling, apartment, store, shop or business unit supplied through the same connection	2.00
For hotels or motor courts, per connection	5.00
For trailers or other temporarily located residential units on property not piped but to which water is carried by occupant	1.50
For Camptonville Union School (A)	7.50
For churches or lodge halls	2.00
For sawmill, including garage and millpond usage	25.00

EXHIBIT A
Page 2 of 2

Schedule No. 1

GENERAL FLAT RATE SERVICE

RATES (Continued)

Charges for Supplemental Water Usage

Per Month

The following charges are additional to those listed on page 1 of this schedule:

For each air-cooling unit (A):

Water-recirculating type	\$ 0.30
Non-recirculating type60

For irrigation of lawns, shrubs or gardens in the months of May to September, inclusive (A):

First 1,000 sq. ft. of area, or less	1.00
All over 1,000 sq. ft. of area, per 100 sq. ft.05
For bar or soda fountain (A)	2.00
For non-condensing type steam boilers, per horsepower rating (A)30
For each sawmill employce (A)15
For each guest-occupied room in hotels or motor courts15

SPECIAL CONDITIONS

1. Charges marked (A) are applicable only during months of actual usage.
2. The total monthly charge will be the sum of the charges for basic and supplemental water usage.