

ORIGINALDecision No. 51237

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Ukiah Valley Fire Protection District,	}	Case No. 5600
Plaintiff,		
vs.	}	
Rogina Water Company,		
Defendant.		

Frank Stanley Peterson, Deputy District Attorney
of Mendocino County, for complainant;
Frank Rogina, in propria persona, defendant;
George F. Tinkler of the Commission staff.

OPINION AND ORDER

In this complaint, filed December 2, 1954, Ukiah Valley Fire Protection District, a political entity formed pursuant to provisions of the Health and Safety Code of this state, seeks a reduction in the rate and charges for fire hydrant service rendered to it by Frank Rogina (Rogina Water Company), a public utility, alleging that the present rate and charges are unreasonable.

Public hearing in the matter was held before Examiner F. Everett Emerson on January 26, 1955, at Ukiah.

It is of record that the rate for fire hydrant service was the subject of negotiations between the district and the utility, such negotiations culminating in a letter agreement, dated April 22, 1952, by which the district agreed to pay the utility \$2 per month per hydrant. On May 2, 1952, the utility regularly filed the agreed-upon rate as one of its tariff sheets and, under the provisions of this Commission's General Order No. 96 applicable to contracts for service at reduced rates to governmental agencies, also regularly

filed the aforementioned letter agreement. Pursuant to this Commission's established procedures in such matters, the rate became effective on July 1, 1952.

The utility presently owns, maintains and supplies water to 29 fire hydrants devoted to the fire protection services of the district. During the calendar year 1952 the district paid \$560 to the utility for such service. For service during the year 1953 the district paid \$696. The bills for 1954 service, in the total amount of \$696, have not been paid and are past due.

The testimony of witnesses for complainant indicates primary concern over the sums complainant must raise through district tax assessments in the future as new subdivisions or tracts of homes are developed within the district boundaries. According to these witnesses, who are members of the governing board of the district, a county ordinance requires the installation of fire hydrants in each such subdivision or tract. They fear that the total bills for fire hydrant service will become greater than the sums which they may raise through taxation and, therefore, seek a reduction in the per hydrant charge. Defendant's water system embraces but a small portion of the total district area. Other portions of the district either have no hydrant service or are provided hydrant service by other agencies or utilities.

We have examined the county ordinances to which complainant has referred^{1/} and find nothing therein which requires the installation of fire hydrants. However, in Section VI of Ordinance No. 327, subsection 6.26 reads as follows:

"6.26 Water and Gas Where Required: Water mains, fire hydrants and gas mains shall be installed as required by the County Surveyor."

^{1/} County of Mendocino: No. 327, enacted October 11, 1951; No. 338, enacted July 15, 1952; No. 340, enacted March 16, 1953; No. 349, enacted November 1, 1954.

In our opinion, this subsection clearly is intended to assure only that the placement of water mains, fire hydrants and gas mains will be in accordance with the engineering practices which the county surveyor may prescribe for the location, grading, paving, widths and surfaces of streets and highways. The county surveyor may not require the installation of any particular fire hydrant nor any particular water or gas main. If complainant is relying on this subsection of the ordinance as that requiring installation of fire hydrants, it is in error. Fire hydrants are installed by the utility, in accordance with the utility's regularly filed tariffs, upon the request of the district or other responsible political subdivision. The district has no obligation to pay fire hydrant rentals for hydrants which it does not request be installed.

Defendant denied that the present fire hydrant rate is unreasonable and testified respecting his costs of operation, particularly with respect to the costs of supplying fire hydrant service. His testimony shows that, excluding any portion of "back-up" facilities such as storage tanks, pumps, and transmission mains, his investment in fire hydrants totals \$3,689. Annual costs of maintaining only the hydrants, including a return of 6 per cent on the investment in hydrants, approximate \$732. This cost is greater than hydrant revenues. It follows that defendant is providing the service at less than full cost.

An engineer of the Commission staff offered two exhibits and testimony respecting his independent investigation of the fire hydrant service rendered by defendant. His analysis was based upon an assignment of appropriate portions of transmission mains, pumps, and storage facilities to fire hydrant service. By so doing, he arrived at a total of approximately \$15,000 as representing the depreciated investment in all utility plant properly devoted to

hydrant service. On the assumption that hydrant service should yield a rate of return equivalent to that being earned from all other utility service rendered by defendant, his analysis showed that a hydrant charge of about \$2.50 per hydrant per month would be required. A monthly hydrant charge of approximately \$3.25 would be required to yield a 6 per cent rate of return.

Additionally, the evidence is clear that the domestic fire insurance rates on buildings in defendant's service area have been lowered by about 38 per cent since the advent of defendant's water and fire hydrant system. Such situation should be of material benefit to the residents of the district. There is no evidence that defendant's system or service is inadequate in any respect.

In view of the evidence a conclusion that the present fire hydrant rate is not unreasonably high is inescapable. We find no substantiation of complainant's claim that the rate is unreasonable or unjust to it; therefore,

IT IS HEREBY ORDERED that this complaint be and it is denied and Case No. 5600 is dismissed.

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

Dated at Los Angeles, California, this 21st day of March, 1955.

[Signature]
President

[Signature]

[Signature]

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Commissioners