

ORIGINAL

Decision No. 59812

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SEARLES DOMESTIC WATER COMPANY,)
Trona, San Bernardino County,)
California, to adjust rates for)
water service.)

Application No. 41332

Lonergan & Jordan, by Donald W. Jordan, for applicant.
Richard R. Entwistle and Donald B. Steger, for the
Commission staff.

O P I N I O N

Public hearing was held in this matter in Trona on December 16, 1959, before Examiner Grant E. Syphers, at which time evidence was adduced and the matter submitted subject to the receipt of late-filed exhibits. These now have been duly docketed and the matter is ready for decision.

The applicant is a public utility water corporation serving water in three noncontiguous service areas, all in the vicinity of Trona, California. The first area includes Pioneer Point, Trona and Argus; the second includes Borosolvay; and the third includes South Trona and Westend. All of the water which this company distributes is received from two sources: one, through master meters located at Pioneer Point, Trona and Borosolvay from the American Potash and Chemical Corporation, and two, through a master meter at Westend from water received from the Westend Chemical Company. There are no other sources of supply.

The company serves approximately 1,132 customers, most of whom are employees of the American Potash and Chemical Corporation or of the Westend Chemical Company.

In the instant application it is proposed to increase general metered service rates as follows:

<u>General Metered Service</u>		<u>Per Meter Per Month</u>	
Quantity Charges:		<u>Present Rates</u>	<u>Proposed Rates</u>
First	500 gallons or less	\$.75	\$ -
Next	2,500 gallons, per 100 gallons .....	.05	-
Next	3,000 gallons, per 100 gallons .....	.07	-
Next	4,000 gallons, per 100 gallons .....	.10	-
Over	10,000 gallons, per 100 gallons .....	.15	-
First	1,000 gallons or less	-	1.50
Next	7,000 gallons, per 100 gallons	-	.06
Next	4,000 gallons, per 100 gallons .....		.12
Next	18,000 gallons, per 100 gallons .....		.15
Over	30,000 gallons, per 100 gallons .....		.20

Somewhat greater increases, percentagewise, are proposed for special metered service, which is applicable only to public schools.

All services are metered and under the present rates the average revenue per customer per month for general metered service is \$4.29. Under the proposed rates it would be \$4.79, or 11.6 percent increase. It should be noted that these proposed rates would result in an increase to those consumers who use small amounts of water and in a decrease to those who use somewhat above the average amounts of water, with a substantial rate increase for the largest users. It was explained that this rate proposal is designed to make more water available and at the same time to discourage any excessive use thereof.

Testimony relating to the operations of this company was presented by witnesses for the company and also by witnesses for the staff of this Commission. A summary of this testimony follows:

<u>Item</u>	<u>1959 Present Rates</u>		<u>1959 Proposed Rates</u>	
	<u>Staff</u>	<u>Company</u>	<u>Staff</u>	<u>Company</u>
Operating Revenue	\$ 63,900	\$ 63,913	\$ 73,800	\$ 73,786
Operating Expenses	60,470	60,910	63,800	64,304
Net Revenue	3,430	3,003	10,000	9,482
Rate Base	109,550	109,550	109,550	109,550
Rate of Return	3.1%	2.74%	9.1%	8.66%

The testimony also discloses that this company has paid no dividends on stock at any time.

A consideration of all of the testimony presented in this matter leads us to the conclusion and we now find that the applicant is entitled to rate relief, though not to the full extent requested, and that the increases in rates and charges authorized herein are justified, and that the present rates insofar as they differ from those herein prescribed are for the future unjust and unreasonable. The application of these authorized rates to a depreciated rate base of \$109,550 results in a rate of return of approximately 7.0 percent, which rate base and rate of return we find to be fair and reasonable. The authorized rates will result in an average monthly bill of about \$4.62 for general metered service, an increase of 7.7 percent.

In line with a continuing policy to achieve as much uniformity as possible in the form of rate schedules as set forth in General Order No. 96 and for convenience of comparison, the schedules of rates for metered service will be stated in units of 100 cubic feet instead of in units of 100 gallons as at present. While applicant will not be required to convert the dials of its existing meters from readings in gallons to cubic feet, it is recommended that applicant make such conversions whenever replacements and repairs to its existing meters make such conversion feasible and that all new meters purchased should register deliveries in cubic feet. Applicant will be required to post in its office, for the convenience of all

customers, a table illustrating the conversion of meter readings in gallons to billing quantities in cubic feet, together with the appropriate charges therefor.

ORDER

Application as above entitled having been filed, public hearing having been held and the Commission having made the foregoing findings,

IT IS ORDERED:

1. That Searles Domestic Water Company is 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 Appendix A attached hereto, and upon not less than five days' notice to the Commission and to the public to make such rates effective for service rendered on and after April 15, 1960.

2. That on or before April 1, 1960, and continuously thereafter, applicant shall have posted in its office and open to public inspection, a table illustrating the conversion of meter readings for each 100 gallons, from zero to 10,000 gallons, to billing quantities in cubic feet, together with the appropriate charges therefor at the currently effective rate schedule or schedules.

Within ten days after the initial posting, applicant shall file with the Commission two copies of such conversion table.

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

Dated at San Francisco, California, this 22nd day of March, 1960.

Quentin R. Berg
President
William J. ...
...
Theodore ...
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated communities of Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, all located along the westerly shore line of Searles Lake, San Bernardino County.

RATES

Quantity Rates:		<u>Per Meter per Month</u>
First	130 cu.ft. or less	\$ 1.50
Next	670 cu.ft., per 100 cu.ft. ....	.45
Next	800 cu.ft., per 100 cu.ft. ....	.75
Next	2,400 cu.ft., per 100 cu.ft.	1.12
Over	4,000 cu.ft., per 100 cu.ft.	1.50

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 1.50
For	1-inch meter	2.70
For	2-1/2-inch meter	5.70
For	2-inch meter	6.90
For	3-inch meter	10.50

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

SPECIAL CONDITIONS

1. A separate meter and service connection is required for each single family residence, each commercial or retail establishment, or each industrial enterprise regardless of the customer's single ownership or control of the premises served or to be served. The quantity registered by each meter will be charged separately.

2. The utility reserves the right to limit the quantity of water delivered to any resident, or any commercial or industrial enterprise, to 8,000 cubic feet per month.

Schedule No. 7M

PUBLIC SCHOOL METERED SERVICE

APPLICABILITY

Applicable to metered water service furnished to public schools.

TERRITORY

The unincorporated communities of Argus, Trona, Pioneer Point (Point of Rocks), Borosolvay and South Trona, all located along the westerly shore line of Searles Lake, San Bernardino County.

RATES

	<u>Per Meter per Month</u>
Quantity Rates:	
First 650 cu.ft. or less	\$ 3.00
Next 66,350 cu.ft., per 100 cu.ft. ....	.37
Next 40,000 cu.ft., per 100 cu.ft. ....	.75
Over 107,000 cu.ft., per 100 cu.ft.	1.12
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.00
For 1-inch meter	5.40
For 1-1/2-inch meter	7.80
For 2-inch meter	9.60
For 3-inch meter	18.00

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

SPECIAL CONDITION

Water service under this schedule will be furnished only for use in school buildings and on school grounds.