

Decision No. 60569

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC WATER CO., a California cor-
poration, under Section 454 of the
Public Utilities Code, to increase
the rates for its Lamont Water Sys-
tem in Kern County, California.

Application No. 41529

Moss, Lyon & Dunn, by George C. Lyon, for appli-
cant.

Reverend Jimmy S. Davis, for Apostolic Tabernacle,
protestant.

John R. Gillanders, for the Commission staff.

O P I N I O N

The Pacific Water Co. is a California corporation fur-
nishing domestic water to consumers in over twenty systems located
in Los Angeles, Orange, Kern and San Bernardino Counties. By the
application herein, filed with this Commission on September 29,
1959, and amended by an amendment filed on December 29, 1959, it
seeks authority to increase its rates in its Lamont Water System in
Kern County, California.

A public hearing on the application was held before
Examiner Kent C. Rogers in Bakersfield, California, on June 8, 1960.
Prior to said hearing, notice thereof was published and mailed to
consumers as required by this Commission. A representative for a
group of consumers protested the proposed increase on the ground
that the consumers could not afford an increase, and requested that

they pay on a flat rate basis only. There was no objection to the service.

The service area is in Kern County south of Bakersfield. As of the end of the year 1958 there were 199 metered connections and 15 flat rate connections in the system. The applicant had planned to meter all services but the Lamont Public Utility District intends to acquire the system and serve at flat rates, so the applicant will continue to serve the non-metered connections at flat rates.

The present and proposed rates are as follows:

METERED RATES

| | | <u>Per Meter Per Month</u> | |
|------------------------|----------------------------------|----------------------------|-----------------|
| | | <u>Present</u> | <u>Proposed</u> |
| <u>QUANTITY RATES:</u> | | | |
| First | 800 cu.ft. or less | \$ 2.00 | \$ 4.00 |
| Next | 3,200 cu.ft. per 100 cu.ft. | .20 | .40 |
| Next | 800 cu.ft. per 100 cu.ft. | .15 | .40 |
| Over | 4,800 cu.ft. per 100 cu.ft. | .15 | .30 |

MINIMUM CHARGES:

| | | | |
|-----|----------------------------|---------|---------|
| For | 5/8 x 3/4-inch meter | \$ 2.00 | \$ 4.00 |
| For | 1-inch meter | 4.00 | 6.00 |
| For | 1½-inch meter | 7.50 | 12.00 |
| For | 2-inch meter | 10.00 | 16.00 |
| For | 3-inch meter | 20.00 | 30.00 |
| For | 4-inch meter | 30.00 | 40.00 |

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

In the event meters are not available when customers apply for service the proper size connection will be made and the customer charged the minimum meter rate per month for the size meter required.

FLAT RATES

| <u>RATES:</u> | <u>Monthly Flat Rate</u> | |
|---|--------------------------|-----------------|
| | <u>Present</u> | <u>Proposed</u> |
| For single-family residence on a lot not to exceed 7,500 sq. ft. in area through a 3/4" service | \$ 3.00 | \$ 4.00 |
| For each additional family unit on a single lot | 2.00 | 3.00 |
| For each additional family unit on a single lot without a bath | 1.50 | 1.50 |
| For each additional 100 sq. ft. of lot area | .03 | .03 |
| For each store, market or shop (service connection not to exceed 3/4" | 3.00 | 4.00 |
| For each service station (service connection not to exceed 3/4" | 4.00 | 5.00 |
| For each 4-inch service connection | 15.00 | 20.00 |

SPECIAL CONDITIONS

1. All service not covered by the above classification will be furnished only on a metered basis.
2. Meters may be installed at the option of the utility or customer for above classifications, in which event service will hereafter be rendered only on the basis of the schedule covering General Metered Service.

The applicant estimates, that with certain adjustments, it experienced a loss in 1958 and in 1959. These figures were based on the assumption that in 1959 all services would be metered, which assumption has been changed. The staff assumed the non-metered service would remain and allowed some \$12,000 for additional plant to effectuate staff recommendations made in Case No. 6387. It also calculated that at present rates, with adjustments, the applicant had a loss in 1958 and in 1959.

At proposed rates the estimates are as follows for 1959, as indicated on page 11-3, Exhibit No. 4, herein:

| | <u>Staff</u> | <u>Company</u> |
|----------------------------------|--------------|----------------|
| Operating Revenues | \$15,920 | \$16,631 |
| <u>Operating Expenses</u> | | |
| Operation & Maintenance Expenses | 7,110 | 6,626 |
| Admin. & Gen. & Misc. Expenses | 2,664 | 2,995 |
| Taxes Other Than on Income | 1,320 | 1,131 |
| Depreciation | 1,762 | 1,420 |
| Income Taxes | <u>1,162</u> | <u>1,720</u> |
| Total Operating Expenses | 14,018 | 13,892 |
| Net Revenue | 1,902 | 2,739 |
| Depreciated Rate Base | 61,680 | 59,560 |
| Rate of Return | 3.08% | 4.60% |

From all of the evidence adduced in this matter we now find that the proposed increases in rates and charges, as hereinbefore described and authorized herein, are justified, and that the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED:

(1) That Pacific Water Co., a corporation, be and it is authorized to file in quadruplicate with the Commission, after the effective date of this order, in conformity with General Order No. 96, the schedules of rates as shown in Appendix A attached hereto, and upon not less than five days' notice to the Commission and to the public to make said rates effective for service rendered after September 16, 1960.

(2) That applicant shall file, within thirty days after the effective date hereof, four copies of a comprehensive map drawn to an indicated scale not smaller than 200 feet to the inch delineating by appropriate markings the tracts of land and territory served, the principal water production, storage and distribution facilities, and the locations of the various water system properties of the applicant.

(3) That the applicant shall study the depreciation reserve for the Lamont system to determine the proper adjustments to be made to the depreciation reserve. The results of this study shall be submitted to the Commission within six months after the effective date hereof.

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

Dated at San Francisco, California, this 16th day of August, 1960.

Cecil W. [Signature]
President

[Signature]
[Signature]

Theodore Jenner
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. IA-1

Lamont Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated territory including the community of Weed Patch, and vicinity, approximately 10 miles southeasterly of Bakersfield, Kern County.

RATES

| | <u>Per Meter</u> <u>Per Month</u> |
|--|--------------------------------------|
| Quantity Rates: | |
| First 800 cu.ft. or less | \$ 4.00 |
| Next 4,000 cu.ft., per 100 cu.ft. | .40 |
| Over 4,800 cu.ft., per 100 cu.ft. | .30 |
| Minimum Charge: | |
| For 5/8 x 3/4-inch meter | \$ 4.00 |
| For 1-inch meter | 6.00 |
| For 1 1/2-inch meter | 12.00 |
| For 2-inch meter | 16.00 |
| For 3-inch meter | 30.00 |
| For 4-inch meter | 40.00 |

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

APPENDIX A
Page 2 of 3

Schedule No. LA-2

Lamont Tariff Area

GENERAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated territory including the community of Wood Patch, and vicinity, approximately 10 miles southeasterly of Bakersfield, Kern County.

RATES

| | <u>Per Service Connection</u> <u>Per Month</u> |
|--|---|
| 1. For a single family residence, including premises not exceeding 7,500 sq.ft. in area | \$ 4.00 |
| a. For each additional residence on the same premises and served from the same service connection | 3.00 |
| b. For each additional residential unit, without bath facilities, on the same premises and served from the same service connection | 1.50 |
| c. For each 100 sq.ft. of area in excess of 7,500 sq.ft. | .03 |
| 2. For each store, market or shop | 4.00 |
| 3. For each service station | 5.00 |
| 4. For each 4-inch service connection | 20.00 |

(Continued)

Schedule No. IA-2 (Continued)

Lamont Tariff Area

GENERAL FLAT RATE SERVICE

SPECIAL CONDITIONS

1. The above flat rate charges apply to service connections not larger than 3/4-inch in diameter, except the specific rate applicable to a 4-inch service connection.

2. All service not covered by the above classification will be furnished only on a metered basis.

3. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. IA-1, General Metered Service. When a meter is installed at option of customer, metered service must be continued for at least 12 months before service will again be furnished at flat rates.