

ORIGINAL

Decision No. 62770

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
FRANK V. MAYO and CLARA ANN MAYO,
owners of OAK PARK COURT WATER
COMPANY, Stockton, San Joaquin County,
to increase rates.

Application No. 43356
(Filed April 27, 1961)

OPINION AND ORDER

By this application Frank V. Mayo and Clara Ann Mayo (Oak Park Court Water Company) seek authority to increase water rates for public utility water service rendered in Oak Park Court Subdivision located in the northwest section of the City of Stockton.

Applicants' operations are limited to serving 63 water connections within the subdivision. The water system is supplied from two wells and contains about 2,650 feet of mains. The local health department tests the water supply on a bimonthly basis, although applicants do not possess a "water supply permit" from the health department.

Applicants' system is fully metered and the rates now in effect have remained unchanged since 1942. The present minimum charge for water service is \$1.75 per month and includes delivery of 900 cubic feet of water for such charge. Applicants propose a service charge type of rate, whereby the monthly minimum charge

would be \$2.25 and all water used would be at charges additional to such amount. A comparison of billings is as follows:

<u>Typical Monthly Billings</u>			
<u>Cubic Feet Used</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
0	\$1.75	\$2.25	29%
100	1.75	2.38	36
900	1.75	3.41	95
1200	2.20	3.80	73
2000	3.40	4.83	42
3000	4.90	6.12	25
4000	6.10	7.41	22

An engineer of the Commission's staff has investigated applicants' system and operations and has analyzed applicants' earning position. His report shows that applicants operated the system at a loss of \$460 in 1960 and will sustain approximately the same loss for the year 1961. Under the rates which applicants have proposed, applicants would realize net revenues of about \$365. The engineer's report shows that such amount would produce an indicated rate of return of only 4.7 percent on a depreciated rate base of \$7,750.

In view of the showings made by applicants and the Commission's staff, the Commission finds (1) that applicants are in need of and entitled to increased revenues in the total amount sought, (2) that the rates which applicants have proposed are fair and reasonable rates for the service to be rendered thereunder and (3) that public hearing in this matter is not necessary. Further, the Commission finds that the increases in rates authorized herein are justified and that existing rates, insofar as they differ from those authorized herein, are for the future unjust and unreasonable.

Applicants will be required to up-date their various tariff and other filings, to conform depreciation accruals to present-day practices, to maintain complaint records and to apply for a water supply permit.

Based upon the record and the foregoing findings,

IT IS ORDERED as follows:

1. Applicants are authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformity with the provisions of General Order No. 96, the schedule of rates attached to this order as Appendix A, and, upon not less than five days' notice to the public and to this Commission, to make said rates effective for service rendered on and after December 1, 1961.

2. Applicants shall file in quadruplicate with this Commission, within forty-five days after the effective date of this order, in conformity with the provisions of General Order No. 96 and in a manner acceptable to the Commission, rules governing customer relations revised to reflect present-day operating practices, a revised tariff service area map showing definite boundaries, and current sample copies of printed forms that are normally used in connection with customers' services, the same to become effective upon five days' notice to the public and to this Commission after said filing.

3. Applicants shall file with this Commission, not later than sixty days after the effective date of this order, four copies of a comprehensive map, drawn to an indicated scale of not more than 100 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicants.

4. Beginning with the year 1961, applicants shall determine depreciation accruals by multiplying the dollar amount of depreciable utility plant by a composite rate of 2.8 percent. The depreciation rate shall be reviewed at intervals not exceeding five years, using the straight-line remaining life method, and results of such reviews shall be submitted to this Commission.

5. Applicants shall maintain a record of customer complaints and the disposition thereof, in conformity with the provisions of General Order No. 103 and within ten days after the effective date of this order shall notify this Commission in writing that provision for the keeping of such record has been made.

6. Applicants, within thirty days after the effective date of this order, shall apply to the appropriate public health agency for a water supply permit and within ten days thereafter shall notify this Commission in writing that such application has been made.

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

Dated at San Francisco, California, this 7th day of November, 1961.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The Oak Park Court Subdivision located in the northwest section of Stockton, San Joaquin County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 2.25
For 3/4-inch meter	2.50
For 1-inch meter	2.75
For 1 1/2-inch meter	4.25
For 2-inch meter	6.00
Quantity Rates:	
First 30,000 cu.ft., per 100 cu.ft.	\$ 0.129
Next 30,000 cu.ft., per 100 cu.ft.	0.10

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.