

ORIGINAL

Decision No. 63459

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CHARLES PASQUINI,
 doing business as MAYER TRACT WATER
 WORKS under Section 454 of the Pub-
 lic Utilities Code, to increase rates
 to offset increased cost of purchased
 water supplies and for an order
 granting interim relief for such
 increase.

Application No. 44148

INTERIM OPINION

Applicant operates a public utility water system in an area adjacent to the City of Santa Maria. The system has approximately 136 customers.

This verified application was filed on January 31, 1962. It avers that in July 1961 applicant's wells failed as a source of water supply for the system and that since July of 1961 it has been necessary for applicant to purchase his water from the municipal water department of the City of Santa Maria, at rates which each month result in an out-of-pocket operating loss. The application seeks an increase in rates to offset the difference between its "previous production costs and the cost of an equal amount of water purchased from the City of Santa Maria."

In view of the serious nature of the allegations in the application, the Commission staff was directed to make a prompt investigation of the situation. A report was made by the staff and it has been designated as Exhibit No. 1 in this proceeding.

The staff report substantiates the allegation concerning the failure of wells in July of 1961. However, the report indicates that since the filing of this application, applicant has re-equipped

and placed in operation one well. The staff report states that the water produced by this well is sufficient to meet the needs of applicant's customers, except for peak demands in the months of June, July, August and September. The staff estimates that during these months it will be necessary for applicant to purchase 25 per cent of his water supply from the City of Santa Maria. The report proposes a rate increase to cover the cost of obtaining the supplemental water.

The record indicates that unless immediate relief is granted to applicant, the water system will be forced to operate at an out-of-pocket loss in 1962, thereby endangering the existence of the system. The record justifies an immediate increase in rates to cover the water which the applicant will need to purchase from the City of Santa Maria. However, the question of permanent rates for applicant should be reserved until after a public hearing has been held in the matter. The rates authorized herein will result in an increase of approximately 17 per cent, the average customer's monthly bill increasing from about \$2.65 to \$3.09. The record indicates that applicant will still sustain an operating deficit at the authorized rates, but that the out-of-pocket loss will be halted.

The Commission finds and concludes that:

1. A public hearing is not necessary in connection with this interim order.
2. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.
3. The increases in rates and charges authorized herein are justified, that the rates and charges authorized herein are reasonable, and that the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

INTERIM ORDER

An application having been filed and the Commission having considered the record in this matter,

IT IS ORDERED that applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformance with the provisions of General Order No. 96A, the schedules of rates attached to this order as Appendix A and, on not less than five days' notice to this Commission and to the public, to make such rates effective for all service rendered on and after April 1, 1962. Said rates shall remain in effect until further order of this Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 21st
day of MARCH, 1962.

Charles H. Rye
President
John E. [unclear]
George J. Hoover
Fredrick B. Holshoff
Commissioners

Commissioner. C. Lyn Fox, being
necessarily absent, did not participate
in the disposition of this proceeding.

APPENDIX A
Page 1 of 2

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The territory including areas known as Mayer Tract, Bates and Saulsbury Addition, Sunrise Subdivision and portions of E. D. Taylor Estate Tract, located north of Santa Maria, Santa Barbara County.

RATES

Quantity Rates:

First 600 cu.ft. or less	\$ 2.25
Next 2,400 cu.ft., per 100 cu.ft.27
Over 3,000 cu.ft., per 100 cu.ft.22

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 2.25
For 1-inch meter	5.00
For 1 1/2-inch meter	9.00
For 2-inch meter	12.00

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

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APPENDIX A
Page 2 of 2

Schedule No. 2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The territory including areas known as Mayer Tract, Bates and Saulsbury Addition, Sunrise Subdivision and portions of E. D. Taylor Estate Tract, located north of Santa Maria, Santa Barbara County.

RATES

Per Service Connection
Per Month

1. For a single-family residential unit or first unit of a multiple residence, including premises not exceeding 2,000 sq.ft. in area	\$2.50	(I)
a. For each additional residential unit or house trailer on the same premises and served from the same service connection	1.30	
b. For each 100 sq.ft. of premises in excess of 2,000 sq.ft.02	
2. For each motel, auto court or trailer court, including first unit	2.50	
a. For each additional unit or trailer space95	
3. For each service station	3.50	
4. For each restaurant	4.50	
5. For each store or shop	3.10	
6. For each barber shop or beauty shop, including first two chairs	3.30	(I)
a. For each additional chair60	