

ORIGINAL

Decision No. 63765

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NATOMAS WATER COMPANY, a corporation,
for authority to revise Tariff
Schedule No. CO-1, Cordova Tariff
Area, General Metered Service.

Application No. 44236
(Filed March 2, 1962)

O P I N I O N

Applicant operates a public utility water system and furnishes water for domestic, commercial, irrigation and industrial purposes, including gold mining. A summary of applicant's history and a description of its water system consisting of its Folsom and Cordova Divisions are set forth in Decision No. 61116 dated November 22, 1960 (Application No. 41941), in which a general revision of applicant's rates and charges was authorized.

This proceeding was instituted to amend Schedule No. CO-1 of Decision No. 61116 (Appendix A, Page 9) which sets the schedule rates for general metered service in the applicant's Cordova Tariff Area. Said schedule now provides that when consumption exceeds 100,000 cubic feet per month, the rate per 100 cubic feet shall be \$0.015 on the excess. This reduction was adopted primarily to apply to municipal parks, but in effect Decision No. 61116 makes the schedule applicable to all commercial establishments, even apartment houses. Since Schedule No. CO-1 of Decision No. 61116 became effective all customers using over 100,000 cubic feet per month are now charged this lower incremental rate.

Schedule No. FO-1 on the Folsom Division was also adopted by Decision No. 61116 (Appendix A, Page 1). It imposes a rate of \$0.11 per 100 cubic feet when consumption exceeds 10,000 cubic feet per month on general metered service and applies to commercial establishments, including apartment houses, but not to municipal parks.

The application requests that Schedule No. CO-1 be revised so the quantity rate of \$0.015 per 100 cubic feet over 100,000 cubic feet per month be limited and confined to municipal parks. The application alleges the suggested revision will "(a) eliminate the present inequality between private quantity users in both Tariff Areas and (b) provide a rate for municipal parks in the Cordova Area which will be on a parity and comparable with the separate tariff established in the 1960 proceeding and applicable to municipal parks in the Folsom Tariff Area."

Following the filing of this application, an investigation of applicant's public utility water operations was made by a Commission staff engineer, who has now submitted to the Commission his report on the investigation. The report, which includes an analysis of the application, a summary of rates and revenues and the engineer's recommendations to the Commission, is hereby made a part of this record and designated Exhibit No. 1.

The staff report suggested that a rate of \$0.06 per 100 cubic feet for commercial establishments on amounts over 100,000 cubic feet per month in the Cordova Tariff Area is reasonable in comparison with upper block rates of other utilities in the area. This rate would result in less than a .05 percent increase in the

1961 adjusted rate of return which was computed at 6.7 percent. In the interest of rate compatibility the report further recommends the alteration of the Folsom Division Schedule No. FO-1 to incorporate a reduction in rate to \$0.06 per 100 cubic feet for usage over 200,000 cubic feet per month. Under normal conditions this would have a token effect on only one customer whose usage exceeded 200,000 cubic feet per month during the summer of 1961.

A comparison is given in the table below between the applicant's requested rates in Cordova and the staff's recommended rates therein; also between the presently effective rates in Folsom and the staff's recommended rates. These comparisons are set forth below, to the nearest dollar, for various consumptions starting at 100,000 cubic feet per month.

Comparison of Monthly Bills

CCF Per Month	Cordova Division Schedule CO-1			Folsom Division Schedule FO-1	
	Present	Proposed By Company	Staff Suggested	Present	Staff Suggested
1,000	\$124	\$124	\$124	\$114	\$114
2,000	139	244	184	224	224
3,000	154	364	244	334	284
4,000	169	484	304	444	344

CCF - 100 cubic feet.

The Commission staff reports that its suggested rates were discussed with applicant and that applicant has indicated that it would have no objection to their being adopted herein. We have considered the application and we find that a public hearing is not required and that the rates suggested by the staff will produce an over-all result which will be fair and reasonable; that 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.

A review of the record in Application No. 41941 reveals that the surveys and studies ordered by Decision No. 61116 have only been partially completed. Reference is hereby made to ordering paragraphs 4, 7, 8, 9 and 11 of that decision with which applicant has not fully complied. The applicant is hereby placed on notice that complete compliance should be accomplished as rapidly as possible. Accordingly, applicant will be required to file a progress report by not later than 30 days after the effective date of the order herein and at the conclusion of each succeeding 90-day period thereafter.

O R D E R

Natomas Water Company, a corporation, having applied to this Commission for an order authorizing a revision of Tariff Schedule No. CO-1, Cordova Tariff Area, General Metered Service, and based upon the application and staff report,

IT IS ORDERED that:

1. Applicant is authorized to file with this Commission after the effective date of this order, in conformity with General Order No. 96-A, the schedules of rates attached to this order as Appendix A 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 July 1, 1962.

2. Applicant shall file with this Commission within sixty days after the effective date of this order, in conformity with General Order No. 96-A and in a manner acceptable to the Commission, revised rules governing service to customers and a list of current

contracts and deviations. Such rules and list shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Applicant is placed on notice that it is expected to complete its compliance with ordering paragraphs 4, 7, 8, 9 and 11 of Decision No. 61116, dated November 22, 1960, as expeditiously as practicable, and is directed to inform the Commission, in writing, within thirty days after the effective date of this order, and at the conclusion of each succeeding 90 days thereafter as to the status of compliance with each of said paragraphs and of any reasons for failure to comply fully with same.

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

Dated at San Francisco, California, this 4th day of JUNE, 1962.

Walter H. Rouse
President

C. J. Fox

George G. Hoover

Frederick B. Heblhoff

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. CO-1

Cordova Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to metered water service, except that furnished for irrigation of municipal parks.

(T)

TERRITORY

Rancho Cordova and vicinity, located approximately 8 miles southwest of Folsom, Sacramento County.

(T)

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>	
First 800 cu.ft. or less	\$ 2.00	
Next 1,200 cu.ft., per 100 cu.ft. . . . .	.195	
Next 3,000 cu.ft., per 100 cu.ft. . . . .	.17	
Next 5,000 cu.ft., per 100 cu.ft. . . . .	.14	
Next 90,000 cu.ft., per 100 cu.ft. . . . .	.12	
Over 100,000 cu.ft., per 100 cu.ft. . . . .	.06	(I)
 Minimum Charge:		
For 5/8 x 3/4-inch meter.	\$ 2.00	
For 3/4-inch meter.	2.90	
For 1-inch meter.	4.75	
For 1 1/2-inch meter.	9.00	
For 2-inch meter.	13.00	
For 3-inch meter.	22.50	
For 4-inch meter.	35.00	
For 6-inch meter.	67.50	
For 8-inch meter.	110.00	

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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Schedule No. CO-7ML

Cordova Tariff Area

LIMITED METERED SERVICE

APPLICABILITY

Applicable to metered water service furnished to municipal parks.

TERRITORY

Rancho Cordova and vicinity, located approximately 8 miles southwest of Folsom, Sacramento County.

RATES

Quantity Rates:		<u>Per Meter Per Month</u>
First	800 cu.ft. or less	\$ 2.00
Next	1,200 cu.ft., per 100 cu.ft. . . . .	.195
Next	3,000 cu.ft., per 100 cu.ft. . . . .	.17
Next	5,000 cu.ft., per 100 cu.ft. . . . .	.14
Next	90,000 cu.ft., per 100 cu.ft. . . . .	.12
Over	100,000 cu.ft., per 100 cu.ft. . . . .	.015

Minimum Charge:

For	5/8 x 3/4-inch meter.	\$ 2.00
For	3/4-inch meter.	2.90
For	1-inch meter.	4.75
For	1 1/2-inch meter.	9.00
For	2-inch meter.	13.00
For	3-inch meter.	22.50
For	4-inch meter.	35.00
For	6-inch meter.	67.50
For	8-inch meter.	110.00

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

SPECIAL CONDITION

During periods of high demand, service under this schedule may be restricted to off-peak hours.

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Schedule No. FO-1

Folsom Tariff Area

GENERAL, METERED SERVICE

APPLICABILITY

Applicable to metered water service, except that furnished for irrigation of crops and of municipal parks.

(T)

TERRITORY

Folsom and vicinity, Sacramento County.

(T)

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 1,000 cu.ft. or less	\$ 2.00
Next 2,000 cu.ft., per 100 cu.ft. . . . .	.17
Next 7,000 cu.ft., per 100 cu.ft. . . . .	.14
Next 190,000 cu.ft., per 100 cu.ft. . . . .	.11
Over 200,000 cu.ft., per 100 cu.ft. . . . .	.06

(D)

Minimum Charge:

For 5/8 x 3/4-inch meter.	\$ 2.00
For 3/4-inch meter.	3.00
For 1-inch meter.	5.00
For 1 1/2-inch meter.	9.50
For 2-inch meter.	14.00
For 3-inch meter.	25.00
For 4-inch meter.	40.00
For 6-inch meter.	75.00
For 8-inch meter.	120.00

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