

Decision No. 65669

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of FULTON WATER COMPANY, a corpo-  
ration, for an order authorizing  
an increase in rates for water  
service rendered in and adjoining  
the unincorporated area of  
Carnelian Bay, Lake Tahoe,  
Placer County, California. )

) Application No. 45162  
) (Filed February 5, 1963)  
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O P I N I O N

Applicant requests an increase in rates for water service.

Applicant presently renders service in an unincorporated area in Placer County. The service area consists of approximately two square miles located one mile southwest of Carnelian Bay, Lake Tahoe. Applicant was formed in 1946 as a partnership. In 1961 it was incorporated and is presently affiliated with Fulton Estates Company. Service is provided to approximately 227 customers, of whom 98 pay for winter service in addition to summer service. Water is pumped from Lake Tahoe with a 20-horsepower pump at applicant's Lakeside Station and with 7½ and 10-horsepower pumps at the Ridgewood Station.

By the instant application authority is sought to increase the rate for a 3/4-inch flat rate summer residential service from \$20 to \$30. The existing \$45 flat rate for winter water service through a 3/4-inch service would remain the same. On larger services than 3/4-inch authority is requested to establish flat rate charges for both seasons. Authority is also requested to increase metered service rates although there are no metered services at present.

It is contended by applicant that the rates and charges presently effective for water service, are inadequate and insufficient to yield a reasonable return on the original cost of property and equipment dedicated to public use.

The staff made an investigation of the operation in March, 1963. Plant and facilities were inspected and utility records reviewed. The result of the investigation and the staff's recommendation were set forth in a report hereby made a part of the record as Exhibit 1.

A comparison between applicant's estimated results under present and proposed rates for the year 1963 with that of the staff's is as follows:

Item	Year 1963 Estimated			
	Applicant		Staff	
	Present	Proposed	Present	Proposed
Operating Revenues	\$9,500	\$11,970	\$9,055	\$11,335
<u>Deductions</u>				
Operating Expenses	6,090	6,090	6,030	6,030
Depreciation Expense	2,650	2,650	2,560	2,560
Taxes Other Than Income	500	500	405	405
Taxes on Income	150	925	100	555
Total Deductions	9,390	10,165	9,095	9,550
Net Revenues	110	1,805	(40)	1,785
Average Depreciated Rate Base	50,800	50,800	49,700	49,700
Rate of Return	0.2%	3.6%	Loss	3.6%

(Red Figure)

Excluded from consideration for rate making purposes by both applicant and the staff is a separate, noncontiguous subdivision area known as Panorama Estates. At the present time applicant is serving four customers in said area with existing facilities to serve 50 of the ultimate 130 lots.

The staff made the following recommendations:

1. The proposed rates should be authorized with minor modification of the metered rates to eliminate ambiguities and to adjust

the relative amounts of minimum charges for various sizes of meters.

2. Applicant should be required to have bacteriological tests of water samples made periodically in accordance with the Health Department instructions.

3. Applicant's tariffs should be amended by deleting therefrom a special condition which states in effect that unless 10 customers apply for winter service before October 1, the utility has the option of refusing to render service during that winter. Since the utility serves approximately 95 winter customers the need for the special condition no longer exists.

4. The present procedure of billing the full amount of the seasonal charge when initial service is first requested after the beginning of the season should be continued. However, the seasonal charge should be prorated on a daily basis and any overpayment should be credited against charges for the following year.

Public hearing is not necessary.

After consideration, the Commission finds that:

1. 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.

2. Applicant should amend its tariff to delete therefrom the special condition pertaining to winter service.

3. Opening bills should be prorated as recommended by the staff.

O R D E R

IT IS ORDERED that:

1. Applicant is authorized to file with this Commission, after the effective date of this order and 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 August 16, 1963.

2. Within forty-five days after the effective date of this order, applicant shall file with the Commission, in conformity with General Order No. 96-A, and in a manner acceptable to the Commission, a revised tariff service area map and copies of printed forms normally used in connection with customers' services. Such tariff service area map and forms shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Within sixty days after the effective date of this order, applicant shall file with the Commission four copies of a comprehensive map drawn to an indicated scale of not more than 400 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 applicant.

4. Applicant shall comply with General Order No. 103 and with the standards of the State of California, Department of Public Health as regards collecting and testing of water samples and of maintaining permanent records thereof; and shall notify the Commission, in

writing, of the arrangements and details thereof, within thirty days after the effective date of this order.

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

Dated at San Francisco, California, this 9<sup>th</sup> day of July, 1963.

Hallam W. Bennett  
President

John L. Mitchell

Everett W. Page

George E. Traver

Frederick B. Hallock  
Commissioners

APPENDIX A  
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Schedule No. 15

SEASONAL GENERAL METERED SERVICE

(T)

APPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

An area located approximately one mile southwest of Carnolian Bay, (T)  
Lake Tahoe, Placer County.

RATES

		<u>Per Meter</u> <u>Per Month</u>	
Monthly Quantity Rates:			
First	700 cu.ft. or less . . . . .	\$ 4.50	(I)
Next	1,300 cu.ft., per 100 cu.ft. . . . .	.30	
Next	2,000 cu.ft., per 100 cu.ft. . . . .	.25	
Over	4,000 cu.ft., per 100 cu.ft. . . . .	.20	(I)

Seasonal Minimum Charge:

		<u>Per Meter Per Season</u>		
		<u>Summer Season</u>	<u>Winter Season</u>	
		<u>May 1 through</u>	<u>Nov. 1 through</u>	
		<u>October 31</u>	<u>April 30</u>	
For	5/8 x 3/4-inch meter . . . . .	\$27.00	\$42.00	(I)
For	3/4-inch meter . . . . .	30.00	45.00	(N)
For	1-inch meter . . . . .	40.00	55.00	
For	1 1/2-inch meter . . . . .	50.00	70.00	
For	2-inch meter . . . . .	85.00	100.00	

The Seasonal Minimum Charge will entitle the customer to the quantity of water each month which one-sixth of the seasonal minimum charge will purchase at the Monthly Quantity Rates.

(N)

(Continued)

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE  
(Continued)

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons. (T)
2. The seasonal minimum charge is payable in advance on or before the initial day of the season. (T)  
(D)
3. The charge for water used in excess of the quantity allowed each month under the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility. When meters are read bimonthly or quarterly, the charge will be computed by doubling or tripling, respectively, the number of cubic feet to which each block rate is applicable on a monthly basis. (T)  
(N)
4. The opening bill for metered service, except upon conversion from flat rate service, shall be the established seasonal minimum charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth (1/180) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer. (N)

Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on a (T)  
seasonal basis.

TERRITORY

An area located approximately one mile southwest of Carnelian Bay, (T)  
Lake Tahoe, Placer County.

RATES

Per Service Connection	
Per Season	
Summer Season:	Winter Season :
May 1 through:	Nov. 1 through :
October 31 :	April 30 :

For a single-family residential unit, including premises:

Served through a 3/4-inch service	\$30.00	\$45.00	(T)
1-inch service	40.00	55.00	(N)
1 1/2-inch service	50.00	70.00	(N)

SPECIAL CONDITIONS

1. All service not covered by the above classifications shall be furnished only on a metered basis.

2. For service covered by the above classifications, if the utility (T)  
so elects, a meter shall be installed and service provided under Schedule (T)  
No. 1S, Seasonal General Metered Service, effective as of the first day (N)  
of the following calendar month. When the flat rate charge for a period (N)  
has been paid in advance, refund of the prorated difference between such  
flat rate payment and the minimum meter charge for the same period shall  
be made on or before that day. (N)

(Continued)



Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS (Continued)

3. The seasonal flat rate charge is payable in advance on or before the initial day of the season. (T)  
(T)  
(D)
4. Service may be taken under this schedule for either or both seasons.
5. The opening bill for flat rate service shall be the established seasonal flat rate charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth ( $1/180$ ) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer. (N)