

**ORIGINAL**Decision No. 6632S

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 Public )  
 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  
 (Filed January 31, 1962)

Richard W. Wood, for applicant.  
D. E. Steger, for the Commission staff.

O P I N I O N

This application was filed on January 31, 1962. It alleged, in part, that in July of 1961 applicant's wells failed as a source of water supply for his system, and it had been necessary for him to purchase water from the municipal water department of the City of Santa Maria, at rates which resulted in a monthly out-of-pocket operating loss. On March 20, 1962, the Commission entered an interim order (Decision No. 63459) which granted applicant an increase in rates to halt the monthly out-of-pocket losses. Decision No. 63459 provided that "the question of permanent rates for applicant should be reserved until after a public hearing has been held in the matter."

A duly noticed public hearing was held in this matter before Examiner Jarvis, at Santa Maria, on October 3, 1963, and the matter was submitted on that date.

The record discloses that subsequent to the interim order, applicant and the City of Santa Maria entered into negotiations

which contemplated acquisition of the system by the City. However, the City eventually decided not to acquire the system.

At the time the application was filed, applicant had two wells which failed. At the time of the interim order, applicant had re-equipped one well and placed it in operation, but it was still necessary for him to buy water from the City. After the acquisition negotiations between applicant and the City reached an impasse, applicant re-equipped the second well and placed it back in operation. Both wells are presently operating. Applicant has not purchased water from the City since February 1962.

The Commission staff presented a summary of earnings for the year 1962, as adjusted. This summary is based on the rates provided for in the interim order and is as follows:

| <u>Item</u>                             | <u>Year 1962<br/>Adjusted</u> |
|---|-------------------------------|
| Operating Revenues . . . . .            | \$ 8,520                      |
| Operating and Maintenance Expenses. . . | 4,040                         |
| Taxes . . . . .                         | 820                           |
| Depreciation. . . . .                   | <u>1,040</u>                  |
| Total Expenses . . . . .                | 5,900                         |
| Net Operating Revenue. . . . .          | 2,620                         |
| Average Depreciated Rate Base. . . . .  | 30,810                        |
| Rate of Return . . . . .                | 8.5%                          |

Applicant agreed with the staff report and did not present any other evidence with respect to earnings. A staff witness testified that the system had good pressure and there were no customer complaints. The staff also made certain technical recommendations with respect to the system.

Based upon the evidence of record in this matter, the Commission makes the following findings and conclusions:

Findings of Fact

1. The rates authorized in Decision No. 63459 are just and reasonable and should remain in effect as applicant's rates for water service.

2. Proper operation of the water system requires that applicant comply with the technical recommendations made by the Commission staff.

Conclusions of Law

1. The rates authorized in Decision No. 63459 should be continued in effect.

2. Applicant should be ordered to comply with the technical recommendations made by the Commission staff.

O R D E R

IT IS ORDERED that:

1. The rates authorized in Decision No. 63459 are hereby continued in effect.

2. Within one hundred eighty days after the effective date of this order, applicant shall conduct a customers' premises survey and apply his flat rate schedules in accordance with such survey.

3. Within ten days after the effective date of this order, applicant shall file with this Commission, in conformity with General Order No. 96-A, the schedule of rates, for construction and other temporary service, 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 January 1, 1964.

4. Applicant shall bill metered service customers on a monthly basis in accordance with his tariff, and shall bill all flat rate customers in advance in accordance with his tariff.

5. 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, revised rules governing service to customers, a revised tariff service area map and copies of printed forms normally used in connection with customers' services. Such rules, 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.

6. 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.

7. Beginning with the year 1963, applicant shall determine depreciation expense by multiplying depreciable utility plant by a rate of 2.5 percent. This rate shall be used until review indicates it should be revised. Applicant shall review the depreciation rate using the straight-line remaining life method when major changes in utility plant composition occur and at intervals of not more than five years, and shall revise the above rate in conformance with such

reviews. Results of these reviews shall be submitted to this Commission.

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

Dated at San Francisco, California, this 19<sup>th</sup> day of NOVEMBER, 1963.

William L. Bennett  
President  
John S. Mitchell  
Carroll L. Rose  
George A. Grover  
Fredrick B. Holdoff  
Commissioners

APPENDIX A  
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Schedule No. 9FC

CONSTRUCTION AND OTHER TEMPORARY SERVICE

APPLICABILITY

Applicable to all temporary water service furnished for construction purposes and for all water delivered to tank wagons or trucks.

TERRITORY

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

RATES

For water delivered to tank wagon or truck, per 100 gal. of tank capacity . . . . . \$0.05

For sprinkling subgrade of street, roadway, or other areas of settled subgrade, per 3,000 sq.ft. of roadway . . 1.50

For settling backfill of trenches, for each lineal foot of trench with 16 sq.ft. of cross-sectional area, or less. . . . . 0.02

Minimum Charge:

Per Month

For any service under this schedule . . . . . \$2.50

SPECIAL CONDITIONS

1. For other temporary uses the quantity of water used shall be estimated or metered by the utility. Charges for such water shall be at the quantity rates for General Metered Service.

2. The applicant for temporary service shall be required to pay the utility in advance the net cost of installing and removing any facilities necessary in connection with furnishing such service by the utility.

(Continued)

APPENDIX A  
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Schedule No. 9FC

CONSTRUCTION AND OTHER TEMPORARY SERVICE

SPECIAL CONDITIONS (Continued)

3. The applicant for temporary service shall be required to deposit with the utility a sum of money equal to the estimated amount of the utility's bill for such service or to otherwise secure, in a manner satisfactory to the utility, the payment of any bills which accrue by reason of such service so furnished or supplied.