

ORIGINAL

Decision No. 67141

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of CITIZENS UTILITIES COMPANY OF )  
CALIFORNIA, a corporation, for )  
authority to increase its rates )  
and charges for water service to )  
Guerneville, Rio Nido, Guernewood )  
Park, Northwood and Monte Rio )  
and adjacent territory in Sonoma )  
County. )

Application No. 44209  
Filed February 21, 1962

Bacigalupi, Elkus & Salinger, by William G. Fleckles,  
for applicant.

George W. E. Wooldridge, R. E. Siggins, Gunner G. Gunheim and Harry Hoyer, in propria personae;  
Jacqueline Tinney, for Mrs. Ruth Tinney, Mr. and Mrs. F. R. Robinson, Mr. and Mrs. B. Farrell, Mr. and Mrs. C. Ferrando, Mr. and Mrs. Violet Sibilis and self; Arthur F. Fitzgerald, for Russian River Inn; Viola Veronda, for Villa Grande residents; Richard L. Burdon, for Ray Wilkerson and self; and W. S. Hodges, for Villa Grande summer residents and self, protestants.

Edna Jewell and George Munk, in propria personae; and W. S. Hodges, for Villa Grande summer residents and self, interested parties.

Cyril M. Saroyan and Robert W. Beardslee, for the Commission staff.

### O P I N I O N

This application was heard before Examiner Coffey at Guerneville on September 20, 21, 27 and 28, 1962. By Decision No. 65425, dated May 21, 1963, applicant was authorized to file interim rates and charges which would have increased applicant's revenues 39 percent in the test year.

At the hearings public witnesses who were summertime residents maintained that they should pay only on a use basis and should not be billed a minimum charge. Inasmuch as the record did not include information required to test the reasonableness either of

the existing rate structure or of a revised rate structure, Decision No. 65425 authorized rates and charges for an interim period to enable applicant to prepare and file a cost-of-service study so that this Commission might be advised of the relative costs which appropriately should be recovered from part-time and permanent residents by service or minimum charges, quantity charges and connection charges. Applicant has filed the ordered cost-of-service study.

Applicant's present tariffs provide for annual and seasonal metered service rates for all services except private and public fire protection service. Annual minimum charges apply to service during the 12-month period commencing January 1, while seasonal minimum charges apply to service during the 8-month period of March through October. The minimum charges entitle the consumers to prescribed monthly quantities of water and are due in advance. Charges for water used in excess of the quantities allowed for the minimum charge may be billed monthly, bimonthly or quarterly, at the option of the company on a noncumulative monthly consumption basis.

Applicant included in its cost-of-service study the proposal that a connection charge be established for new customers at the same rate as the proposed rate for reconnection of discontinued services, and that the annual and seasonal minimum charges in the interim rate schedules be eliminated through the substitution of an annual service charge for all metered service. The service charge is designed to cover the customer and demand components of the cost of service. After this service charge, the remaining costs of service would be recovered by applying quantity rates for water used.

The following table summarizes applicant's present minimum rates and proposed service charge rates:

PRESENT AND PROPOSED RATES

Quantity Rates

	<u>Per 5/8 x 3/4-inch Meter Per Month</u>		
	<u>PRESENT</u>		<u>PROPOSED</u>
	<u>Annual</u>	<u>Seasonal</u>	
First 500 cu.ft. ....	\$3.15	\$4.20	-
Next: 4,500 cu.ft., per 100 cu.ft.	.46	.46	-
Over: 5,000 cu.ft., per 100 cu.ft.	.38	.38	-
Each 100 cu.ft. ....	-	-	\$0.25*

\* Plus \$3 per month service charge.

MINIMUM OR SERVICE CHARGE

	<u>PRESENT</u>		<u>PROPOSED</u>
	<u>Minimum Charge</u>		<u>Service Charge</u>
	<u>Per Meter Per Year</u>	<u>Per Meter Per Season</u>	<u>Per Meter Per Year</u>
For 5/8 x 3/4-inch meter ...	\$ 37.80	\$ 33.60	\$ 36.00
For 3/4-inch meter ...	54.40	44.60	48.00
For 1-inch meter ...	70.00	63.00	75.00
For 1½-inch meter ...	132.00	118.00	132.00
For 2-inch meter ...	204.00	184.00	204.00
For 3-inch meter ...	-	-	408.00
For 4-inch meter ...	-	-	600.00

The Annual Minimum Charge will entitle the customer to the quantity of water each month which one twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

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

The Annual 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 Rate.

Applicant proposed that \$5 be charged for connections and reconNECTIONS performed during regular working hours and \$7.50 be charged for connections and reconNECTIONS performed other than regular working hours.

The proper allocation of costs between summertime and all-year residents of resort areas has been a recurring problem. Part-time residents increase the summer peaks of consumption above that required by permanent residents, thus increasing the plant facilities and annual expenses above those which would be required to adequately serve permanent residents.

We find reasonable applicant's proposal to eliminate the annual and seasonal minimum charges and to substitute therefor an annual service charge for all metered service.

The proposed service charge rates have been modified to the extent of decreasing the monthly quantity rate per 100 cubic feet from \$0.25 to \$0.24. Both types of customer will pay a service charge, or readiness-to-serve charge, with no water being allowed for this charge. An additional charge will be made for any water used. The service charge type of rate will eliminate any subsidization of the seasonal customer by the year-round customer and the payment by the seasonal customer for a water allowance which was not used.

#### Findings

Upon consideration of the evidence the Commission finds that:

1. Applicant's rates should be increased and decreased as provided in the order following.
2. The present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.
3. The rates and charges authorized herein are justified and are reasonable.

The Commission concludes that the applicant should be authorized to file the schedule of rates attached to this order.

The rates and charges herein authorized will not increase applicant's gross revenue. The average annual cost of water for the average seasonal residential customer will increase from \$36.68 to \$40.33 and for the average year-round customer will decrease from \$49.61 to \$48.45.

O R D E R

IT IS ORDERED that 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 schedule 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 June 1, 1964. Such filing shall cancel present tariff Schedule No. GU-1A, Annual General Metered Service and Schedule No. GU-1S, Seasonal General Metered Service.

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

Dated at San Francisco, California, this 28th day of April, 1964.

William M. Beune  
President

Robert W. Page

George T. Crover

Fredrick B. Halloff  
Commissioners

APPENDIX A  
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Schedule No. GU-1A  
Guerneville Tariff Area  
ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Guerneville, Rio Nido, East Guerneville, Guerneville Park, Northwood, Monte Rio, Vacation Beach, River Meadows and vicinity, Sonoma County.

RATES

Quantity Rate:	<u>Per Meter</u> <u>Per Month</u>
All Quantities, per 100 cu.ft. . . . .	\$ 0.24
Annual Service Charge:	<u>Per Meter</u> <u>Per Year</u>
For 5/8 x 3/4-inch meter . . . . .	\$ 36.00
For 3/4-inch meter . . . . .	48.00
For 1-inch meter . . . . .	75.00
For 1 1/2-inch meter . . . . .	132.00
For 2-inch meter . . . . .	204.00
For 3-inch meter . . . . .	408.00
For 4-inch meter . . . . .	600.00

The Annual 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 Rate.

(Continued)

APPENDIX A  
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Schedule No. CU-1A

Guerneville Tariff Area

ANNUAL GENERAL METERED SERVICE

RATES—Contd

Service Establishment Charge:

For each establishment or re-establishment of  
water service . . . . . \$ 4.00

SPECIAL CONDITIONS

1. The opening bill for general metered service shall be the established annual service charge. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth (1/365) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the billing year, to pay a prorated service charge in advance on a bimonthly basis equal to one-sixth of the annual service charge.

2. The service establishment charge provided for herein is in addition to the charges calculated in accordance with this schedule and will be made each time an account is opened or reopened for a customer at the time water service is to be established, restored after discontinuance at customer's request or transferred to a different customer which requires a meter reading.