

Decision No. 70669

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ROLLING GREEN UTILITIES, INC., for an order establishing rates for public fire hydrant service.

Application No. 48218
(Filed January 31, 1966)

OPINION AND ORDER

Rolling Green Utilities, Inc., a public utility gas and water company, certificated by Decision No. 69724, dated September 28, 1965, in Application No. 47642, seeks the establishment of a public fire hydrant service rate of \$6.00 per month for each hydrant.

Applicant alleges that it has three water customers and only three public fire hydrants presently installed on its system; that its service area is within the boundaries of the Big Pine fire district; that its service area comprises 80 acres known as Rolling Green Terrace in the vicinity of Big Pine; that its facilities are comparable to those provided by the Department of Water and Power of the City of Los Angeles to the town of Big Pine; and that the latter's charge is \$6.00 per month per hydrant.

Applicant further alleges that establishment of the proposed fire hydrant rate will relieve the general water user from a burden of higher rates in order to provide for the special costs to supply the special needs of one segment of the community, and that granting of the instant application would not

result in an unreasonable rate of return. Exhibit "B" to the application is a pro forma earning statement of the consolidated water and gas service operations for the first year. Said exhibit shows gross revenues from 26 average active customers to be \$1,560 and from fire hydrant service \$216, with a net loss of \$698 after operating expenses totaling \$2,474.

A report dated March 31, 1966, of a Commission staff engineer is hereby made a part of the record as Exhibit 1.

Said exhibit contains the following conclusions:

- (a) The proposed hydrant rate of \$6.00 per month is higher than that of most regulated utilities under Commission jurisdiction.
- (b) Hydrant rates are usually set historically by considering equivalent service charges of surrounding utilities.
- (c) With first class hydrants on 6-inch mains, but not considering the unknown costs of providing the necessary back-up plant, the applicant's cost of \$400 per hydrant would justify a monthly rate of \$4.50.
- (d) Since applicant's water system will not be capable of furnishing the sustained fire flow required by the fire district, a monthly rate of \$6.00 per hydrant would be excessive, but a monthly rate of \$4.50 per hydrant would be reasonable.

We find that a public hearing is not necessary; that the staff conclusions are reasonable; and that the application should be granted in part.

IT IS ORDERED that:

1. After the effective date of this order, Rolling Green Utilities, Inc., is authorized to file the rate schedule for

public fire hydrant service in the form attached hereto as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the rate schedule shall be June 1, 1966, or four days after the date of filing, whichever is later. The rate schedule shall apply only to service rendered on and after the effective date thereof.

2. In all other respects this application is denied. The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 10th day of MAY, 1966.

Frederick B. Holcomb
President

George G. Dwyer

Augusta

William L. Bennett
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized fire districts and other political subdivisions of the State.

TERRITORY

Rolling Green Terrace and vicinity, adjacent to Highway 395, located approximately one mile northwest of Big Pine, Inyo County.

RATE

Per Month

For each hydrant \$4.50

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rates under Schedule No. 1, General Metered Service.
2. Relocation of any hydrant shall be at the expense of the party requesting relocation.
3. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public agency. Such authorization shall designate the specific location at which each is to be installed.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.