

ORIGINAL

Decision No. 71122

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Dunsmuir Water Corporation
for an order authorizing it to
increase rates for water service.

Application No. 48457
(Filed May 9, 1966)

O P I N I O N

Dunsmuir Water Corporation seeks authority to increase its rates for water service to offset newly established gross revenue taxes which became effective July 1, 1966. The Commission staff has reviewed and analyzed this application and prepared a report thereon which is hereby made a part of the record as Exhibit No. 1.

Service Area

Applicant's territory consists of two separate service areas in Siskiyou County, in and about Dunsmuir and Fort Jones. Applicant's 1965 annual report to this Commission shows 1,277 active service connections, exclusive of hydrants, in both systems as of the end of the year. Exhibit No. 1 shows that the Dunsmuir system alone now serves 1,350 customers. The record does not show how many of the Dunsmuir system customers are outside of the Dunsmuir city limits.

Rates

Applicant's present Dunsmuir Tariff Area rates provide for general metered service and fire protection service. These rates became effective September 1, 1964, pursuant to Decision No. 67549 in Application No. 45342.

Applicant proposes to increase the present rates and charges within the city limits of Dunsmuir by two percent.

City Business License

A business license tax, equal to "2% of Gross Revenues from City Facilities or originating in City", has been imposed by the City of Dunsmuir upon applicant. Inasmuch as the city business license fee was a flat \$35 per year at the time of applicant's last rate proceeding, no provision was made for a percentage-of-revenue tax in the expense estimates upon which the present rates are based.

Financial and Rate Requirements

The increase in business license tax apparently is applicable to practically all of the Dunsmuir Tariff Area revenue received by applicant. At applicant's estimated current annual revenues, this would increase annual expenses by about \$1,200.

Decision No. 67549, dated July 21, 1964, in Application No. 45842, found a rate of return of 6.5 percent for the test year to be reasonable for applicant. Exhibit No. 1 shows that, in the opinion of the Commission staff, (1) the proposed rate increase will approximately offset the increased business license tax, (2) there is no indication that the rate of return of 6.5 percent authorized for the test year will be exceeded under normal conditions, and (3) applicant's proposed revised rate schedules will result in an increase of about nine cents per month for customers within the city limits of Dunsmuir.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of increased revenues to offset the increases in business license taxes which became effective July 1, 1966.

2. Applicant's proposed rates will produce the additional operating revenues required to offset the increased business license tax.

3. The increases in rates and charges authorized herein are justified; the rates and charges authorized herein are reasonable; and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

A public hearing is not necessary.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that, after the effective date of this order, applicant Dunsmuir Water Corporation is authorized to file the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be September 1, 1966, or the date of filing, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 16th day of AUGUST, 1966

[Signature]
President
George J. Hoover
Attorney

[Signature]
Commissioners

Commissioner Frederick B. Holeboff, being necessarily absent, did not participate in the disposition of this proceeding.

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Schedule No. 1

Dunsmuir Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Dunsmuir and vicinity, Siskiyou County.

RATES

Quantity Rates:

	<u>Per Meter</u> <u>Per Month</u>
First 600 cu.ft. or less	\$ 2.35
Next 400 cu.ft., per 100 cu.ft.39
Next 2,000 cu.ft., per 100 cu.ft.33
Next 3,000 cu.ft., per 100 cu.ft.24
Next 6,000 cu.ft., per 100 cu.ft.18
Over 12,000 cu.ft., per 100 cu.ft.11

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 2.35
For 3/4-inch meter	3.30
For 1-inch meter	5.25
For 1 1/2-inch meter	10.00
For 2-inch meter	14.00
For 3-inch meter	24.00
For 4-inch meter	32.00
For 6-inch meter	50.00
For 8-inch meter	70.00

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

SPECIAL CONDITION

1. All billing under this schedule to customers in the City of Dunsmuir is subject to a surcharge of 2.0%.

(N)
(N)

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Schedule No. 4

Dunsmuir Tariff Area

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished to privately owned fire protection systems.

TERRITORY

Dunsmuir and vicinity, Siskiyou County.

RATES

	<u>Per Month</u>
For 3-inch service, or smaller	\$ 2.65
For 4-inch service	4.00
For 6-inch service	10.00
For 8-inch service	16.00
For 10-inch service	25.00

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or

(Continued)

Schedule No. 4

Dunsmuir Tariff Area

PRIVATE FIRE PROTECTION SERVICE
(Continued)

SPECIAL CONDITIONS (Contd.)

waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

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.

5. All billing under this schedule to customers in the City of Dunsmuir is subject to a surcharge of 2.0%. (N)
(N)

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Schedule No. 5

Dunsmuir Tariff Area

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

Dunsmuir and vicinity, Siskiyou County.

RATE

Per Month

For each hydrant \$ 2.45

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. The cost of installation and maintenance of hydrants shall be borne by the utility.

3. Relocation of any hydrant shall be at the expense of the party requesting relocation.

4. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public authority. Such authorization shall designate the specific location at which each is to be installed.

5. 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.

6. All billing under this schedule to customers in the City of Dunsmuir is subject to a surcharge of 2.0%.

(N)
(N)