

ORIGINALDecision No. 71885

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the LLANO DEL)	
RIO WATER CO., for authority to)	Application No. 48635
increase rates for water service)	(Filed July 18, 1966;
in the vicinity of Crystallaire,)	amended August 22, 1966.)
Los Angeles County.)	

OPINION AND ORDER

Llano del Rio Water Co., which furnishes flat rate domestic water service to 25 residences, a 15-unit lodge, a country club and Blalock-Eddy Ranch, and irrigation service to the country club golf course, seeks authority to increase its presently filed residential and commercial flat rate service rates by the establishment of new tariffs for general, limited, and irrigation flat rate service and to increase the present rates for general and limited metered service. No change is requested in irrigation service rates.

Although authorized to provide service only on a metered basis, applicant has never metered its system and has been providing service on a flat rate basis. The flat rates being charged are equivalent to the authorized monthly minimum metered charges. The flat rate service line sizes correspond to the meter sizes.

Letters were mailed by applicant at the request of the Commission on September 27, 1966 to each customer comparing present rates with those proposed in the application and soliciting any comments on service problems.

Two responses were received protesting the amount of the proposed increase, but no comments were made regarding quality of service and no informal complaints have been filed with the Commission during the last four years.

A Commission staff engineer and a Commission staff accountant have submitted a report on the results of their investigation of the application. Said report is received as Exhibit No. 1.

The present monthly rate being charged for single-family residence with a 3/4-inch connection is \$3.00, proposed to be increased to \$5.50; for a one-inch service connection it is \$4.50, proposed to be increased to \$7.25; for a 1½-inch connection it is \$7.50, proposed to be increased to \$10.50; for the club house, snack bar and ranch house, with a 2-inch service connection it is \$15, proposed to be increased to \$20. Applicant also proposes a general flat rate service rate for each hotel, apartment, or motel, including first unit office and utility rooms of \$5.50 per service connection per month, and \$5.50 for each additional unit. Also proposed is the establishment of a limited flat rate service for each single-family residential unit, including premises with a 3/4-inch service connection, of \$5.50 per service connection per month; and for each store, market, shop or service connection with a 2-inch service connection, of \$20 per service connection per month. The charge for all water delivered under the proposed irrigation flat rate service would be \$6,000 per year.

The following tabulation summarizes and compares applicant's results of operation for the reported year 1965, and the year 1966 at present and proposed rates as estimated by the applicant and by the staff:

Results of Operation
(Per Ex. No. 1)

Item	: Reported: : 1965	: Estimated Year 1966			
		: Present Rates : Applicant:	: Staff	: Proposed Rates : Applicant:	: Staff
Operating Revenues	\$ 7,730	\$ 7,834	\$ 7,834	\$ 9,140	\$ 9,819 ^a
Operating Expenses	7,113	7,950	6,820	7,950	6,820
Depreciation	3,536	3,470	2,140	3,470	2,140
Taxes	908	910	910	910	910
Total Oper. Exp.	11,557	12,330	9,870	12,330	9,870
Net Revenue	(3,827)	(4,496)	(2,036)	(3,190)	(51)

(Red Figure)

^a Adjusted to correctly apply rates requested.

The Commission finds as follows:

1. Applicant's present rates for the years 1965 and 1966 have been and are deficient, and applicant has been incurring and may be expected to continue to incur annual operating losses at the presently authorized rates.

2. The rates proposed in the application will basically compensate for out-of-pocket expenses, including depreciation and taxes, with no net revenue available for return on rate base.

3. The recommendations submitted by the Commission staff in Exhibit No. 1, namely that: applicant be authorized to file the rates requested by it; applicant be required to use a remaining life depreciation rate of 2.3 percent; applicant be directed to comply with Paragraph II.4 of General Order No. 103, regarding

measuring its sources of supply, and Paragraph I.10.a of General Order No. 103, regarding the preparation and filing of a system map; and applicant be required to retire utility property as prescribed in the Uniform System of Accounts for Class D Water Utilities, are reasonable.

4. The rates authorized herein are justified and reasonable, and present rates, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

A public hearing is not necessary.

It is concluded that the application should be granted; therefore,

IT IS ORDERED as follows:

1. After the effective date of this order, applicant Llano del Rio Water Co. is authorized to file the 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 February 15, 1967 or four days after the date of filing, whichever is later. The revised schedules shall apply only to service rendered on or after the effective date thereof.

2. For the year 1967, applicant shall apply a depreciation rate of 2.3 percent to the original cost of depreciable plant. Until review indicates otherwise, applicant shall continue to use this rate. Applicant shall review its depreciation rates at intervals of five years and whenever a major change in depreciable plant occurs. The results of each review shall be submitted promptly to the Commission.

3. Applicant shall measure the production of its sources of water supply and maintain production records pursuant to Paragraph II.4.a. and b. of General Order No. 103. Within ten days

after the installation of appropriate measuring device(s) applicant shall submit written notice thereof to the Commission.

4. Applicant shall prepare and keep current the system map required by paragraph I.10.a. of General Order No. 103. Within ninety days after the effective date of this order, applicant shall file with the Commission two copies of this map drawn to an indicated scale of not more than 400 feet to the inch.

5. Applicant shall record retirement of utility plant as prescribed by General Instruction 4B of the Uniform System of Accounts for Class D water utilities.

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

Dated at San Francisco, California, this 24th day of JANUARY, 1967.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

Commissioner WILLIAM SYMONS, JR. did not participate in the disposition of this proceeding.

APPENDIX A
Page 1 of 5

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

An area comprising approximately 1,140 acres located in portions of Sections 4, 5 and 6, T.4 N., and Sections 31 and 32, T.5 N., all in R.9 W., S.3.B. & M., and vicinity, near Llano, Los Angeles County. (T)

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rates:		
First 800 cu.ft. or less	\$ 4.25	(I)
Next 1,200 cu.ft., per 100 cu.ft.25	
Next 3,000 cu.ft., per 100 cu.ft.20	
Over 5,000 cu.ft., per 100 cu.ft.15	
Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 4.25	(I)
For 3/4-inch meter	5.00	
For 1-inch meter	7.25	
For 1½-inch meter	12.00	
For 2-inch meter	17.00	(I)
For 4-inch meter	50.00	
For 6-inch meter	100.00	

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

Schedule No. 2

GENERAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate water service.

TERRITORY

An area comprising approximately 1,140 acres located in portions of Sections 4, 5 and 6, T.4 N., and Sections 31 and 32, T.5 N., all in R.9 W., S.B.B.& M., and vicinity, near Llano, Los Angeles County.

RATES

Per Service Connection
Per Month

- | | |
|--|---------|
| 1. For a single-family residential unit, including premises: | |
| a. 3/4-inch service connection | \$ 5.50 |
| b. 1-inch service connection | 7.25 |
| c. 1 1/2-inch service connection | 10.50 |
| d. 2-inch service connection | 20.00 |
| 2. For each hotel, apartment or motel including first unit, office and utility rooms | 5.50 |
| a. For each additional unit | 5.50 |
| 3. For Crystallaire Country Club clubhouse, drinking fountains and greenskeeper's residence, 2-inch service connection ... | 20.00 |

SPECIAL CONDITIONS

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

2. Meters shall be installed if either utility or customer so chooses for above classifications, in which event service thereafter shall be furnished only on the basis of Schedule No. 1, General Metered Service.

Schedule No. 3FL

IRRIGATION FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate, untreated irrigation service furnished to the Crystallaire Country Club.

TERRITORY

An area comprising approximately 110 acres, known as the Crystallaire Country Club, located in portions of Sections 31 and 32, T.5 N., R.9 W., S.B.B.& M., and vicinity near Llano, Los Angeles County.

RATES

Per Year

For all water delivered \$6,000

SPECIAL CONDITIONS

1. A monthly charge of \$500 will be due and payable on the first day of each month.

2. Meters shall be installed if either the utility or the customer so chooses for the above classifications, in which event service thereafter shall be furnished on the basis of Schedule No. 3L, Irrigation Service.

APPENDIX A
Page 4 of 5

Schedule No. 11

LIMITED METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished to Blalock-Eddy Ranch.

TERRITORY

The Blalock-Eddy Ranch near Llano, Los Angeles County. (T)

RATES

		<u>Per Meter</u>	
		<u>Per Month</u>	
Quantity Rates:			
First	800 cu.ft. or less	\$ 4.25	(I)
Next	1,200 cu.ft., per 100 cu.ft.25	
Next	3,000 cu.ft., per 100 cu.ft.20	
Over	5,000 cu.ft., per 100 cu.ft.15	
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 4.25	(I)
For	3/4-inch meter	5.00	
For	1-inch meter	7.25	
For	1 1/2-inch meter	12.00	
For	2-inch meter	17.00	(I)
For	4-inch meter	50.00	
For	6-inch meter	100.00	

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

SPECIAL CONDITIONS

1. Service under this schedule will be limited to one service connection to the Blalock-Eddy Ranch system to supply a quantity of water not to exceed 2,000 cubic feet per day.

2. The service connection will be located by the utility at approximately the southerly boundary line of the northerly 1/4 of Section 32, T.5 N., R.9 W., S.B.B. & M., said point of connection being at or within the boundary of the utility's certificated service area.

Schedule No. 2L

LIMITED FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service furnished to Blalock-Eddy Ranch.

TERRITORY

The Blalock-Eddy Ranch near Llano, Los Angeles County.

RATES

Per Blalock-Eddy Ranch
System Service Connection
Per Month

- | | |
|--|---------|
| 1. For each single family residential unit, including premises, with 3/4-inch service connection | \$ 5.50 |
| 2. For each store, market, shop or service station, with 2-inch service connection | 20.00 |

SPECIAL CONDITIONS

1. Service under this schedule will be limited to service connections to the Blalock-Eddy Ranch system.
2. A meter shall be installed if either utility or customer so chooses for above classification, in which event service thereafter shall be furnished only on the basis of Schedule No. 1L, Limited Metered Service.