

ORIGINAL

Decision No. 72094

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Carnelian Bay Water Company, a corporation, for an order authorizing an increase in rates for water service.

Application No. 48774
(Filed September 12, 1966)

O P I N I O N

The applicant seeks authorization to combine its present summer and winter rates. It serves an area adjacent to Lake Tahoe in Placer County. A report signed by an engineer of the Commission's Utilities Division, Hydraulic Branch, and a Financial Examiner of its Finance and Accounts Division is received as Exhibit No. 1.

Applicant's service area contains 92 potential customers. Not all of these, however, subscribe for water service in any particular year. Notice of this application was duly given to customers in September 1966.

Applicant currently has on file a summer flat rate of \$30 and a winter flat rate of \$45. It seeks to combine these into an annual rate of \$75. The notices referred to above produced seventeen letters, most of which protested the elimination of seasonal rates. Many customers protested that they cannot reach their properties during the winter months because the county does not keep the roads open. They state that these are neither dedicated nor paved.

There have been no informal complaints against this utility since January 1, 1963. Apparently pressures have been adequate. Customers interviewed by the staff opposed annual rates but did not complain of service. The system has much pipe of substandard diameter and much that is not buried to an adequate depth.

The staff was of the opinion that, in spite of these deficiencies, service was reasonably adequate for this resort area. It would be unreasonable, however, to impose annual rates. Many customers cannot reach their properties in winter and if they could might find the utility unable to serve them because of frozen piping. The seasonal flat rates will be continued, but optional annual flat rates, together with annual and seasonal rates for metered service, will be established.

The applicant has not kept its records in the manner prescribed by the uniform system of accounts. It will be ordered to do so.

The staff estimated that, for the year 1967, applicant's present rates would yield 4 percent, unreasonably low, and the proposed rates 16.1 percent, unreasonably high. The staff developed rates calculated to yield 7 percent on its estimated rate base of \$18,420. These appear reasonable and will be adopted.

The Commission finds that:

1. The estimates of operating revenues, expenses, including taxes and depreciation, and the rate bases as submitted by the staff for the year 1967; reasonably represent the results of applicant's operations for the purposes of this proceeding.
2. The increases in rates and charges authorized herein are justified, that the rates and charges authorized herein are reasonable, and that the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.
3. Applicant's records have not been kept in accordance with the Commission's uniform system of accounts.

The Commission concludes that applicant should be authorized to increase its rates to the extent authorized by the following order.

Applicant is placed on notice that it is expected to bury all new piping under at least thirty inches of cover wherever the nature of the terrain permits. It will further be expected to cover existing mains, wherever they are lowered, to allow the same cover and to design all of its installations to comply with General Order No. 103 of this Commission.

O R D E R

IT IS ORDERED that:

1. After the effective date of this order, Carnelian Bay Water Company 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 March 16, 1967, or four days after the date of filing, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.
2. Within ninety days after the effective date of this order, applicant shall file with the Commission two copies of a revised system map prepared as required by paragraph I.10.a. of General Order No. 103.
3. Within twenty days after the effective date of the filing of the rates authorized herein, applicant shall file an up-to-date tariff sheet Form No. 3, "Bill for Service".
4. Applicant shall maintain its books of account in accordance with the prescribed Uniform System of Accounts for Class D Water Utilities and by December 31, 1967 shall record therein the staff

adjusted balances for utility plant accounts and depreciation reserve, at December 31, 1965, as set forth in the tabulation entitled "Utility Plant and Depreciation Reserve" contained in Exhibit 1 in this proceeding.

5. Applicant shall compute and record in Ac. No. 503 and Ac. No. 250 its depreciation accrual for the year 1966 and subsequent years using the composite rate of 2.1 percent. It is further ordered that applicant shall continue to review its depreciation rates at not more than five-year intervals, as specified in Decision No. 59722, and that any rate or rates established in such a review and recognized by the Commission shall thereafter be used in recording future depreciation accruals and expenses.

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

Dated at San Francisco, California, this 28th day of FEBRUARY, 1967.

William M. Bennett President

William Lyons

Paul P. Murray Commissioners

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

Commissioner A. W. Getov, being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Carnelian Bay and vicinity, Lake Tahoe, Placer County.

RATES

	<u>Per Meter Per Month</u>
Monthly Quantity Rates:	
First 500 cu.ft. or less	\$6.00
Over 500 cu.ft., per 100 cu.ft.25
	<u>Per Meter Per Year</u>
Annual Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 72.00
For 3/4-inch meter	90.00
For 1-inch meter	120.00
For 1 1/2-inch meter	165.00
For 2-inch meter	210.00

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.

(Continued)

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance. 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 calendar year, to pay prorated minimum charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods for water used in excess of the monthly allowance under the annual minimum charge. When meters are read bimonthly or quarterly, the charge will be computed by doubling or tripling, respectively, the number of cubic feet to which each block rate is applicable on a monthly basis.

2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual minimum charge for the service. 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.

Schedule No. 1S
SEASONAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

Carmelian Bay and vicinity, Lake Tahoe, Placer County.

RATES

	Per Meter Per Month	
	<u>Summer Season</u>	<u>Winter Season</u>
Monthly Quantity Rates:		
First 500 cu.ft. or less	\$ 6.00	\$ 8.00
Over 500 cu.ft., per 100 cu.ft.25	.25
Seasonal Minimum Charge:		
	: <u>Per Meter Per Season</u> :	
	: Summer Season : Winter Season :	
	: April 1 through: October 1 through:	
	: September 30 : March 31 :	
For 5/8 x 3/4-inch meter	\$ 36.00	\$ 48.00
For 3/4-inch meter	45.00	60.00
For 1-inch meter	60.00	80.00
For 1 1/2-inch meter	84.00	114.00
For 2-inch meter	105.00	141.00

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

(Continued)

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS (Continued)

1. Service may be taken under this schedule for either or both seasons. The customer must elect to be served by one of the tariff classifications on or about the January 1 billing date and pay his bill accordingly. If a customer elects to receive seasonal service and elects at a later date to continue service through the immediately following season, seasonal rates shall apply.

2. The seasonal minimum charge is payable in advance on or before the initial day of the season.

3. The charge for water used in excess of the quantity allowed each month under the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility. When meters are read bimonthly or quarterly, the charge will be computed by doubling or tripling, respectively, the number of cubic feet to which each block rate is applicable on a monthly basis.

4. The opening bill for metered service, except upon conversion from flat rate service, shall be the established seasonal minimum charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth ($1/180$) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer.

Schedule No. 2A

ANNUAL GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service furnished on an annual basis.

TERRITORY

Carnelian Bay and vicinity, Lake Tahoe, Placer County.

RATES

	<u>Per Service Connection Per Year</u>
For a single-family residential unit, store or business establishment, including premises	\$75.00
For each additional residence or business establishment located on the same premises and served from the same service connection.....	40.00
For each hotel or motel including office or manager's living quarters	75.00
For each additional residential apartment unit	40.00
For each additional rental room	5.00

(Continued)

Schedule No. 2A

ANNUAL GENERAL FLAT RATE SERVICE
(Continued)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All annual service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1A, Annual General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.
4. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance. 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 calendar year, to pay prorated flat rate charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods.
5. The opening bill for flat rate service shall be the established annual flat rate charge for the service. 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.

Schedule No. 2S

SEASONAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service furnished on a seasonal basis. (T)

TERRITORY

Carmelien Bay and vicinity, Lake Tahoe, Placer County. (T)

RATES

	<u>Per Service Connection</u> <u>Per Season</u>		
	<u>Summer Season</u> <u>: April 1 thru</u> <u>: September 30 :</u>	<u>Winter Season</u> <u>: October 1 thru</u> <u>: March 31 :</u>	
For a single-family residential unit, store or business establishment, including premises	\$40.00	\$60.00	(I)
For each additional residence or business establishment located on the same premises and served from the same service connection	20.00	30.00	
For each hotel or motel including office or manager's living quarters	40.00	60.00	
For each additional residential apartment unit	20.00	30.00	
For each additional rental room	3.00	3.00	(I)

(Continued)

Schedule No. 2S

SEASONAL FLAT RATE SERVICE
(Continued)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter. (N)
2. All seasonal service not covered by the above classifications shall be furnished only on a metered basis under Schedule No. 1S.
3. For service covered by the above classifications, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1A, Annual General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day. (N)
4. Service may be taken under this schedule for either or both seasons. The customer must elect to be served by one of the tariff classifications on or about the January 1 billing date and pay his bill accordingly. If a customer elects to receive seasonal service and elects at a later date to continue service through the immediately following season, seasonal rates shall apply. (T)
5. The seasonal minimum charge is payable in advance on or before the initial day of the season. (T)
6. The opening bill for flat rate service shall be the established seasonal flat rate charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth (1/180) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer. (N)