

ORIGINAL

Decision No. 84828

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ROGINA WATER COMPANY, a California
Corporation.

Under Section 454, The Public Utilities
Code for Authority to Increase Rates
for Water Service.

Application No. 55227
(Filed October 1, 1974)

O P I N I O NRequest

Rogina Water Company requests authority to increase general metered service and irrigation service rates for domestic water service within the Rogina Heights-Talmage area of Mendocino County, California, in the amount of \$6,900.

System

Rogina Water Company obtains water from three wells with a total capacity of 1,200 gallons per minute. The wells are equipped with turbine-type pumps complete with electric motors of 30 to 100 horsepower. The system also has two booster stations with centrifugal pumps, one of which is driven by an electric motor of 2 horsepower; the other is driven by two electric motors of 10 horsepower each. There are two hydropneumatic tanks and three storage tanks with total capacity of 7,000 gallons and 629,000 gallons respectively. The distribution system consists of approximately 90,627 feet of steel and cement Dynelined asbestos-type pipe ranging in size from two inches to ten inches. There were 585 metered services, 20 metered irrigation services, and 87 fire protection hydrants as of December 31, 1973.

The Commission staff has reviewed the information contained in this application and has made an independent analysis. The results of the staff study are contained in a report which is received herein as Exhibit 1.

Rates

Applicant proposes to increase the quantity charge for irrigation service and increase the minimum charges for general metered service. The minimum charges for irrigation service and the quantity rates for general metered service would remain unchanged. The following tabulation compares present and proposed rates.

Present and Proposed Rates

GENERAL METERED SERVICE

		<u>Per Meter</u>	<u>Per Month</u>
		<u>Present</u>	<u>Proposed</u>
Quantity Rates:			
First	500 cu.ft. or less	\$ 4.00	\$ 4.75
Next	1,000 cu.ft., per 100 cu.ft.45	.45
Next	3,500 cu.ft., per 100 cu.ft.35	.35
Over	5,000 cu.ft., per 100 cu.ft.20	.20
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 4.00	\$ 4.75
For	3/4-inch meter	5.00	5.75
For	1-inch meter	6.00	6.75
For	1½-inch meter	8.00	8.75
For	2-inch meter	11.00	11.75
For	3-inch meter	24.00	24.75
For	4-inch meter	60.00	60.75

IRRIGATION SERVICE

		<u>Per Meter</u>	<u>Per Month</u>
		<u>Present</u>	<u>Proposed</u>
Quantity Rate:			
	Per 100 cu.ft.	\$ 0.15	\$ 0.18
Minimum Charge:			
		<u>Per Year</u>	<u>Per Year</u>
For	1½-inch meter or smaller	\$ 40.00	\$ 40.00
For	2-inch meter	72.00	72.00
For	3-inch meter	144.00	144.00
For	4-inch meter	300.00	300.00

Results of Operation

The following tabulation compares the staff and applicant estimates of the results of operation for the test year 1975.

Item	1975 Estimates			
	Applicant		Staff	
	Present	Proposed	Present	Proposed
	Rates	Rates	Rates	Rates
<u>Operating Revenues</u>				
Commercial	\$ 70,861	\$ 76,261	\$ 69,555	\$ 74,955
Irrigation	7,500	9,000	6,985	8,380
Fire Protection	648	648	650	650
Total Revenues	79,009	85,909	77,190	83,985
<u>Deductions</u>				
Operating Expenses	48,967	48,967	47,460	47,460
Depreciation	9,150	9,150	9,530	9,530
Taxes Other Than Income	7,200	7,200	7,810	7,810
Income Taxes	1,451	3,454	1,195	3,040
Total Expenses	66,768	68,771	65,995	67,840
Net Operating Revenues	12,241	17,138	11,195	16,145
Rate Base	210,059	210,059	207,630	207,630
Rate of Return	5.82%	8.16%	5.39%	7.78%

After review of Exhibit No. 1, applicant waived a hearing on this application. Explanations of the differences between the estimates of applicant and staff are set forth in Exhibit No. 1. We will adopt the staff estimates.

Service

The staff engineer made a field inspection of applicant's water system, reviewed books and records, and interviewed a random sampling of customers. Exhibit No. 1 states that applicant is providing good water service. No customer complaints have been received by the Commission staff in 1973 or 1974.

Staff Recommendations

The staff recommended that:

"The utility should be ordered to file an up-to-date tariff service area map.

"Decision No. 82686 dated April 2, 1974 granted the company an 8.20 percent rate of return. In the present case, the staff's estimated operating results for the 1975 test year indicate that the proposed rates would provide a 7.78 percent rate of return compared to the 8.16 percent rate of return derived from the company's estimates. The staff of the Finance and Accounts Division, therefore, has concluded that a rate of return ranging from 7.78 percent to 8.16 percent would not be unreasonable in this proceeding."

Findings

1. The adopted estimates, previously tabulated herein, of operating revenues, operating expenses, and rate base for the test year 1975 reasonably indicate the results of applicant's operations in the near future.

2. A rate of return of 7.78 percent on the adopted rate base is reasonable.

3. Revenues will be increased \$6,795 by the rates herein authorized.

4. 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.

5. The staff recommendations are reasonable.

6. A public hearing is not necessary.

The Commission concludes that the application should be granted and applicant should file an up-to-date tariff service area map.

O R D E R

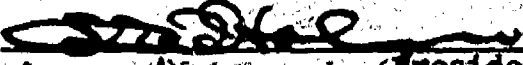
IT IS ORDERED that:

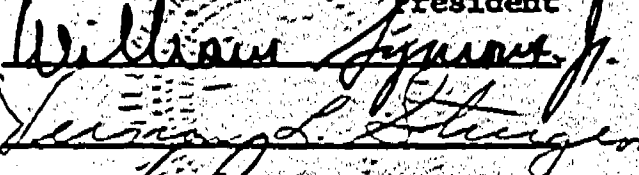
1. After the effective date of this order Rogina Water Company is authorized to file the rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the new and revised schedules shall be four days after the date of filing. These schedules shall apply only to service rendered on and after the effective date thereof.

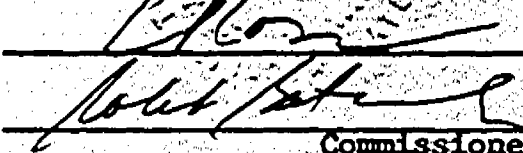
2. On or before December 31, 1975, applicant shall file an up-to-date tariff service area map. Such filing shall comply with General Order No. 96-A.

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

Dated at San Francisco, California, this 26th
day of AUGUST, 1975.



President




Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to general metered water service.

TERRITORY

Talmage and vicinity, near Ukiah, Mendocino County.

RATES

Quantity Rates:

	Per Meter Per Month	
First 500 cu.ft. or less	\$ 4.75	(I)
Next 1,000 cu.ft., per 100 cu.ft.45	
Next 3,500 cu.ft., per 100 cu.ft.35	
Over 5,000 cu.ft., per 100 cu.ft.20	

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 4.75	(I)
For 3/4-inch meter	5.75	
For 1-inch meter	6.75	
For 1 1/2-inch meter	8.75	
For 2-inch meter	11.75	
For 3-inch meter	24.75	
For 4-inch meter	60.75	(I)

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

APPENDIX A
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Schedule No. 3M

IRRIGATION SERVICE

APPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

Talmage and vicinity, near Ukiah, Mendocino County.

RATES

	Per Meter Per Month
Quantity Rate:	
Per 100 cu.ft.	\$ 0.18 (I)
Minimum Charge:	Per Year
For 1½-inch meter or smaller	\$ 40.00
For 2-inch meter	72.00
For 3-inch meter	144.00
For 4-inch meter	300.00

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

SPECIAL CONDITIONS

1. The annual minimum charge shall be payable prior to commencement of service at the beginning of each irrigation year. The minimum charge will apply as a credit to subsequent bills within the calendar year.

2. This service is secondary to domestic service and the utility must be given 24 hours' notice before each irrigation. In the event that insufficient water is available for all irrigation users to be served at the same time, rotation of use may be required.