

Decision 82 01 165

JAN 2 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Hillview Water)
 Co., Inc., Oakhurst, California,)
 for an emergency interim rate)
 increase of about 134%.)

Application 61148
 (Filed December 23, 1981)

INTERIM OPINION

Hillview Water Company, Inc. (Hillview) is requesting a rate increase for the following six districts:

<u>Name</u>	<u>Number of Customers</u>
Goldside-Hillview	108
Royal Oaks-Sunnydale	126
Raymond	45
Sierra Lakes	74
Coarsegold-Highlands	20
Indian Lakes	<u>150</u>
	523

Hillview is requesting an approximately 245% rate increase which would increase annual revenues for the six districts by \$155,758 from \$103,013 at present rates to \$258,781 at the requested rates. Also, Hillview has petitioned for a portion (134%) of the requested increase be granted immediately on an emergency interim basis with hearings on the entire application to be held later.

In the application Hillview projects an operating loss of \$108,948 for the year 1981 with no consideration for a return on investment. In the petition for interim relief Hillview alleges that an immediate increase is necessary for it to continue operating. The petition notes that one district (Indian Lakes) has not had a rate increase since 1963. The petition also alleges that Hillview has suffered operating losses since 1977. Applicant in essence alleges

that these continued operating losses have resulted in a situation that constitutes a sufficient emergency to justify immediate interim relief.

We agree that the applicant has alleged sufficient facts to warrant the grant of emergency interim relief. Although interim increases are normally granted only after the applicant has presented its evidence at a public hearing, we believe that the circumstances here justify an interim grant prior to hearing provided the increased rates are subject to refund. Relying only on the application and petition, and our judgment we can immediately grant additional revenue of no more than \$36,055 annually. Hearings on the entire application will be conducted at an early date. However, we cannot consider applicant's request for emergency relief in a vacuum. In Decision 82 01 104 also issued today, we have directed staff to conduct a detailed investigation of misappropriation of funds by applicant. We have also been made aware by applicant itself that it has threatened to halt service to its customers if rate relief is not granted as requested. These facts require that we take special care to protect the interests of applicant's ratepayers.

Therefore, we adopt the following measures:

1. All revenues generated by this emergency rate increase shall be subject to refund pending final action on the entire application in subsequent hearings.
2. All revenues generated by this emergency rate increase shall be deposited in a special account at the Golden Oak Bank of Oakhurst which has been designated as applicant's fiscal agent as discussed in Decision 82 01 104. These revenues shall be used only to retire past due obligations or to retire new indebtedness incurred to retire past due obligations.
3. The staff shall study and report to the Commission no later than April 1, 1982 its recommendations as to whether the Commission should issue an Order to Show Cause in re Contempt directed at applicant. This report should consider any misappropriation of

funds found and violations of prior Commission orders as well as applicant's threat to discontinue service if rate relief were not granted as requested.

We believe this order is necessary to responsibly discharge our duties to the ratepayers. On the one hand, it is important that applicant's obvious operating losses be halted as quickly as possible. On the other hand, the ratepayers are entitled to the specified protective measures under the circumstances.

Findings of Fact

1. Hillview has suffered substantial financial operating losses since 1977.
2. Hillview alleges that the continued losses have resulted in a situation whereby it cannot continue to serve its customers without an immediate rate increase.
3. The facts alleged by Hillview constitute an emergency that justifies immediate interim relief.
4. The increase in rates and charges authorized by this decision are justified and are reasonable.
5. This decision should be made effective on the date of signature because Hillview is operating at a loss.
6. In Decision 82 01 104 issued today, we order staff to investigate allegations that applicant has misappropriated funds from a prior rate order.
7. Applicant has threatened to discontinue service if emergency rate relief is not granted as requested.

Conclusions of Law

1. The interim rate increase should be subject to refund if the amounts authorized in this order prove to exceed any increase later found reasonable.

A.61148 ALJ/rr/el/bw *

.. 2. Hillview should be authorized to file the revised water rates set forth in this decision, which constitute a 35% increase on all existing rates.

3. Hillview should be granted an interim increase in rates and charges to produce \$36,055 in additional annual revenues subject to refund.

4. Protection measures specified herein are reasonable and proper.

INTERIM ORDER

IT IS ORDERED that:

1. Hillview Water Company is authorized to file revised rate schedules in accordance with Appendixes A through F. Such filing shall comply with General Order Series 96-A. The effective date of the revised schedules shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date of the revised schedules.

2. The rate increase authorized above shall be subject to refund.

3. All revenues generated by this order shall be deposited in a special account with applicant's fiscal agent, Golden Oak Bank of Oakhurst. These revenues shall be used only to retire past due obligations or to retire new indebtedness incurred to retire past due obligations.

4. The staff shall study and report to the Commission no later than April 1, 1982, its recommendations as to whether the Commission should issue an Order to Show Cause in re Contempt directed at applicant. This report shall consider any misappropriation of funds found and violations of prior Commission orders as well as applicant's threat to discontinue service if rate relief were not granted as requested. If the staff report recommends issuance of an Order to Show Cause in re Contempt, the staff shall prepare also a proposed Order to Show Cause in re Contempt with the necessary supporting affidavits to support its issuance.

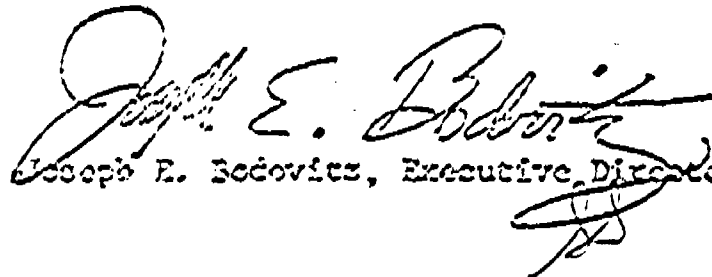
This order is effective today.

Dated January 21, 1982, at San Francisco, California.

RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

Commissioner John E. Bryson
present but not participating.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Sedovitz, Executive Director

APPENDIX A

Coarsegold Highlands Tariff Area

Schedule No. CH-1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Coarsegold-Highlands, and vicinity, 3 miles south of Coarsegold, Madera County.

RATES

Quantity Rates:	Per Meter Per Month	
First 300 cu.ft., per 100 cu.ft. ..	\$ 0.90	(I)
Over 300 cu.ft., per 100 cu.ft. ..	1.20	
		Safe Drinking Water Bond Surcharge
		<u>Per Meter Per Month</u>
 Service Charge:		
For 5/8 x 3/4-inch meter	7.40	\$ 1.60
For 3/4-inch meter	8.10	1.60
For 1-inch meter	11.10	2.75
For 1 1/4-inch meter	14.80	5.30
For 2-inch meter	19.90	(I) 8.50

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision No. 91560.

APPENDIX B

Goldside-Hillview Tariff Area

Schedule No. GS-1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Goldside and Hillview Estates and vicinity, Madera County.

RATES

Quantity Rates:	<u>Per Meter Per Month</u>	
Per 100 cu.ft.	\$ 0.88 (I)	Safe Drinking Water <u>Bond Surcharge</u> <u>Per Meter Per Month</u>
Service Charge:		
For 5/8 x 3/4-inch meter	\$10.10	\$ 3.00
For 3/4-inch meter	11.10	3.00
For 1-inch meter	15.20	5.10
For 1 1/4-inch meter	20.20	9.90
For 2-inch meter	27.30	15.90
For 3-inch meter	50.50	30.00
For 4-inch meter	68.70 (I)	50.10

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision No. 91560.

APPENDIX C

Indian Lakes Tariff Area

Schedule No. II-1A

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The subdivision known as Indian Lakes Estates, and vicinity, located approximately 3 miles southeast of Coarsegold, Madera County.

RATES

Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>	
First	500 cu.ft. or less	\$ 6.10	(I)
Next	1,000 cu.ft., per 100 cu.ft.68	
Next	4,500 cu.ft., per 100 cu.ft.54	
Over	6,000 cu.ft., per 100 cu.ft.40	
Annual Minimum Charge:		<u>Per Meter</u> <u>Per Year</u>	
For	5/8 x 3/4-inch meter	\$ 72.00	(I)
For	3/4-inch meter	93.00	
For	1-inch meter	174.00	
For	1½-inch meter	234.00	
For	2-inch meter	342.00	

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.

APPENDIX D

Raymond Tariff Area

Schedule No. RA-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Raymond and vicinity, Madera County.

RATES

Quantity Rates:	<u>Per Meter Per Month</u>	
First 300 cu.ft., per 100 cu.ft. ..	\$ 1.04	(I)
Over 300 cu.ft., per 100 cu.ft. ..	1.39	
Service Charge:		<u>Safe Drinking Water Bond Surcharge</u>
		<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter	5.40	\$ 6.15
For 3/4-inch meter	5.90	6.15
For 1-inch meter	8.10	10.50
For 1 1/4-inch meter	10.80	20.30
For 2-inch meter	14.60	32.60

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision No. 91560.

APPENDIX E

Royal Oaks-Sunnydale Tariff Area

Schedule No. RO-1

METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Royal Oaks Estates and Sunnydale and vicinity, Madera County.

RATES

Quantity Rates:	<u>Per Meter Per Month</u>	
First 300 cu.ft., per 100 cu.ft. ..	\$ 0.74 (I)	
Over 300 cu.ft., per 100 cu.ft. ..	1.00	
Service Charge:		<u>Safe Drinking Water Bond Surcharge</u>
		<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter	7.40	\$ 8.80
For 3/4-inch meter	8.10	8.80
For 1-inch meter	11.10	15.00
For 1 1/4-inch meter	14.80	29.05
For 2-inch meter	20.00	46.65
For 3-inch meter	37.00	88.00
For 4-inch meter	50.30	147.00
For 6-inch meter	83.40 (I)	211.20

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision No. 91560.

APPENDIX F

Sierra Lakes Tariff Area

Schedule No. SL-1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Sierra Lakes Tracts and vicinity, southeast of Oakhurst, Madera County.

RATES

Quantity Rates:	<u>Per Meter Per Month</u>	
Per 100 cu.ft.	\$ 0.93 (I)	Safe Drinking Water Bond Surcharge
		<u>Per Meter Per Month .</u>
 Service Charge:		
For 5/8 x 3/4-inch meter	7.40	\$ 0.85
For 3/4-inch meter	8.10	0.85
For 1-inch meter	11.10 (I)	1.45

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan authorized by Decision No. 91560.