

Decision No. 30885 OCT 10 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 Thomas J. and Vicky K. Jernigan dba
 Bidwell Water Company for authority
 to execute a contract with the
 Department of Water Resources for a
 loan, and to increase rates for water
 services by means of a surcharge on
 existing rates to repay such loan.

Application No. 58617
 (Filed January 22, 1979)

ORDER MODIFYING DECISION NO. 90714 ON THE
 COMMISSION'S OWN MOTION

The Commission, in Decision No. 90714 issued herein on August 28, 1979, authorized applicants to incur an indebtedness under the Safe Drinking Water Bond Act Program and to institute a surcharge rate increase for the purpose of defraying the periodic payments of principal and interest due to the lender (the California Department of Water Resources). This decision was rendered after hearing, conducted in the community of Greenville, the focus of the water system's service area. During that hearing, which attracted a substantial audience and public participation, there was little or no discussion of the relative merits of a usage-based, as opposed to a flat rate, surcharge. It appears that most of the customers, applicants, as well as the various representatives of other public agencies, assumed that a flat rate surcharge would be adopted by the Commission, and would be applied to all services, metered or not.

A representative of the Commission's Hydraulic Branch appeared during the hearing; however, he did not recommend, or testify in support of, a usage-sensitive surcharge. Subsequent to the hearing and without notice to any of the participants, that

branch sponsored an alternative draft order, substituting a surcharge based on consumption for the flat rate surcharge recommended by the Administrative Law Judge and the assigned Commissioner. The Commission adopted this alternative which contained no specific findings in support of a usage-based rate.

It now appears that the difference between the two types of surcharge is a matter of some importance to applicants, to the Department of Water Resources, and possibly to a significant number of consumers.

We will, therefore, rescind the consumption-based surcharge and substitute the flat rate surcharge schedule considered at hearing.

Decision No. 90714 authorized applicant to impose a flat rate surcharge on a temporary basis for those customers who are not yet metered, pending completion of the contemplated installation of meters on all services. During the hearing, however, the only schedule of rates considered would have imposed a flat rate of \$6.05 for individual residences.^{1/} Nevertheless, Decision No. 90714 as adopted by the Commission, set the temporary alternative flat rate surcharge at \$7.25. The rates authorized herein eliminate the extra \$1.20 from the basic residential surcharge.

Section 1708 requires that the Commission provide notice and opportunity to be heard, before an order can be modified to produce a different result. In this case, however, further delays would be injurious and inequitable to applicants and there is no reason to believe that any appearance or any other interested person would exercise Section 1708 rights, in support of a usage-based rate.

^{1/} The schedule also provided proportionally larger flat rates for larger than normal services and for certain classes of business.

~~We do not believe, however, that Section 1708 should be applied to a situation where the Commission, on its own motion, moves to rescind an order which was not supported by the evidence of findings of record, nor recommended by either a member of the public or an appearance during the course of hearing. In a situation such as this we should be able to recognize that punctilious compliance with the notice and hearing requirements would produce further pointless delays, and modify our decision such that it is supported by an uncontroverted evidentiary record.~~ Km

Findings of Fact

1. There is no evidence in the record to justify adoption of a usage-based (instead of a flat rate) surcharge.
2. None of the parties who appeared opposed use of a flat rate surcharge.
3. There was no public opposition to a flat rate surcharge.
4. The record contains no support for rates in excess of those set forth in Appendix A hereto.
5. The rate surcharge provided in Appendix A is just and reasonable and should be adopted.

Conclusions of Law

1. Decision No. 90714 should be modified on the Commission's own motion because there is no evidence in the record to support the originally adopted surcharge based on commodity consumption.
2. The Commission should, without further delay, substitute and adopt the rate schedule considered at hearing and attached hereto as Appendix A.

IT IS HEREBY ORDERED that Ordering Paragraphs 1 and 5 of Decision No. ~~90714~~ are hereby rescinded in lieu of the schedules attached as Appendix A to that decision, applicants are authorized to file in accordance with General Order No. 96-A, with an effective date of five days after the date of filing, Appendix A hereto. The schedule shall apply to all service rendered on or after the date of filing.

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

Dated OCT 10 1979, at San Francisco, California.

John G. Coyne
President

James L. Fitzgibbon
Richard D. Howell

Leonard W. Quinn
Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Greenville and vicinity, Plumas County.

RATES

		Per Meter Per Month	
Quantity Rates:			
First	500 cu. ft. or less	\$ 3.70	
Next	1,000 cu. ft., per 100 cu. ft.50	
Next	3,500 cu. ft., per 100 cu. ft.40	
Next	5,000 cu. ft., per 100 cu. ft.30	
Over	10,000 cu. ft., per 100 cu. ft.16	
Minimum Charge:			
			Surcharge Per Month
For	5/8 x 3/4-inch meter	\$ 3.70	\$ 6.05
For	3/4-inch meter	5.00	6.05
For	1-inch meter	7.00	10.30
For	1 1/2-inch meter	14.00	19.95
For	2-inch meter	18.00	32.05
For	3-inch meter	30.00	60.00

(N)
|
(N)

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

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Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Greenville and vicinity, Plumas County.

RATES

	<u>Per Service Connection Per Month</u>
For a single-family residential unit, including premises not exceeding 500 sq. ft. in area	\$ 6.00
a. For each additional single-family residential unit on the same premises and served from the same service connection	5.50
b. For each 100 sq. ft. of premises in excess of 500 sq. ft.15

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.

2. If the utility so elects, a meter shall be installed and service provided under Schedule No. 1, Metered Service.

3. The surcharge shown in the table below shall be applied to each size service line (maybe more than one) which provides flat rate water service to a premise under this schedule.

<u>Flat Rate Surcharge - Schedule No. 2R</u>	
<u>Size of Service</u>	<u>Monthly Surcharge</u>
Residential - less than 1-inch	\$ 6.05
1-inch	10.30
1½-inch	19.95
2-inch	32.05
3-inch	60.00

(N)

(N)

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Schedule No. 2L

LIMITED FLAT RATE SERVICE

APPLICABILITY

Limited only to nonresidential customers presently receiving flat rate service.

TERRITORY

In the unincorporated town of Greenville and vicinity, Plumas County.

RATES

	<u>Per Service Per Month</u>
Barbershops	\$ 6.00
Garages and Service Stations	15.00
Drugstores, Soft Drink Parlors or Saloons	10.00
Retail Stores	6.00
Churches	6.00

SPECIAL CONDITIONS

1. The above flat rates apply only to nonresidential customers currently receiving flat rate service.
2. No new service will be provided under this schedule.
3. If the utility so elects, a meter shall be installed and service thereafter will be provided under Schedule No. 1, Metered Service.
4. The surcharge shown in the table below shall be applied to each size service line (maybe more than one) which provides flat rate water service to a premise under this schdeule.

<u>Flat Rate Surcharge - Schedule No. 2L</u>	
<u>Size of Service</u>	<u>Monthly Surcharge</u>
Less than 1-inch	\$ 6.05
1-inch	10.30
1½-inch	19.95
2-inch	32.05
3-inch	60.00

(N)
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(N)