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ORIGINAL

APR 21 1981

Decision No. 92922

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Hillview Water Company to increase rates in its Goldside-Hillview area. (Adv Ltr 8.)	Application No. 59961 (Filed September 23, 1980)
In the matter of the application of Hillview Water Company to increase rates for water service in its Sierra Lakes area. (Adv Ltr 7.)	Application No. 59962 (Filed September 23, 1980)
In the matter of the application of Hillview Water Company to increase rates for water service in its Coarsegold-Highlands area. (Adv Ltr 6.)	Application No. 59963 (Filed September 23, 1980)
In the matter of the application of Hillview Water Company for an increase in rates for water service, Raymond Area. (Adv Ltr 5.)	Application No. 59964 (Filed September 23, 1980)
In the matter of the application of Hillview Water Company to increase rates for water service in the Royal Oaks-Sunnydale District. (Adv Ltr 4.)	Application No. 59965 (Filed September 23, 1980)

Linton E. Forrester and Roger L. Forrester, for Hillview Water Company, applicant.
Joseph C. Gasperetti, Attorney at Law, for Sierra Organization of Citizen Committees on Water (SOCCOW), protestant.
James M. Barnes, for the Commission staff.

Process
#8

O P I N I O N

By this application Hillview Water Company (applicant) requests authority to increase its rates in each of its five districts to reduce its losses. The application uses a 1980 test year.

The five districts are located in the area between Fresno and Yosemite National Park and are generally centered around the town of Oakhurst. The five systems presently serve a total of approximately 389 customers.

A public hearing was held in these matters before Administrative Law Judge Kenneth K. Henderson in Oakhurst on December 15, 1980. It was submitted subject to the filing of Exhibit 8 (system maps), which has been received.

Discussion

Motion to Dismiss

At the opening of the hearing Joseph C. Gasperetti, an attorney appearing for Sierra Organization of Citizen Committees on Water (SOCCOW), protestant, made a motion that the hearing be continued to a later date or that the application be dismissed. The reason for the motion is that applicant did not comply with Rule 52 of the Commission's Rules of Practice and Procedure which requires publication in a newspaper of general circulation a notice of hearing not less than five nor more than 30 days before the hearing. Applicant published a notice of the hearing 32 days before the hearing. The motion is denied. Applicant has substantially complied with Rule 52 and there was no showing of prejudice to SOCCOW.

Applicant

Applicant contends that all operating expenses have increased since the present rates were put into effect. As a result, applicant is operating at a loss and relief is necessary. Applicant thinks that the requested rate relief is as much as it could

reasonably request at this time, even though the requested increase will still result in an operating loss. Applicant projects an increase in the number of customers in the near future which will contribute more revenues than expenses.

Commission Staff (Staff)

The staff differed with applicant on certain expense items but agreed that applicant would still suffer a loss under the applicant's requested increased rates. The staff recommends that the application be granted.

Customer Statements

At the hearing eight members of the public gave statements regarding the applications. There were some minor service complaints. However, the major thrust of the public statements was a dissatisfaction with the size of their water bills. Several customers could not determine from either the applications or staff report how the proposed rates would affect individual customers.

Because the public statements showed a lack of understanding of the effect of the proposed rates, a sample bill comparison for customers of the five districts is attached to this decision as Appendix A.

Findings of Fact

1. The effective dates of the present rates are shown below:

District	Commission Decision or Resolution No.	Effective Date
Sunnydale portion of Sunnydale,[1] Royal Oaks-Hidden Oaks	W-1439	April 1, 1973
Royal Oaks-Hidden Oaks portion of Sunnydale, Royal Oaks-Hidden Oaks	W-1637	January 1, 1975
Raymond	D-63980	September 1, 1962
Goldside	W-1439	April 1, 1973
Sierra	W-1269	November 1, 1970
Coarsegold	W-1635	January 1, 1975

1/ On April 1, 1973 the Sunnydale system was a portion of the Hillview-Goldside system.

2. Applicant will have gross operating revenues of $58,730 at presently authorized rates for the test year 1980.

3. A reasonable estimate of revenues at the proposed rates for the test year is $80,480.

4. Applicant's expenses will exceed revenues at the presently authorized rates and at the proposed rates for the test year 1980.

5. The proposed average systemwide increase in revenue is 37 percent.

6. Applicant published notice of the hearing on November 12, 1980 in the Sierra Star, a newspaper of general circulation in the involved area.

7. Applicant provides adequate service.

8. The increase in rates and charges authorized by this decision are justified and are reasonable; the present rates and charges, insofar as they differ from those prescribed by this decision are, for the future, unjust and unreasonable.

9. This decision should be made effective on the date of signature because applicant is operating at a loss.

Conclusion of Law

Applicant should be authorized to file the revised water rates set forth in the applications; those rates are just and reasonable.

O R D E R

IT IS ORDERED that Hillview Water Company is authorized to file revised rate schedules containing the increased rates proposed in Applications Nos. 59961, 59962, 59963, 59964, and 59965. Such filing shall comply with General Order No. 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.

The effective date of this order is the date hereof.

Dated APR 21 1981, at San Francisco, California.

President

Commissioners

APPENDIX A*
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Section I

Goldside-Hillview Area

Usage Cu.Ft.	Present Charge	Present Surcharge**	Present Total	Proposed-Adopted Charge	Proposed-Adopted Surcharge**	Proposed-Adopted Total	Change
0	$ 8.00	$3.00	$11.00	$ 7.50	$3.00	$10.50	decrease
300	8.00	3.00	11.00	9.45	3.00	12.45	13%
500	8.00	3.00	11.00	10.75	3.00	13.75	25
1,000	8.00	3.00	11.00	14.00	3.00	17.00	55
1,500	10.00	3.00	13.00	17.25	3.00	20.25	56
2,000	11.50	3.00	14.50	20.50	3.00	23.50	62
3,000	14.00	3.00	17.00	27.00	3.00	30.00	76
5,000	18.00	3.00	21.00	40.00	3.00	43.00	105

Sierra Lakes Area

0	$ 7.75	$ .85	$ 8.60	$ 5.50	$ .85	$ 6.35	decrease
300	7.75	.85	8.60	5.57	.85	8.42	decrease
500	7.75	.85	8.60	8.95	.85	9.80	14%
1,000	10.55	.85	11.40	12.40	.85	13.25	16
1,500	14.05	.85	14.90	15.85	.85	16.70	12
2,000	17.55	.85	18.40	19.30	.85	20.15	9.5
3,000	23.05	.85	23.90	26.20	.85	27.05	13
5,000	34.05	.85	34.90	40.00	.85	40.85	17

Coarsegold-Highlands Area

0	$ 6.50	$1.60	$ 8.10	$ 5.50	$1.60	$ 7.10	decrease
300	6.50	1.60	8.10	7.60	1.60	9.20	13.5%
500	6.50	1.60	8.10	9.38	1.60	10.98	36
1,000	9.00	1.60	10.60	13.83	1.60	15.43	46
1,500	11.50	1.60	13.10	18.28	1.60	19.88	52
2,000	13.50	1.60	15.10	22.73	1.60	24.33	61
3,000	17.50	1.60	19.10	31.63	1.60	33.23	74
5,000	25.50	1.60	27.10	49.43	1.60	51.03	88

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Section I

Raymond Area

Usage Cu.Ft.	Present Charge	Present Surcharge**	Present Total	Proposed-Adopted Charge	Proposed-Adopted Surcharge**	Proposed-Adopted Total	Change
0	$ 4.75	$6.15	$10.90	$ 4.00	$6.15	$10.15	decrease
300	4.75	6.15	10.90	6.31	6.15	12.46	14%
500	5.60	6.15	11.75	8.37	6.15	14.52	24
1,000	9.85	6.15	16.00	13.52	6.15	19.67	23
1,500	14.10	6.15	20.25	18.67	6.15	24.82	28
2,000	18.35	6.15	24.50	23.82	6.15	29.97	22
3,000	26.85	6.15	33.00	34.12	6.15	40.27	22
5,000	43.85	6.15	50.00	54.72	6.15	60.87	22

Royal Oaks-Sunnydale Area

0	$ 6.50	$8.80	$15.30	$ 5.50	$8.80	$14.30	decrease
300	6.50	8.80	15.30	7.15	8.80	15.95	4%
500	6.50	8.80	15.30	8.63	8.80	17.43	14
1,000	9.00	8.80	17.80	12.33	8.80	21.13	19
1,500	11.50	8.80	20.30	16.03	8.80	24.83	22
2,000	13.50	8.80	22.30	19.73	8.80	28.53	28
3,000	17.50	8.80	26.30	27.13	8.80	35.93	37
5,000	25.50	8.80	34.30	41.93	8.80	50.73	48

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Section II

Total Charge at Authorized Rates

Usage Cu.Ft.	Goldside Hillview	Sierra Lakes	Coarsegold	Raymond	Royal Oaks-Sunnydale
0	$10.50	$ 6.35	$ 7.10	$10.15	$14.30
300	12.45	8.42	9.20	12.46	15.95
500	13.75	9.80	10.98	14.52	17.43
1,000	17.00	13.25	15.43	19.67	21.13
1,500	20.25	16.70	19.88	24.82	24.83
2,000	23.50	20.15	24.33	29.97	28.53
3,000	30.00	27.05	33.23	40.27	35.93
5,000	43.00	40.85	51.03	60.87	50.73

*All rates and charges in this appendix are for customers with a 5/8 x 3/4 inch meter.

**This surcharge is to repay the Safe Drinking Water Bond Act loan and is not an issue in this proceeding.