

Decision No. 13518.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
FRANK E. LAUMANN)
for permission to install water me-) Application No. 9913.
ters in water system at the town of)
Fulton, Sonoma County, California.)

H. B. Churchill for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Frank E. Laumann, who owns and operates a small water system supplying about 24 consumers in the town of Fulton, Sonoma County, with water for domestic purposes, asks for authority to install meters and to charge a minimum of \$1.50 per month for 5000 gallons of water and 25 cents for each additional 750 gallons.

The application alleges that the consumers are now restricted to certain hours within which to use the water; that under a meter system these restrictions could be removed, and that the revenues from the present rates are not sufficient for operating expenses and return on the investment.

A hearing in this proceeding was held before Examiner Satterwhite at Fulton, after all consumers had been notified and given an opportunity to appear and be heard.

The evidence indicates that this system was installed

in 1910 primarily for the purpose of fire protection for a store owned and operated by applicant. Not being able to obtain a reduction in insurance rates from the installation, domestic water service was offered to neighbors, and consumers were gradually added to the system until about 24 are now being supplied.

The rates in effect are flat rates and provide for a monthly minimum charge of \$1.50.

The water is obtained from a 6 inch well 47 feet deep, from which it is pumped by a 1½ inch automatically controlled rotary pump and raised to a 4000 gallon tank on a 22 foot tower, from which it is distributed to the consumers through about 2480 feet of 2 inch, 1½ inch and 1¼ inch standard screw pipe.

Applicant testified that the estimated cost of the system at present day prices was \$2,015.17, and that the revenues for 1923 were approximately \$328.40. Applicant further testified that in order to reduce the fire hazard to the store and the community, consumers were not permitted to use water for irrigation purposes at night or during holidays and Sundays, and for that reason authority is asked to install meters which would tend to conserve the water and allow the restriction as to irrigation use to be removed.

William Stava, one of the Commission's hydraulic engineers, presented a report which showed the estimated original cost of the system to be \$1,480, with a reasonable depreciation annuity of \$37.00. The operating expenses for 1923 were \$190.00, and the operating revenues were \$328.00. Mr. Stava testified that the system could be economically operated only in connection with some other business, and for that reason the reasonableness of the rate was the controlling factor rather than the estimated annual charges.

It was recommended that the minimum charge of \$1.50 per month be retained for the meter rate, but that the water allowance be increased from 3000 gallons, as desired by applicant, to 3750 gallons. Mr. Stava's report and recommendations were accepted by applicant.

This Commission has declared in many instances that the most equitable manner in which the cost of furnishing the water supply may be divided among consumers is through the metering of the amounts consumed and the payment by each consumer for only such water as is actually used. The present instance is no exception to the general rule and it is evident that the work of metering services on this water system should proceed as rapidly as financial considerations will permit.

O R D E R

Frank E. Laumann having made application for authority to install meters and for the establishment of meter rates for water delivered to consumers at Fulton, Sonoma County, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed in the matter,

It Is Hereby Found as a Fact that the rates now charged by Frank E. Laumann for water delivered to consumers at Fulton, Sonoma County, are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates for such service.

and basing the order upon the foregoing findings of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Frank E. Laumann be and he is

hereby directed to file with this Commission, within twenty (20) days from the date of this order, the following schedule of rates for all water delivered to consumers in Fulton, Sonoma County, subsequent to May 31, 1924:

MONTHLY METER RATES

From 0 to 3750 gallons, per 1000 gallons . . .	25 cents.
All over 3750 " " 1000 " . . .	25 cents.

MONTHLY MINIMUM CHARGES

For 5/8 inch meter	\$1.50
For 3/4 " "	2.50
For 1 " "	4.00

Note: Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that minimum charge will purchase at the "monthly meter rates" as set out above.

A meter may be installed upon any service at the option of either the utility or the consumer. If installed at the option of the utility the entire cost thereof shall be borne by the utility. If installed at the request of the consumer the cost of the meter and installation shall be advanced by the consumer to the utility and the amount so advanced shall be returned to the consumer as credits on the monthly bills for water consumed at the rate of thirty (30) per cent. of such monthly bills until the entire amount advanced shall have been returned.

MONTHLY FLAT RATES

The present schedule of flat rate charges to continue in effect until such time as a meter is installed upon any service.

IT IS HEREBY FURTHER ORDERED that Frank E. Laumann be and he is hereby directed to file with this Commission within thirty (30) days of the date of this order, rules and regula-

tions to govern the relations with consumers, such rules and regulations to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 5th day of May, 1924.

C. L. Seavey

H. B. Brundage

J. T. Whitney
Commissioners.