

Decision No. 13705-.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
BOED & JONES WATER COMPANY,
a co-partnership, for permission to in-
stall meters and to have meter rates
fixed.

Application No. 9970.

ORIGINAL

L. F. Coburn for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Bond & Jones Water Company, a co-partnership, asks permission to install meters and charge a meter rate for water furnished to consumers in and in the vicinity of El Modena and McPherson, Orange County.

A public hearing in this matter was held before Examiner Williams at Los Angeles, after due notice thereof had been given so that all interested parties might appear and be heard.

The water supply for this system is obtained from the John T. Carpenter Water Works, a mutual company, through the ownership of 157½ shares of stock. This supply of water is delivered into a large concrete reservoir from which it is distributed to consumers. To augment the supply the company owns a well and a complete pumping unit which it operates as the demands require.

Applicant delivers water to approximately one hundred and forty consumers on a flat rate basis, and the testimony shows that a large quantity of water is furnished, much of which is wasted. There are however no records showing the amount of water used by

the consumers or the amount delivered into the system for distribution.

Applicant did not submit any figures showing the investment in the plant, maintenance and operating expense, or revenue. At the hearing a report was submitted by F. H. Van Hoesen, one of the Commission's hydraulic engineers, which showed an estimate of original cost of the water system amounting to \$17,759. This amount does not include the cost of 157½ shares of stock in the John T. Carpenter Water Company, which Mr. Jones testified cost approximately \$40 per share. A combination of the two sums indicates an estimated reasonable original cost of the property of \$24,059. A depreciation annuity computed by the 6% sinking fund method was shown to be \$411. The maintenance and operating expense for 1923 was \$1,448, and revenues were \$1,961.

The above figures indicate that this utility is earning a return of considerably less than one per cent. upon a reasonable cost of the property, and the establishment of meter rates will undoubtedly result in additional revenues. This Commission has on many occasions called attention to the fact that a metered delivery of water is the only method by which the costs of furnishing the supply can be divided equitably among the consumers.

As all water has heretofore been sold on a flat rate basis there is no record available upon which an equitable schedule of meter rates can be computed at this time. However, the rates set out in the accompanying order are reasonable and will compare favorably with those of other utilities operating under similar conditions.

O R D E R

The Bond & Jones Water Company, a co-partnership, having made application as entitled above, 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 the Bond & Jones Water Company, a co-partnership, for water delivered to consumers in and in the vicinity of El Modena and McPherson, Orange 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.

Basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Bond & Jones Water Company, a co-partnership, be and the same is hereby authorized to file with this Commission within twenty (20) days from the date of this order, the following schedule of rates to be charged for water delivered to its consumers subsequent to June 30, 1924:

METER RATES

Monthly Minimum Charges

5/8	inch meter	.....	\$1.25
3/4	" "	.....	2.00
1	" "	.....	3.00
1 1/2	" "	.....	6.00
2	" "	.....	9.00
3	" "	.....	18.00

Each of the foregoing "monthly minimum charges" will entitle the consumer to the quantity of water which that amount of money will purchase at the following "monthly meter rates."

Monthly Meter Rates

From 0 to 500	cubic feet, per 100 cu.ft.	.....	\$0.25
" 500 to 2000	" " " 100 "	.....	.20
All over 2000	" " " 100 "	.....	.15

Meters will be installed at the option of either the consumer or the utility. If installed at the option of the utility the entire cost shall be borne outright by the utility. If installed at the option of the

consumer the cost of the meter shall be advanced by the consumer to the utility, and the amount so deposited shall be returned to the consumer as credits on the monthly bills for water consumed, at the rate of one third of such monthly bills, until the entire amount deposited shall have been returned.

All other rates shall remain as at present in effect.

Dated at San Francisco, California, this 16th day of
June, 1924.

C. J. Seaver
H. B. ...
...

Commissioners.