

Decision No. 15306.

TWINGIDC

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE CALIFORNIA VINEYARD AND IMPROVEMENT)
COMPANY (a fictitious name), NELSON M.) Application No. 11072
VAN FLEET, sole owner, for permission)
to increase rates.)

J. R. Shoemaker, for applicant.

R. C. Hodge, for consumers.

BY THE COMMISSION:

O P I N I O N

Nelson M. Van Fleet, applicant in the above entitled matter, owns and operates under the fictitious name of The California Vineyard and Improvement Company, a public utility water system which serves water for domestic purposes to consumers near the town of North Cucamonga, San Bernardino County. The application alleges in effect that the present schedule of rates does not yield a sufficient revenue to meet maintenance and operating expenses, depreciation annuity, and a fair return upon the investment; that owing to the industrial depression now existing in the territory served, the number of consumers is rapidly diminishing and that assessments have recently been materially increased on the water stock of the Cucamonga Water Company, a mutual concern, which is the sole source of water supply to applicant's system. Wherefore the Railroad Commission is asked for authority to increase the rates charged for services rendered.

A public hearing in this matter was held before Examiner

Williams at Cucamonga, after all interested parties had been duly notified and given an opportunity to appear and be heard.

This water system was originally constructed about 1907 and was installed to supply domestic water to approximately 160 lots in North Cucamonga district. Applicant acquired title to the property from The California Vineyard and Improvement Company, a defunct corporation, under authority granted in this Commission's Decision 9483, dated October 3, 1921. The only source of supply at present available to this system is through the ownership by applicant of twenty shares of water stock in the Cucamonga Water Company, a mutual concern. The water is received from the mutual company through three master meters and is then distributed by applicant through his own system, which consists of about three quarters of a mile of four-inch riveted pipe and approximately one and one half miles of two-inch pipe. This system at the present time is fully metered and serves about 170 consumers through 116 service connections.

The rates now in effect on this system were established by the Commission in Decision No. 6382, dated June 3, 1919, and are as follows:

0 to 500 cubic feet, per 100 cubic feet .	\$0.20
500 to 1500 cubic feet, " " " "	.15
Over 1500 " " " "	.12
Monthly minimum payment	1.00

Applicant submitted evidence to the effect that the original cost of the property as of January 1, 1925, was \$6,689. This amount does not include any value for the twenty shares of water stock of the Cucamonga Water Company. The Commission's engineers submitted a report which showed the estimated historical cost of the physical property as of January 1, 1925, to be \$7,732. A depreciation annuity on the 5 per cent. sinking fund basis was found to be \$222. The value of the twenty shares of water stock of the Cucamonga Water Company was established by Decision No. 6382,

rendered June 3, 1919, as \$2,000 for rate fixing purposes.

The applicant reports an operating expense for the year 1924 of \$2,374. An analysis of this amount was contained in a report of the Commission's engineers and it is evident that the applicant has included therein certain items which should have been properly charged in the expenses for the preceding year. Certain other items were also included which were not correctly chargeable to maintenance and operating accounts. The revised expenses for the year 1924 as given by the engineers of the Commission were \$2,212. It is apparent that the amount included by applicant for the salary of the manager and superintendent is excessive for the time actually required for the proper supervision and operation of the plant. A liberal and reasonable allowance for the operating and maintenance expense for this system in the immediate future is \$1,800.

The revenues received by this company for the past three years are as follows:

1922.	\$3,038
1923.	2,435
1924.	2,061

Using the future annual operating expenses of \$1,800 and the depreciation annuity found by the Commission's engineers of \$222, the total costs of operation and depreciation amounting to \$2,022 reflect a net return for the year 1924 of \$39, which is less than one half of one per cent. return upon the capital invested. It is apparent that applicant is entitled to an adjustment in his present schedule of rates.

Testimony introduced by certain of the protestants indicated that the utility's service at times in the past has not been satisfactory, principally by reason of the low pressure existing on the system of the Cucamonga Water Company. The pipe line furnishing water to the applicant also supplies certain

irrigators. While the Cucamonga Water Company attempts to have not more than one irrigation user on the line at any one time, it frequently happens that at various times the amount of water so used is such that the flow in the mains of applicant's system is seriously affected. The record shows however that this condition is temporary and that both applicant and Cucamonga Water Company have taken measures to install improvements to the system so that within a few weeks the service conditions will be improved.

Certain lots in the area served by this utility are occupied by more than one family and although served by but a single connection the company has observed the practice of charging each family the regular monthly minimum payment. In many instances the entire volume of water consumed by all families on a single service falls far short of the total amount of water which should be available under the combined minimum payments and has therefore resulted in considerable dissatisfaction among those consumers affected. The schedule of rates set out below will provide a fair return based upon the amount of water delivered. As all water is furnished through meters applicant will be properly reimbursed for all service rendered although more than one family may be served by the same pipe connection. It will therefore be unnecessary to levy more than a single minimum charge for each metered service connection.

O R D E R

Nelson M. Van Fleet, sole owner of the public utility plant operated under the fictitious name of The California Vineyard and Improvement Company, having applied to the Railroad Commission for authority to increase rates for water supplied to consumers in the vicinity of North Cucamonga, San Bernardino County, a public hearing having been held thereon, the matter having been submitted

and the Commission being now fully advised in the matter,

It is Hereby Found as a Fact that the rates now charged by Nelson M. Van Fleet, operating under the fictitious name and style of The California Vineyard and Improvement Company, are unjust and unreasonable in so far as they differ from the rates herein authorized and that the rates herein authorized are just and reasonable rates to be charged for the service rendered to consumers.

Basing the order upon the foregoing findings of fact and upon the statements of fact set forth in the preceding opinion,

IT IS HEREBY ORDERED that Nelson M. Van Fleet, operating under the fictitious name and style of The California Vineyard and Improvement Company, be and he is hereby directed to file with this Commission on or before August 31, 1925, the following schedule of rates to be charged for all water delivered to consumers subsequent to that date:

MONTHLY METER RATES

From 0 to 1000 cubic feet, per 100 cu.ft.	\$0.25
From 1000 to 2000 " " " " "	.20
Over 2000 " " " " "	.15

MINIMUM MONTHLY CHARGES

5/8 inch meter	\$1.50
3/4 " "	2.00
1 " "	3.00
1 1/2 " "	5.00
2 " "	7.50

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

IT IS HEREBY FURTHER ORDERED that said Nelson M. Van Fleet shall file with the Railroad Commission within thirty (30) days from the date of this order, rules and regulations

governing service to its consumers, said rules and regulations to become effective upon their acceptance for filing by the Commission.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 18th day of August, 1925.

C. S. Seaver
George D. Squire
Leon Whitall
Commissioners.

