Decision No. 1559/.

BEFORE THE RATIROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of IRA JONES, sole owner of the ELK GROVE WATER WORKS, for change in rates.



Application No. 11229.

Ira Jones, owner, for applicant.

BY THE COMMISSION:

#### OBINION

Ira Jones, sole owner of the Elk Grove Water Works, applicant herein, is a public utility water company engaged in the business of furnishing water for domestic and commercial purposes in the town of Elk Grove, Sacramento County, California.

Applicant alleges in effect that the rates now charged do not produce sufficient revenue to yield a fair return upon the investment in the property, over and above the costs of operation, maintenance and depreciation. Applicant asks that this Commission make its order authorizing applicant to maintain the present rate of \$1.50 per month for household use, and allow the collection of an additional charge of \$1.00 per month for six months of each year for all lots up to 80 by 160 feet in size on which water is used for irrigating lawns, vines, trees, vegetable or flower gardens.

A public hearing in this proceeding was held before
Examiner Satterwhite at Elk Grove, Sacramento County, after all
interested parties had been duly notified and given an opportunity

to appear and be heard.

The water supply is pumped from one twelve-inch well, by an electrically driven deep-well pump, which elevates the water into a 50,000 gallon hemispherical bottom steel tank, supported by steel towers, from which the water is distributed by gravity to the consumers through approximately 17,395 feet of mains ranging from I inch to 6 inches in diameter. There are at present 143 consumers served by this system, all but four of whom are served under the flat rate schedule.

The schedule of rates now in effect is as follows:

#### RATES

## Flat:

#### Meter:

At the hearing applicant requested that his application be amended so as to request the Railroad Commission to fix whatever schedule of rates appears just and reasonable under the circumstances.

D. H. Harroum, one of the Commission's hydraulic engineers, presented a report covering a field investigation and appraisal of the physical properties of the utility, together with a study of maintenance and operation expenses. There were no objections to this report at the hearing, and no engineering data or operating studies were presented by applicant other than such matters as were set out in the application.

An analysis of the report of the Commission's engineers

indicates that the revenue received from the present rates does not result in a fair return to applicant, and further, that the increase in rates as proposed by applicant is reasonable and is also acceptable to his consumers. In fact, the present rates of this utility are lower than the rates in effect and found reasonable by this Commission under similar conditions of service elsewhere.

It appears that the meter rate as now established, although not used except in a few cases, should be so adjusted as to be in harmony with the flat rate and in form similar to those found reasonable for service on similar systems. The schedule of rates established in the following order is designed to produce annually a sum sufficient to meet operating expenses, replacement annuity, and to yield to applicant a fair return on his investment.

## ORDER

Ira Jones, owner of the Elk Grove Water Works, having made application to the Railroad Commission as entitled above, a public hearing having been held thereon, and the matter having been submitted.

It Is Hereby Found as a Fact that the rates now charged by Ira Jonos, owner of the Elk Grove Water Works, for water supplied to his consumers 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 to be charged for the service rendered; and basing its order on the foregoing finding of fact and on the further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED BY THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA that Ira Jones, owner of Elk Grove Water Works, be and he is hereby authorized to file with this Commission within twenty (20) days from the date of this order the following rates

to be charged for all service rendered subsequent to October 31,1925:

#### FLAT RATES

Private residences . Commercial or industrial enterprises .	7 50	per	month.
feet or less, for each month irrigated but	•	*	•
not to exceed six months per year	. 1.00	77	#

# MEASURED RATES

## Minimum Monthly Charges:

5/8	3 and	3/4:	in	ch	m	ot	er	•	•	•	•	•	•	•	•	•	•		•	.\$1.50
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Each of the foregoing "minimum monthly charges" will entitle the consumer to the quantity of water which that minimum will purchase at the "monthly meter rates" set out as follows:

# Monthly Meter Rates:

From 0 From 500	to	500	cubic	feet,	per	100			
All over							"	•	25

IT IS HEREBY FURTHER ORDERED that Ira Jones, owner of the Elk Grove Water Works, file with this Commission for its approval within thirty (30) days from the date of this order, rules and regulations to govern its relations with its consumers.

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 3/2 day of October, 1925.

George D. James

Commissioners.