

Decision No. 15744.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DOMENICO ROVAI
for permission to change schedule
of water service.

ORIGINAL

Application No. 11687.

Domenico Rovai in propria persona.

BY THE COMMISSION:

O P I N I O N

Domenico Rovai owns and operates a small public utility water system supplying water for domestic and commercial purposes to residents of the town of Wildwood, Humboldt County. Applicant alleges in effect that he has incurred considerable expense in repairing and laying new mains and pipe lines for the purpose of rendering better service. Because of said expenditures applicant asks the Commission to authorize the following schedule of increased rates:

To average family of five persons . .	\$2.00 per month.
To families keeping boarders.	4.00 " "
To hotels, restaurants and apartment houses	4.00 " "

The schedule of rates now on file with this Commission
is as follows:

To average family of five persons . .	\$1.00 per month.
To families keeping boarders.	1.50 " "
To hotels and business houses	2.00 " "

A public hearing in the above proceeding was held before
Examiner Satterwhite at Wildwood, Humboldt County, after all

interested parties had been notified and given an opportunity to appear and be heard.

The water supply of this utility is derived from springs located approximately two miles from the town of Wildwood, from which the transmission main delivers the water to an 8,000 gallon tank located approximately a quarter of a mile from Wildwood, from which tank distribution is made by gravity. A small concrete dam has been constructed in the gulch below this tank, which forms a sump and collects the surplus water from the springs. At times of heavy draft water from this sump is pumped into the said tank, augmenting the supply available for delivery. There are approximately 21,180 feet of pipe in the system. On November 1st, 1925, there were 54 active consumers.

At the hearing D. E. Harroun, one of the Commission's hydraulic engineers, presented a report and appraisal of the physical properties of this utility, together with a study of maintenance and operation expenses. No evidence concerning these matters was presented by applicant or consumers. The report of the Commission's engineer shows the estimated original cost of all utility water property to be \$6,851 as of October 31, 1925, the replacement annuity \$190 computed by the 5% sinking fund method, and the maintenance and operating expenses for the immediate future were estimated to be \$876.

As the applicant has little or no record of his operating costs and revenues it was necessary to estimate these items from the data available. The revenues for 1924 and 1925 have been estimated to very closely approximate \$1,190 for both years. There has been very little change in conditions in Wildwood for the past three years.

Based upon the figures set out above, the operations for 1924 and 1925 result in a return of about 1.7% upon the investment

of \$6,851. Although the expenses as set out above appear to be higher than usual for a system of this size, yet in giving full weight to this matter it is apparent that applicant is entitled to an adjustment in rates, to which his consumers did not object provided the service rendered was maintained at a reasonable standard of efficiency.

The evidence shows that the rate schedule requested by applicant is higher than the investment and operating conditions warrant. The schedule of rates set out below will yield revenues sufficient to cover the reasonable costs of operation and depreciation and at the same time will produce a fair return upon the capital invested in the system.

O R D E R

Domenico Rovai, applicant herein, 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 Domenico Rovai 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.

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 that Domenico Rovai 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 to his consumers in the town of Wildwood and vicinity, in Humboldt County, on and after January first, 1926:

FLAT RATES

Residences	\$1.50	per month.
Hotels and commercial boarding houses.	4.00	" "
Stores and shops	2.00	" "
Other commercial use, according to amount of water	1.50 to 4.00	" "

MEASURED RATES

Minimum Monthly Charges

5/8 and 3/4 inch meter	\$1.50
1 inch meter.	3.00
1 1/2 " "	6.00
2 " "	7.50
3 " "	12.00

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 to 1500 cubic feet, per 100 cu.ft.	\$0.20
All over 1500 " " " " "	.15

IT IS HEREBY FURTHER ORDERED that Domenico Rovai be and he is hereby directed to file with this Commission, for its approval, within thirty (30) days from the date of this order, rules and regulations to govern his relations with his 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 11th day of December, 1925.

H. B. Boudette

C. Seaney

George D. Squires

Commissioners.