

Decision No. 18528

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
IVANHOE WATER COMPANY, W.B. March,
Proprietor, for permission to revise
its rates for water service and adopt
rules and regulations.

Application No. 13696.

Bert L. Hughes, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding W.B. March, who owns and operates a public utility water system under the fictitious name and style of Ivanhoe Water Company, supplying water to consumers in Ivanhoe, Tulare County, asks this Commission for authority to increase its rates.

The application alleges in effect that twenty-six consumers are being served at a flat rate of \$1.50 per month and that the resultant income is far below a sufficient sum to pay necessary operating expenses, providing no return on the investment. The applicant therefore asks for an order by the Commission authorizing an increase in rates.

A public hearing was held at Ivanhoe before Examiner Gannon after all interested parties had been duly notified and given an opportunity to appear and be heard.

The water supply for this utility is obtained by pumping from a deep well and is distributed to consumers through a total of about 6,100 feet of mains of a maximum size of two inches. Storage is provided by an elevated tank of 6,000-gallon capacity. There were thirty-one consumers on the system as of May 1, 1927.

The present rates charged are:

MONTHLY FLAT RATE-----\$1.50 per month.

MONTHLY MEASURED RATE:

0 to 10,000 gallons, per 1,000 gallons-----	.25	"	"
Over 10,000 " " " "-----	.20	"	"

A report was submitted by P.E. Harroun, one of the Commission's hydraulic engineers, in which he estimated the original cost of the used and useful properties of this system as of May 1, 1927, to be \$3,719. with a corresponding depreciation annuity of \$114., computed by the 5% sinking fund method. The sum of \$528. was recommended as a reasonable cost for the annual maintenance and operating costs for the immediate future. The gross revenues for the year 1926 amounted to \$470. No valuation or estimate of future operating expenses was submitted by applicant and, it appearing that the figures presented by the Commission's engineer are reasonable, such figures will be accepted for the purpose of this proceeding. From the foregoing figures, it is clear that the rates now charged by applicant are insufficient to cover the bare costs of operation and maintenance and that he is therefore entitled to an increase in rates.

From the evidence, it appears that applicant has had eight meters installed on this system for a considerable period of time but, with the exception of one service where the rate charged was agreed to by the consumer, no metered rate has ever been charged. Applicant therefore requests the establishment of a rate for measured service.

The evidence also shows that certain consumers now on a flat rate basis have used large volumes of water for irrigation purposes. Attention is called to the difficulty of establishing a fair and uniform flat rate for such incidental service. In order to overcome this difficulty, meters should be installed in all cases where such irrigation or other service leads to the use of large volumes of water.

O R D E R

W.B. March, who owns and operates a public utility system under the fictitious name and style of Ivanhoe Water Company, furnishing water to consumers in the Town of Ivanhoe for domestic and other purposes, having made application for an increase in rates, 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 W.B. March for water delivered 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 for such service.

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

IT IS HEREBY ORDERED that W.B. March be and he is hereby authorized to file with this Commission within thirty (30) days from the date of this order the following schedule of rates to be charged for water delivered to his consumers in Ivanhoe, Tulare County, on and after the first day of July, 1927.

METER RATES
MONTHLY MINIMUM CHARGES

5/8 inch meter	-----	\$ 1.75
3/4 " "	-----	2.00
1 " "	-----	2.50
1 1/2 " "	-----	3.50

Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates":

MONTHLY QUANTITY RATES

From 0 to 10,000 gallons, per 1,000 gallons	-----	\$.25
Over 10,000 " " " "	-----	.20

FLAT RATE USE
MONTHLY FLAT RATES

1. Residences, boarding houses, flats, lodging houses, apartments, etc.

5 rooms or less-----	\$ 1.50
For each additional room-----	.15
Additional for each bath tub-----	.25
Additional for each toilet-----	.25
Additional for each private barn with one head of stock-----	.25
For each additional head of stock-----	.15

2. Sprinkling or irrigation of lawns, gardens, shrubbery, etc.

From 0 to 3,000 sq. ft., per 100 sq. ft. of surface actually irrigated-----	\$.05
Over 3,000 sq. ft., per 100 sq. ft. of surface actually irrigated-----	.03

3. Stores, shops and offices-----\$ 1.75

4. Ice cream parlors, soft drink establishments,
drug stores, billiard parlors, either alone
or in connection with other business-----\$ 2.00

Meters may be installed at the option of either consumer or utility. If installed by utility, it shall stand the entire expense thereof. If installed at the request of consumer, said consumer shall advance the sum of \$15.00 to utility to be refunded to such consumer at the rate of thirty per cent of the total monthly water bill of such consumer until the entire amount of the deposit has been refunded. Deposits for meters larger than 5/8" x 3/4" shall be in like proportion to the cost thereof.

IT IS HEREBY FURTHER ORDERED that W.B. March be and he is hereby directed to file with this Commission within thirty (30) days of the date of this order rules and regulations to govern relations with his consumers, such rules and regulations to become effective upon their acceptance by this Commission.

The foregoing opinion and order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 20th day of

June, 1927.

Ernesto

W. B. Randice

O. L. Seaver

Leon White

Thos. D. Ruttin

Commissioners.