

Decision No. 18862

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of MATTIE L. GOODWIN and GRACE WEBB, co-partners doing business under the firm name and style of QUINCY WATER WORKS, for an order increasing the rates to be charged for service at Quincy, Plumas County, California, and establishing a schedule of rates as so increased.

Application No. 12753.

In the Matter of the Application of MATTIE L. GOODWIN and GRACE WEBB, co-partners doing business under the firm name and style of QUINCY WATER WORKS, for a decision of the question whether certain persons in Quincy, California, now and heretofore having free water service are entitled to the continuance of such service.

Application No. 13012.

U.S. Webb and M.C. Kerr, for applicants.

J.D. McLaughlin, for certain protestants in Application No. 12753.

L.H. Hughes, for C.J. Lee and Meryle Robertson, protestants in Application No. 13012; also Mr. Stevens.

H.D. Wolfe, for Yien Joe, L.P. Morri, Dr. R. Stewart and the Quincy Fire District.

LOUTTIE, COMMISSIONER:

OPINION ON REHEARING

Mattie L. Goodwin and Grace Webb, co-partners under the fictitious firm name and style of Quincy Water Works, operating a public utility water system supplying consumers in and in the vicinity of the Town of Quincy in Plumas County, applied to this Commission for authority to increase water rates and for

the determination by the Commission of the public utility status of certain rights claimed by some of their consumers to perpetual free water service. After public hearings had been held thereon, these matters were submitted and the Commission on the twenty-third day of February, 1927, issued its Decision No. 18022, wherein an increased schedule of rates was established and the Quincy Water Works was authorized to discontinue its practice of serving water free of charge to certain of those consumers who claimed such rights. Thereafter, on the seventh day of March, 1927, applicants filed a petition for rehearing in the above entitled proceedings which was granted by order of the Commission, dated March 30, 1927, and a further public hearing was held thereon for the purpose of receiving additional evidence.

The petition for rehearing alleges in effect that, although the Quincy Fire District agreed to pay for the costs of constructing the fire reservoir with appurtenant facilities and fixtures, the title to the structures and facilities so installed is vested in the Quincy Water Works and the reservoir itself is located upon land owned by said water works and that, therefore, this Commission was not justified in excluding from the rate base the sum of \$5,400., which is the actual cost of construction and installation of said facilities.

In connection with water rights the petition alleges in effect that the rates heretofore in effect as established by this Commission in its Decision No. 9811, dated November 23, 1921, were based upon the valuation of the physical properties made by one of the Commission's engineers to which the sum of \$4,000. was added for the then existing water rights, making a total amount of \$14,354.; that in the report of the Commission's engineer, D.E. Harroun, submitted in connection with this proceeding, no value of the original water and water rights was included in his

appraisalment of the property and that therefore this utility should be entitled to an additional amount of \$6,000. to cover water rights not otherwise provided for in the rate base as established.

It is further alleged in effect that the rates as established by the Commission in its Decision No. 18022 set forth the monthly charge for the Plumas County Court House and grounds at \$20.00 and for the Plumas County High School at \$15.00 per month, whereas an agreement has been entered into heretofore by and between the water works and the County Board of Supervisors increasing this charge to \$28.00 per month for the Court House and grounds, and that a similar agreement has likewise been entered into with the School Board for the payment of \$19.00 per month for service to said High School property and grounds. The Commission is therefore requested to authorize these agreed rates for the service to the Court House and the High School.

In the decision now under review, the Commission excluded from the rate base the appraised value of the fire reservoir, connecting pipe lines and fire hydrants, upon the ground that the costs of installing these facilities, and the maintenance thereof for a period of 50 years, was to be borne by the Quincy Fire District in accordance with the terms of an agreement entered into by and between the said district and applicants herein. From the evidence presented upon rehearing of this matter, it now appears that the reservoir and connecting pipe lines belong to and are the property of the water works. Upon this basis, the utility is entitled to have the sum of \$5,400., covering these items, included in the rate base as a part of the value of the properties devoted to the public use, together with a corresponding increase of \$26.00 in the depreciation annuity.

In connection with the question of water rights, the record shows that the Commission in its Decision No. 9811, dated November 23, 1921, established the value of the water rights for rate fixing purposes at \$4,000., over and above the value of the physical properties. In Decision No. 18022, the Commission, in addition to the \$4,000. referred to above, allowed this company the sum of \$8,150. for the water rights subsequently acquired in Boyle Ravine. This latter amount represents the cost of acquiring in 1924 the Boyle Ranch property necessary in order to gain control of certain appurtenant rights to water in Boyle Ravine. Although this ranch contains approximately ninety-six acres of land, a small part of which is susceptible to cultivation, and includes also to some slight extent timber of commercial value, the entire amount of the purchase price was included in the value of the water rights of this utility, making a total allowance of \$12,150. for this item in Decision No. 18022. Although applicant complains that he is entitled to an additional allowance of \$6,000. for water rights, the record fails to disclose sufficient evidence to justify such a finding and it appears to the Commission that the sum of \$12,150. heretofore found as the value for the water rights of this utility is fair and reasonable for the purposes of this proceeding.

From the evidence, it appears that about a year ago the Quincy Water Works entered into an agreement with the Board of Supervisors of Plumas County, wherein the rate of \$20.00 per month for service to the Court House and grounds was increased to \$28.00 per month and in a like manner an agreement was entered into with the School Board to increase the rates for service rendered to the High School and grounds from \$15.00 per month to \$19.00 per month. In accordance therewith, the rates charged for the service rendered to the Court House and High School have

been based upon the increases mutually agreed upon. However, these changes were never filed with or approved by the Railroad Commission and the rates as established in the Order and Decision No. 18022 were accordingly based upon the rates as heretofore established by the Commission. In view of the fact that the Court House and High School grounds have been greatly improved by the extension and enlargement of the lawns and gardens, it is apparent that the rates heretofore established by the Commission no longer adequately compensate the utility for the additional service now being rendered and therefore the rates as fixed by agreement will be authorized in the following order.

No question was raised in the petition for rehearing as to the findings of the Commission in connection with the status of the rights claimed by certain consumers to free water service in Application No. 13012.

In view of the conclusions, as heretofore set out, the schedule of rates established by the Commission in Decision No. 18022 will be modified to provide the necessary increased revenues.

The following form of order is hereby submitted:

O R D E R

Mattie L. Goodwin and Grace Webb, co-partners doing business under the fictitious firm name and style of Quincy Water Works, having filed a petition for rehearing in the above entitled matter, a rehearing therein having been granted, a public hearing having been held thereon and the matter having been submitted and being now ready for decision,

IT IS HEREBY FOUND AS A FACT that the rates and charges of the Quincy Water Works for water delivered to consumers in the Town of Quincy, in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates and

charges herein established are just and reasonable rates to be charged for such service.

And basing the order upon the foregoing findings of fact and upon the statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Quincy Water Works be and it is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the following schedule of rates, such rates to be charged for all service rendered subsequent to July 31, 1927.

MONTHLY FLAT RATE SCHEDULE

1. Residences, boarding houses, flats, lodging houses, apartments, of five rooms and less-----\$ 1.35
For each additional room----- .10
Additional for each bathtub----- .25
Additional for each toilet----- .25
Additional for each private garage and one automobile---- .25
Additional for each private barn and one head of stock--- .25
Additional for each automobile or head of stock over one- .20
2. Sprinkling or irrigation of lawns, gardens, shrubbery, etc., when taken continuously throughout year, per 100 square feet-----\$.03
Sprinkling or irrigation of lawns, gardens, shrubbery, etc., when not taken continuously, per 100 square feet during month water is actually used----- .07
3. Blacksmith shops, machine shops, lumber yards, printing offices, bakeries, undertaking parlors, grocery stores, theatres, warehouses, meat markets, drug stores, billiard parlors-----\$ 1.50
4. Ice cream parlors, soda fountains and saloons, either alone or in connection with other business-----\$ 1.50
5. Banks, professional offices, fraternal halls, club rooms, shoe shops, stores and offices not otherwise listed-----\$ 1.25
6. Restaurants, lunch counters, per unit of seating capacity\$.10
Minimum charge----- 2.00
7. Barber shop, per chair-----\$ 1.00
Additional for each bathtub----- 1.00
8. Laundries, according to use-----\$3.00 to 5.00
9. Railroad use, water motors, schools, according to use-----\$5.00 to 8.00

10. Hotels:		
	Dining room-----	\$ 2.50
	Bedrooms, each-----	.10
11. Public garages, 5 automobiles or less-----		\$ 2.50
	For each additional automobile over 5-----	.25
12. Stables and feed yards, per average number of stock fed per month, each-----		\$.25
	Private barn or garage, in connection with stores, hotels, etc., for each automobile or head of stock-----	.25
13. Additional for each bathtub, toilet and urinal in 3 to 12 inclusive-----		\$.25
14. Plumas County Court House-----		\$28.00
15. Plumas County High School-----		\$19.00
16. Minimum monthly charge for each service connection----		\$ 1.25
17. Fire Hydrants, subject to agreement by and between Quincy Fire District and Quincy Water Works.		

IT IS HEREBY FURTHER ORDERED that Mattie L. Goodwin and Grace Webb, doing business under the fictitious firm name and style of Quincy Water Works, be and they are hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this order, revised rules and regulations to govern the distribution of water to consumers, said rules and regulations to become effective upon acceptance for filing by this Commission.

IT IS HEREBY FURTHER ORDERED that, except as modified herein, Decision No. 18022, dated the twenty-third day of February, 1927, shall remain in full force and effect.

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

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 21st day
of July, 1927.

Emmanuel Scott

W. C. Seamy

Thos. D. Lott
Commissioners.