

**ORIGINAL**Decision No. 19008

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
 "R.F. Booth and Leona B. Abrott" for  
 permission to increase water rates  
 in the town of Danville, County of  
 Contra Costa, State of California.

Application No. 13732.

Rogers & Bray, for Applicant.  
 S.H. Johnson, for Danville  
 Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

In this proceeding, R.F. Booth and Leona B. Abrott, who own and operate a public utility water system supplying water for domestic purposes to residents of Danville, Contra Costa County, make application for an increase in rates. The application alleges in effect that the present rates charged are non-compensatory in that they do not yield sufficient revenue to meet the necessary maintenance and operation expenses of the system and allow for a reasonable interest return on the investment in the plant.

A public hearing in this matter was held before Examiner Satterwhite at Danville, after all interested parties had been duly notified and given an opportunity to appear and be heard.

The water system was acquired by R.F. Booth and Leona B. Abrott in December, 1908, from the County of Contra Costa. It was originally installed to furnish water for county road sprinkling. At the time of acquisition, approximately fifteen con-

sumers were served with water and the present owners continued and expanded this service until now there are thirty-five active consumers on the system. Danville is an unincorporated town located in the San Ramon Valley, having a population at present of about two hundred.

The water supply is obtained from what is known as the Noone Spring located about two miles southwest of Danville, the normal output of which is claimed to range from 10,000 to 16,000 gallons per day. From a small concrete basin at the spring, the water is delivered by gravity into a 6,000-gallon wooden regulating tank located near Danville and from thence into the distribution system consisting of 3,390 feet of standard screw pipe ranging from 2-inch to 3/4-inch in diameter. Heretofore, there have been no formal proceedings before this Commission involving this utility.

Following is the schedule of flat rates at present in effect which was accepted for filing by the Commission in 1914:

FLAT RATES

Domestic Use-----	\$1.50 per month
Smaller Users-----	1.00 per month
Livery Barn-----	2.00 per month

R.E. Savage, one of the Commission's hydraulic engineers, made a thorough field investigation of this utility and at the hearing submitted a report thereon which showed the total estimated original cost of the physical property devoted to the public use, exclusive of the Noone Spring, the transmission pipe main and right of way, as of May 1, 1927, to be \$1,946. and the depreciation annuity, computed by the five per cent sinking fund method, to be \$23.

At the hearing R.F. Booth testified that the total actual expenditure for the purchase of the Noone Spring and pipe

line right of way and installation of the transmission main amounted to \$1,600. Therefore, the above total of the Commission's engineer will be increased to \$3,546. and a corresponding increase in the depreciation annuity will bring the total shown above to \$44. Applicant did not submit an appraisal of the value of the system but accepted the report and appraisal of the Commission's engineer without protest.

The maintenance and operation expenses for the year 1926, as reported by applicant to the Commission, totaled \$515.20. The evidence discloses that this included certain items not properly chargeable to maintenance and operation expenses and omits any amount for salary for superintendence. After an analysis of the available book accounts for past years and taking into consideration present operating methods and conditions, the Commission's engineers submitted an estimate of \$467. as a reasonable amount to include in the annual charges for future maintenance and operation expenses of the system. The revenues for the year 1926 under the flat rates at present in effect totaled \$534.

Based on the foregoing figures and a further analysis of the operations of this utility, the operation of this system for the past year resulted in a net return of but \$20. upon the investment. It is apparent therefore that applicant is entitled to a readjustment in the present rates.

The evidence shows that the consumers on this system have had insufficient water service and poor pressure at frequent intervals during the summer months for the past several years and that during periods of the peak daily drafts certain consumers on the far end of the distribution system have been without service for considerable time. It appears that this condition is brought

about by the seasonal diminution of the amount of flow of the spring source of supply, together with insufficient tank storage facilities and the small diameter and delivering capacity of the existing distribution pipe mains which are practically non-circulating.

It is primarily the duty of a utility to furnish a sufficient supply of water to meet the needs of its consumers, both present and prospective, and to provide the necessary facilities to enable the rendering of adequate service. The evidence indicates that in the case of this utility the poor service conditions complained of can be improved by the installation of an additional storage tank of not less than 10,000-gallons capacity and by increasing the capacity of the present pipe main from said tank to the town and by renewal with 2-inch standard screw pipe of those portions of the mains and pipe lines which are now worn-out and of inadequate size to deliver the water actually available.

There are several small competing water systems in Danville which receive their water from private well sources and supply some eighteen or more consumers scattered throughout the service area of applicant. This situation, together with the limited output of the Noone Spring, indicates that there is little prospect of increased business on this system in the near future. Under these conditions, the problem of securing an adequate and satisfactory water supply for the entire community can be solved only through mutual cooperation to the end that a unified and comprehensive water supply be developed.

The following schedule of rates has been designed to yield a return upon the investment, reasonable under the existing circumstances, due consideration having been given to return

upon the additional expenditures for the necessary improvements to the plant.

O R D E R

R.F. Booth and Leona B. Abrott having applied to the Railroad Commission for an order authorizing an increase in the rates charged for water supplied to their consumers in Danville, Contra Costa County, California, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully apprised in the premises,

It is hereby found that the present rate schedule of R.F. Booth and Leona B. Abrott, in so far as it differs from the schedule herein established, is unfair and unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered.

Basing this order upon the foregoing finding of facts and upon the further statement of facts contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that R.F. Booth and Leona B. Abrott be and they are hereby directed to file with this Commission, within twenty (20) days from the date of this order, the following schedule of rates to be charged for all water delivered to consumers subsequent to November 30, 1927:

MONTHLY MINIMUM METER CHARGES

For 5/8-inch meter-----\$2.00  
For 3/4-inch meter----- 2.75

The foregoing "Monthly Minimum Meter Charges" will entitle the consumer to the quantity of water which that minimum will purchase at the "Monthly Quantity Rates" set out below.

MONTHLY QUANTITY RATES

For use of 500 cubic feet, or less-----	\$2.00
From 500 to 5000 cubic feet per 100 cubic feet-----	.25
All use over 5000 cubic feet per 100 cubic feet-----	.20

MONTHLY FLAT RATES

For dwellings-----	\$2.00
For stores, warehouses, blacksmith shops, garages, service stations, clubhouses, including one lavatory and one toilet-----	2.00
Each additional toilet or lavatory-----	.25

IT IS HEREBY FURTHER ORDERED that R.F. Booth and Leona B. Abrott file with this Commission, within thirty (30) days from the date of this order, and subject to the approval of the Commission, plans providing for the installation of additional storage facilities and the replacement of the inadequate and worn-out sections of the transmission and distribution mains with new pipe of two inches in diameter or larger, said improvements to be installed and in proper operation in a manner satisfactory to the Commission on or before the thirtieth day of April, 1928.

IT IS HEREBY FURTHER ORDERED that R.F. Booth and Leona B. Abrott file with the Railroad Commission, within thirty (30) days from the date of this order, rules and regulations governing their relations with consumers, including the adoption of a suitable rule restricting sprinkling at times of scarcity.

said rules and regulations to become effective upon their acceptance for filing by this 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 4<sup>th</sup> day of September, 1927.

Ernest C. Smith  
Ernest C. Smith  
Leon Whittell  
David R. Smith  
M. J. C. C.  
 Commissioners.