

ORIGINALDecision No. 13124.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of WILLIAM JESSEN and OLIVE JESSEN, doing business as Rohnerville Water Works, for permission to increase rates.	}	Application No. 14004.
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William Jessen, for Applicants.
 W. A. Nichols, Protestant.
 Mrs. I. B. Tucker, Protestant.

BY THE COMMISSION:

O P I N I O N

William Jessen and Olive Jessen, husband and wife, doing business under the name of Rohnerville Water Works and engaged in the business of supplying water for domestic purposes in and about the Town of Rohnerville, Humboldt County, have petitioned the Railroad Commission for authority to increase the rates now charged for water. Applicants allege that the present rate of \$1.00 per month per consumer for all service rendered is insufficient to produce a reasonable return on the fair value of the property and ask that the base rate be raised to \$1.25 with additional rates for the various classes of service and water use.

A public hearing on this application was conducted by Examiner Handford at Rohnerville, notice having been given to all interested parties, the matter was duly submitted and is now ready for decision.

The present owners purchased the system from one Cordelia Bugbee, the transfer having been duly authorized by this Commission by its Decision No. 12074, dated May 12, 1923. At the time of acquisition by the present owners, this system was in very poor

condition but since that time it has been largely rebuilt and additional facilities and extensions have been furnished. The owners testified that they intend to continue the replacement of the remaining structures of the old system as fast as their financial ability will permit until the system is placed in first-class condition throughout.

The water supply is drawn from three groups of small springs located southerly and easterly from the town, by means of gathering lines and passed into collecting boxes and tanks, from which it is transmitted by gravity a distance of approximately one-half mile into two storage tanks located at the eastern edge of the town. Distribution from the tanks is made by gravity to the consumers. In addition to the gravity supply from the springs, a ground water source has been developed by means of a well and pumping plant for emergency use in case of a season of excessive drought. The system contains approximately 22,000 feet of standard screw pipe, ranging in size from 3 inches to 1/2-inch in diameter. All pipe lines laid by the present owners are galvanized. On October 1, 1927, there were 105 service connections, of which 85 were active. The present rate in effect on this system is \$1.00 per month per consumer for all service rendered. This rate has been in effect for a great number of years and has never been established by this Commission.

The books and records of this utility are fragmentary and incomplete and do not reflect the total cost of the capital invested or the costs of operation and maintenance. No inventory or appraisal of the properties was submitted by applicants other than the general allegations set out in the petition filed with the Commission. P.E. Harroun, one of the Commission's engineers, presented a report in which the estimated original cost of the system was found to be \$14,734., as of October 1, 1927, with a corresponding depreciation annuity of \$456., computed by the sinking fund method at 5%. The report also estimates the annual operating and maintenance expenses for the immediate future to be \$825., and shows the average annual gross income for the past

three years, derived from the present rate, to be \$1059. Based upon the foregoing figures, it is apparent that the utility has not been able to earn the bare costs of operation, maintenance and depreciation and is therefore entitled to an increased over the present schedule of rates. The estimates made by the Commission's engineer appear to be fair and reasonable and will, therefore, be used for the purposes of this proceeding.

The schedule of flat rates herein sought by the applicants is somewhat unbalanced and does not properly cover the demands of the various classes of service upon this system. The rates established herein are designed to more adequately cover the general use and to prevent, insofar as possible, under flat rates, discrimination against the various classes of service demands. While applicants have applied for a meter rate, the record shows they do not expect to install meters at the present time because of the financial condition of the utility. The meter rate, however, will be established as requested and the installation of meters is recommended in case there should develop in the future any flagrant or excessive waste of water under the flat rate service. Although the Commission usually requires that the installation of meters be made at the expense of the utility, in this particular instance the financial condition is such that any considerable demand on the part of the consumers for the installation of meters would seriously handicap continued operation of the system. It therefore seems advisable to permit this utility, under existing conditions, to require those consumers who desire metered service to first make a deposit of the cost of such a meter with the understanding that refunds will be made to the consumer on such deposit at the rate of 20% of the monthly water bills until the entire amount is satisfied.

Complaint was made by one consumer to the effect that the pressure and volume of water at his premises were poor and inadequate. Investigation developed that this consumer received service

at the extreme end of a long line of old and small sized pipe that is one of the remaining lines of the old system which has not yet been replaced by the present owners. Applicants have agreed to remedy this condition by the replacement of the old pipe line as soon as possible.

O R D E R

William Jessen and Olive Jessen, doing business under the fictitious firm name and style of Rohnerville Water Works, having made application for permission to increase the rate now charged by them for water service rendered to their consumers, a public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully advised,

It is hereby found as a fact that the rates now charged by said William Jessen and Olive Jessen for water delivered to their consumers are unjust and unreasonable insofar as they differ from the rates herein established and that the rates herein established are just and reasonable rates for such service and basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that William Jessen and Olive Jessen, doing business under the fictitious firm name and style of Rohnerville Water Works, be and they are hereby directed to file with this Commission within thirty (30) days from the date of this order the following schedule of rates to be charged consumers in and about the town of Rohnerville, Humboldt County, for all water delivered on and after the 1st day of January, 1928.

MONTHLY FLAT RATES

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| 1. Residences, boarding houses, flats, lodging houses, apartments, etc., 5 rooms or less | \$1.25 |
| For each additional room | .15 |
| Additional for bathroom and one patent flush toilet | .25 |
| Additional for each extra bathtub or flush toilet | .25 |
| For each private barn with not more than two horses or cows | .50 |
| For each additional horse or cow | .25 |
| For more than fifty poultry, for each 500 | .25 |

First January - 1928.

2.	Restaurants, cafes, etc.	\$2.50 to 6.00
3.	Small stores or shops	1.25
	Additional for family living therein on same floor	1.00
	Large stores and warehouses, according to use of water	2.00 to 5.00
	Doctors' or dentists' offices, not exceeding 2 rooms, with water tap	1.25
	Rooms in second or third stories occupied for offices, for each room with water50
4.	Ice cream parlors, soft drink establishments, drug stores, billiard or pool parlors, etc., either alone or in connection with other businesses, according to use of water ..	\$2.00 to 5.00
5.	Barber shops, for single chair	1.50
	For each additional chair75
	For each bathtub	1.50
6.	Blacksmith shop, wagon shop, etc.	1.25 to 3.50
7.	Public halls, churches, clubs or lodge rooms, etc.	1.25
8.	Public water closets, single closet	1.25
	For each additional closet	1.00
9.	<u>Irrigation</u> : For irrigation of lawns and gardens in connection with domestic use, for each square yard actually irrigated	1/4 cent
	For irrigation not in connection with domestic use, per square yard of surface actually irrigated	1/2 cent
10.	<u>Miscellaneous:</u> Water for slacking lime, per barrel of lime20
	For dampening brick, per 1000 bricks10
	For cement work, per barrel of cement15
11.	<u>For public use:</u> For schools, street sprinkling, etc., by special arrangement with minimum charge	1.25

MEMBER RATES

1.	<u>Minimum Monthly Charges:</u>	
	For 3/8-inch meter	1.50
	For 3/4-inch meter	2.00
	For 1-inch meter	3.00

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

2. Monthly Quantity Rates:

0 to 600 cubic feet, per 100 cubic feet . . .	\$0.25
Next 1200 cubic feet, per 100 cubic feet. . .	.20
Over 1800 cubic feet, per 100 cubic feet. . .	.15

Meters may be installed either at the option of the utility or the consumer. If requested by consumer, deposit must be made by such consumer upon application as follows:

5/8 x 3/4 inch meter	\$15.00
3/4 inch meter	25.00
1 inch meter	35.00

Above deposits to be refunded to the consumer by way of credit on monthly water bills to the extent of twenty (20) per cent thereof, until entire deposit is refunded.

IT IS HEREBY FURTHER ORDERED that William Jessen and Olive Jessen be and they are hereby directed to file with this Commission, within thirty (30) days from the date of this order, rules and regulations governing service to their consumers, said rules and regulations to become effective upon their acceptance for filing by the 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 16th day of December, 1927.

Emmuel J. Connelley
Clarence
Leon Whitehill
David S. Rutter
W. J. Carr
 Commissioners.