

Decision No. 20485

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of
LEMON COVE WATER CO.

Mrs. M.L. Moffett, prop.

for permission to revise and raise
its rates for Water Service, and
Adopt Rules and Regulations.

Application No. 15025.

Bert L. Hughes, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Mrs. M.L. Moffett, operating under the fictitious firm name and style of Lemon Cove Water Co. and proprietor of a public utility water system supplying water for domestic and other purposes to the inhabitants of Lemon Cove, Tulare County, requests this Commission to adjust the present flat rates, to establish a schedule of rates for metered service, and to permit applicant to file rules and regulations.

A public hearing in this matter was held before Examiner Satterwhite at Lemon Cove.

The water is obtained by pumping from a deep well and delivered into two storage tanks of a total capacity of 10,000 gallons. From these tanks, the water is distributed by gravity to thirty-eight consumers through 2,400 feet of 1½-inch and 1½-inch standard screw pipe.

The rates now in effect were filed with the Commission

in 1912 and are as follows:

<u>Flat Rates</u>	<u>Per Month</u>
Residences only-----	\$ 1.50
Residence and garden-----	2.00
Residence and barn-----	1.75
School-----	1.75 (1)
Railroad depot-----	2.00
Stable-----	5.00 (2)
Ice plant-----	10.00 (3)
Laundry-----	2.50

- Note: (1) Later changed by agreement to \$3.50.
 (2) Later changed by agreement to \$3.00 for garage.
 (3) Later changed by agreement to \$5.00 and then to \$5.50.

The evidence shows that the underlying ground formation throughout the general vicinity of applicant's service area is granite, which makes it difficult to obtain water from underground sources in any quantity. Applicant has drilled four different wells and was unable to obtain sufficient water from any except the last well, which produces an average flow of only four miner's inches. Applicant's request for authority to meter the system to conserve the available water supply and reduce waste appears reasonable and will be granted.

A report was presented by E. R. Foster, one of the Commission's hydraulic engineers, showing the estimated original cost of the system as of October 9, 1928, together with an analysis of the operating and maintenance expenses and operating revenues. A summary of this report is set out below:

Gross Operating Revenues (Estimated) 1928----	\$840.00
Operating Expenses (Including depreciation annuity of \$57.00 based on 5% sinking fund)-----	610.00
Available for Return-----	\$230.00
Rate Base-----	\$3,811.00
Rate of Return-----	6.0%

The installation of meters, which are urgently required for the conservation of the water supply, will require the additional expenditure of about \$600., which will increase the capital investment to \$4,411., and would thereupon reduce the net return, based upon the present schedule of rates, to 4.8%. As the installation of meters will somewhat increase the present operating costs, it is apparent that applicant is entitled to a slight readjustment in rates.

The schedule of flat and meter rates set out in the following order is similar to the rates charged by other small utilities operating in the vicinity under similar conditions and is designed to produce a reasonable return on the property devoted to the public use.

O R D E R

Application as entitled above having been made to this Commission, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now charged by Mrs. M. L. Moffett, operating under the fictitious firm name and style of Lemon Cove Water Co., for water supplied to her 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 the service rendered, and basing its 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 Mrs. M. L. Moffett be and she is hereby authorized and directed to file with the Railroad Commission, within thirty (30) days from the date of this order, the

following schedule of rates for all water delivered to her consumers on and after the 1st day of December, 1928:

RATE SCHEDULE

MONTHLY FLAT RATES

- | | |
|---|--------|
| 1. Residences, boarding houses, apartments, flats, lodging houses, etc., 5 rooms or less----- | \$1.50 |
| For each additional room----- | .15 |
| Additional for each bathtub and toilet----- | .25 |
| 2. Lawn and garden irrigation, per 100 square feet of surface actually irrigated----- | .04 |
| 3. Stores, shops and offices----- | 2.00 |
| 4. Ice cream parlors, soft drink establishments, garages and service stations----- | 3.00 |
| 5. School----- | 4.00 |
| 6. Ice plant and hotel, each----- | 6.00 |

METERED RATES

Minimum Monthly Charges:

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

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

Monthly Quantity Rates:

From 0 to 1,000 cubic feet, per 100 cubic feet-----	\$.25
Over 1,000 cubic feet, per 100 cubic feet-----	.20

Any consumer is entitled to metered service upon application therefor and the utility may meter any and all service connections.

IT IS HEREBY FURTHER ORDERED that Mrs. M.L. Moffett be and she is hereby directed to file with the Railroad Commission,

within thirty (30) days from the date of this order, rules and regulations governing service to her consumers, 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 16th day of November, 1928.

C. J. Seamy

Ernesto

John D. Smith

M. C.

 Commissioners.