

**ORIGINAL**Decision No. 22497

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of J.W. Cain, operating under the  
name of "The Utilities Company of  
Novato," for an order authorizing  
an increase in rates for water  
service.

Application No. 16306.

J.W. Cain, in propria persona.

A.D. White, W.E. Cole, A.H. Anderson  
and E.P. Tuckett, Protestants.

BY THE COMMISSION:

O P I N I O N

J.W. Cain, operating a water system under the fictitious firm name and style of The Utilities Company of Novato, has petitioned the Railroad Commission for an order authorizing the establishment of an increased schedule of rates for service rendered to his consumers in and adjacent to the unincorporated town of Novato, Marin County.

A public hearing on this application was conducted by Examiner Handford at Novato.

The water system of applicant now supplies 107 consumers and is approximately seventy-five per cent metered. Water is pumped from two shallow wells, located in the town of Novato, and delivered directly into the distribution system, consisting of 29,650 feet of pipe lines varying from 1 to 4 inches in diameter. Water is stored in a concrete reservoir of 90,000 gallons capacity. In addition to the waterworks, applicant also is

engaged in the business of operating a public utility electrical distribution system and a telephone system in and in the vicinity of Novato.

The rates now in effect were established by the Commission in its Decision No. 12537 dated August 23, 1923, and are in part as follows:

Monthly Minimum Charges

5/8-inch meter-----	\$1.50
3/4-inch meter-----	1.75
1-inch meter-----	2.25
1 1/2-inch meter-----	2.75
1 3/4-inch meter-----	3.50
2-inch meter-----	5.00
3-inch meter-----	8.75

Monthly Meter Rates

From 0 to 750 cubic feet, per 100 cubic feet-----	\$0.20
From 750 to 5,000 cubic feet, per 100 cubic feet-----	0.18
All over 5,000 cubic feet, per 100 cubic feet-----	0.15

Monthly Flat Rates

Residences-----	\$1.50
Stores-----	1.00
Additional for each bathtub-----	0.15
Additional for each toilet-----	0.15
Etc.	

A petition was filed during the hearing held in the above entitled proceeding by a committee representing the residents of the community of Black Point, requesting that applicant be permitted to extend his mains to serve the area in and about Black Point, which at the present time contains approximately ninety homes, mostly summer-resort in character, desiring water service. It appears that the wells near Black Point produce a very small amount of brackish water wholly unsuitable for domestic use. A large number of the property owners in this section obtain their only source of water by storing rain water in tanks and cisterns,

and by carrying water for drinking and household purposes in portable containers. Applicant already has a pipe line extending two miles towards Black Point and is willing to install the necessary extension of approximately two and one-half miles to reach this area. It furthermore appears that the franchise owned by this utility covers the Black Point territory as well as the intervening area. There is no objection to the extension of applicant's system to serve the Black Point region provided the utility definitely understands that the rates which will be established in the following Order are not designed to provide a full return upon the additional investment which will be required to render this new service. Obviously, it would be improper to place upon the shoulders of the regular consumers in and near Novato the additional costs required to render service to Black Point consumers, which service has not been demonstrated to be fully compensatory at this time.

The evidence shows the estimated historical cost of the existing facilities of this company to be \$28,578. as of March 31, 1930. It furthermore appears that a reasonable cost for the future annual maintenance and operation of this system, exclusive of the proposed Black Point extension, is \$2,504., including \$604. annual depreciation fund. The revenues for the year 1929 amounted to \$3,500., leaving a net return of approximately three and one-half per cent on the above installed capital of \$28,578.

The consumers present stated that they were not opposed to a reasonable increase in the charges for water service provided they were not assessed with the burden of serving water to Black Point consumers. As indicated above, no such additional charges will be placed upon the regular consumers. Under the

circumstances, it appears that applicant should be granted a readjustment in the present schedule of rates. As the service to be rendered to the consumers in Black Point will be more in the nature of a special class of service, a separate schedule of rates will be established therefor.

O R D E R

J.W. Cain, operating under the fictitious firm name and style of The Utilities Company of Novato, having applied to the Railroad Commission for authority to increase the rates charged for water service furnished to his consumers, 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 and charges of said J.W. Cain for water delivered to consumers in and in the vicinity of Novato, Marin County, 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 the service rendered; therefore

IT IS HEREBY ORDERED that J.W. Cain, operating a water system under the fictitious firm name and style of The Utilities Company of Novato, be and he 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 to be charged for all water service rendered subsequent to the date of the Order herein:

TERRITORY IN NOVATO AND GENERAL VICINITYMETER RATESMonthly Minimum Charges:

5/8-inch meter-----	\$ 1.50
3/4-inch meter-----	1.75
1-inch meter-----	2.25
1 1/2-inch meter-----	4.00
2-inch meter-----	6.00
3-inch meter-----	12.00
4-inch meter-----	20.00

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:

For the first 500 cubic feet-----	\$ 1.50
Next 1,500 cubic feet, per 100 cubic feet-----	0.20
Next 2,000 cubic feet, per 100 cubic feet-----	0.18
Over 4,000 cubic feet, per 100 cubic feet-----	0.15

FLAT RATESMonthly Flat Rates:

Residences-----	\$ 1.50
Stores-----	1.00
Additional for each bathtub-----	0.15
Additional for each toilet-----	0.15

Lawn and Garden Sprinkling  
between May 1st and November 1st:

Per square yard of surface actually irrigated-----	\$ 0.005
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Fire Hydrant Rates:

For 2 1/2-inch fire hydrants on mains not less than 4 inches internal diameter (company to furnish all material and maintenance), per month-----	\$ 2.00
For hydrants on mains less than 4 inches internal diameter, per month-----	1.00
Water used for street sprinkling or sewer flushing per 100 cubic feet-----	0.15

All other municipal or other public use of water to be charged for at regular meter rates.

ANNUAL RATES FOR SUMMER HOME SERVICE  
FROM BLACK POINT EXTENSION

Annual Charges:

The minimum annual charges which are due and payable February 1st of each calendar year and which shall entitle the consumer to a minimum of 400 cubic feet of water each month are as follows:

<u>Size of Meter</u>	<u>Annual Charges</u>
For 5/8-inch meter	\$ 18.00
For 3/4-inch meter	30.00
For 1-inch meter	40.00
For 1 1/2-inch meter	75.00
For 2-inch meter	100.00

Monthly Quantity Rates:

All additional water above the monthly minimum quantity allowed of 400 cubic feet shall be charged for at the following quantity rates:

From 400 to 2,000 cubic feet, per 100 cubic feet-----	\$0.25
Next 2,000 cubic feet, per 100 cubic feet-----	0.20
Over 4,000 cubic feet, per 100 cubic feet-----	0.18

IT IS HEREBY FURTHER ORDERED that J.W. Cain be and he is hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, rules and regulations to govern the distribution of water to his 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 3rd day of

June, 1930.

C. S. Seamy  
Commissioner  
Leon O'Connell  
Commissioner

Commissioners.