

ORIGINALDecision No. 23848

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Tomales Bay Land Company for
an order authorizing readjustment
of water rates.

Application No. 17096.

Dreher and McClellan, by J. Ed. McClellan,
for Applicant.

STEVENOT, COMMISSIONER:

OPINION

This is an application for readjustment of rates filed by E.S. and Guido Granucci, a co-partnership, operating under the fictitious name of Tomales Bay Land Company and delivering water to consumers residing in Inverness Park, Marin County.

The application alleges that the present rates do not yield sufficient revenue to meet operating expenses and provide a fair return upon the capital invested. The Commission is asked to establish a schedule of flat and meter rates which will place the water system on a self-sustaining basis.

Public hearings in this matter have been held at Inverness Park and San Francisco after all interested parties were notified and given an opportunity to appear and be heard.

This system was acquired several years ago by applicant upon the acquisition of a ranch property consisting of approximately 700 acres lying along and above the head of Tomales Bay, in Marin County. The subdivided tract known as Inverness Park is

a part of this ranch and comprises a tract of land of 150 acres. At present there are about forty-four consumers being supplied with water, the majority of whom occupy their homes only during the summer months and occasionally on week-ends and holidays. Water is received from two springs located upon the main ranch, from whence it is transmitted to a 30,000-gallon redwood storage tank. There are in the system about 8,000 feet of pipe line ranging from three-quarters of an inch to two inches in diameter.

No detailed valuation of the utility's properties was presented by applicant, which accepted, however, the appraisalment thereof submitted by E.E. Savage, one of the Commission's hydraulic engineers, which amounted to \$4,167 as of February 1, 1931, with a corresponding annual depreciation charge of \$95.16. Applicant has been directed by Decision No. 23375 dated the 9th day of February, 1931, to replace certain existing pipe lines with mains of larger size on or before the thirtieth (30th) day of April, 1931, as extended. It is estimated that the cost of this work will be approximately \$500. It appears that for the purposes of this proceeding the total rate base upon completion of the installation will be \$4,667, with a corresponding depreciation annuity amounting to \$110. As required by the above mentioned decision of the Commission, changes in operating methods have been made by applicant which will result in increases in the cost of operation and maintenance over the charges heretofore incurred in the past. From the testimony it appears that the sum of \$500 will be a reasonable and proper sum to allow for these items for the immediate future. The revenue received for the year 1929 amounted to \$407, which is substantially the same as the revenue received for

each of the three preceding years. It is apparent that the revenues produced under existing rates do not yield a sufficient income and that a readjustment therein is proper under the circumstances. The existing rates filed with the Commission by this utility on May 15, 1919, are as follows:

FLAT RATES

For tenement or house occupied by a family of not more than eight persons-----\$ 8.00 per year
If not paid before February 1st of the current year----- 10.00
For more than two lots, a charge of \$4.00 per lot will be made for each additional lot.

There are, however, certain deviations from the above schedule covering charges made to certain consumers who have premises larger than those provided for in the schedule. Applicant also has installed a few meters in order to estimate the use of certain larger water users. As there is no schedule of meter rates now in effect for this system, it has not been possible to bill said consumers upon a measured basis. In view of the fact that the water supply is very limited upon this system and that certain consumers use a considerable quantity of water in comparison with others, it is clear that the entire system should be fully metered at as early a date as possible and for this reason a schedule of metered rates will be established in the following Order.

The evidence strongly indicates that the present water supply of this utility is not adequate to meet properly the demands of all consumers throughout the summer season. In two former proceedings before this Commission, the company was directed to increase the capacity of its distribution pipe lines.

While the installation of larger distribution mains undoubtedly will result in the rendering of a better service to consumers, yet such installations will not effect any increase in the water available from the existing sources of supply. The testimony in this proceeding is somewhat conflicting on the question of the possibility of the development of additional water from the present springs by improvements to the collecting and intake structures. This utility should cause a very thorough investigation to be made of the present springs and, if the intake structures permit the leaking and seepage of water, they should be reconstructed in order to secure a proper water cut-off and, if other waters can be obtained or developed from nearby springs or from other sources at a reasonable cost, an earnest effort should be made to do so before the peak summer demand arises.

The following form of Order is submitted.

O R D E R

E.S. and Guido Granucci, doing business under the fictitious firm name and style of Tomales Bay Land Company, having made application for authority to increase the rates charged for water service furnished to consumers in Inverness Park, Marin County, public hearings 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 E.S. and Guido Granucci for water delivered to consumers in and in the vicinity of Inverness Park, Marin County, in so far as they differ from the rates herein established are unjust and

unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered, and

IT IS HEREBY ORDERED that E.S. and Guido Granucci, operating a water system under the fictitious firm name and style of Tomales Bay Land Company, be and they are 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 water service rendered subsequent to the 4th day of May, 1931, subject to the conditions contained in this Order.

METER RATES

Permanent or Regular Consumers

Monthly Minimum Payments for Metered Service:

5/8-inch x 3/4-inch meter-----	\$1.25
3/4-inch meter-----	1.50
1-inch meter-----	2.25
1 1/2-inch meter-----	3.50
2-inch meter-----	5.50

Each of the foregoing monthly minimum payments will entitle the consumer to the quantity of water which that monthly minimum payment will purchase at the following monthly quantity rates.

Monthly Quantity Rates:

For the first 500 cubic feet or less-----	\$1.25
Next 1,000 cubic feet, per 100 cubic feet-----	.20
Next 1,000 cubic feet, per 100 cubic feet-----	.15
Next 1,500 cubic feet, per 100 cubic feet-----	.10
Over 4,000 cubic feet, per 100 cubic feet-----	.05

Summer or Irregular Consumers

Annual charge, payable in advance, entitling consumer to 500 cubic feet of water per month for any period of eight consecutive months during calendar year (5/8-inch x 3/4-inch meter)-----\$10.00

Note: When water is used in excess of the above allowance of 500 cubic feet per month, the above monthly quantity rates for permanent or regular consumers shall apply. When water is used for additional months over the eight months in any calendar year covered by the annual payment of \$10.00, the regular monthly minimum charges and quantity rates shall apply.

FLAT RATES

Permanent or Regular Consumers

For domestic use, per month-----\$ 1.50

Summer or Irregular Consumers

For domestic use per calendar year, payable in advance----\$15.00

IT IS HEREBY FURTHER ORDERED that E.S. and Guido Granucci be and they are 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 their consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

IT IS HEREBY FURTHER ORDERED that the rates herein established shall not become effective unless and until the improvements ordered by this Commission in its said Decision No. 23375 dated the 9th day of February, 1931, be installed and in operation and written approval thereof has been given by this Commission to said E.S. and Guido Granucci.

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 4th day of
May, 1931.

C. J. Anderson
Leon Anderson

W. H. Carr

M. B. Harris

Fred G. Stephens
Commissioners.