

MRM/GEE

Decision No. 24097

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SNEIBLE-TAVERNETTI COMPANY, a cor-
poration, for a preliminary order for
certificate of public convenience and
necessity to furnish water for domes-
tic purposes to inhabitants of the town
of Gonzales, California.

Application No. 17496.

William C. Theile, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application as amended at the hearing, Sneible-Tavernetti Company, a corporation, asks for a preliminary order granting a certificate of public convenience and necessity to operate a public utility water system to supply water for domestic purposes to the inhabitants of the unincorporated town of Gonzales, in the County of Monterey.

A public hearing in this matter was held at Gonzales on August 12, 1931, before Examiner Kennedy.

The application as originally filed with the Commission contemplated that the Sneible-Tavernetti Company would organize a corporation to be known as the Sneible-Tavernetti Water Company and thereafter transfer to this new corporation all of its existing public utility water properties and business. At the hearing applicant stated that it had decided not to organize such a corporation but to amend the Articles of Incorporation of the present

Sneible-Tavernetti Company to permit it to engage in public utility business in conjunction with its general mercantile activities. The Commission was also requested at the hearing to establish a proper rate for the service rendered.

The testimony shows that applicant began supplying water as an accommodation to a few consumers in the town of Gonzales in 1925 and has gradually extended its distribution pipe system to serve others until at the present time there are about 100 consumers served and approximately 16,000 lineal feet of distribution pipe mains installed ranging from four inches to three-quarters of an inch in diameter. The water supply is obtained from two drilled wells and is pumped into two elevated wooden tanks which have a capacity of 10,000 gallons each and from thence is delivered by gravity into the distribution system. Additional water may be obtained when the demand warrants by drilling other wells.

The town of Gonzales is unincorporated and applicant has never obtained a franchise from the county authorities to occupy the streets, alleys and roadways with pipe lines. It is in order to fully comply with the provisions of the law that request has been made to this Commission for a certificate of public convenience and necessity to operate a water system and application made to the Board of Supervisors of Monterey County for the necessary franchise privileges. No one appeared to protest the granting of a certificate of public convenience and necessity and as there is no other public utility supplying water in this territory, the request therefor should be granted, effective upon obtaining the necessary county franchise, permit or consent.

The rates now in effect are all flat and provide for monthly minimum charges ranging from one dollar and a half to two dollars per month according to the size of the premises served. For the various classes of demand, the existing rates are wholly inadequate and do not spread the charges uniformly in accordance with the actual use of water. It is to correct this condition that the Commission has been asked to establish a more equitable rate structure.

A report was submitted by H.A. Noble, one of the Commission's hydraulic engineers, in which the estimated original cost of the water properties including lands at present fair market value was given at \$10,882 and the depreciation annuity computed by the five per cent sinking fund method as \$180. He also estimated that the sum of \$1,315 would be a reasonable allowance for the annual maintenance and operation expenses for the immediate future. Applicant, however, estimated the annual operating expenses to be \$2,200, the difference being principally due to the applicant's claims of the necessity for a higher allowance for superintendence and electric power for pumping. The sum of \$1,550 appears to be a proper allowance for maintenance and operation costs including depreciation. The results of operation for the past twelve months have produced a gross revenue of \$2,400, or a net return of 7.1% upon the capital investment based upon the figures presented by the Commission's engineer.

The revised schedule of rates established in the following Order is designed to yield as nearly as possible the same revenues now received and at the same time more equitably distribute the charges according to the use of water. In this con-

nection it should be noted that, wherever water is sold solely on a flat rate basis, there is inevitably a tendency on the part of many consumers to indulge in a wasteful and extravagant use thereof. It is admittedly an extremely difficult matter to establish a schedule of flat rates whereby the burden of maintaining a water system of this character actually is evenly distributed among the various consumers in proportion to their service demands. A measured rate on the other hand will not only effect a more uniform distribution of the charges among the water users but also will serve as a means of conserving the water supply and reducing pumping costs. For these reasons a meter rate will also be established and the early metering of the system is urgently recommended.

O R D E R

Sneible-Tavernetti Company, a corporation, having made application as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the Sneible-Tavernetti Company, a corporation, to operate a water system for the purpose of supplying water for domestic and other purposes in and in the vicinity of the town of Gonzales, Monterey County, in that certain territory more specifically set out and described in the application herein.

IT IS HEREBY ORDERED that the authority above granted shall become effective only upon the compliance by applicant with

the following conditions and upon the issuance of a supplemental order by this Commission:

1. That Sneible-Tavernetti Company amend its Articles of Incorporation so as to permit it to engage in the public utility business of water distribution in conjunction with its other business activities and file with this Commission a certified copy of such amended Articles of Incorporation.
2. That Sneible-Tavernetti Company secure a permit, franchise, or other proper consent from the County of Monterey covering the construction and operation of a water system in the territory described in the application herein and thereupon file with this Commission a certified copy of such permit, franchise, or other consent.

IT IS HEREBY FURTHER ORDERED that Sneible-Tavernetti Company be and it is hereby authorized to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to become effective only as authorized by further Order of this Commission.

MONTHLY FLAT RATES

1. For all residences, apartments and flats of five rooms or less-----\$1.10
For each additional room----- .10
Additional for each flush toilet----- .20
Additional for each bathtub----- .20
2. Irrigation of lawns, shrubbery, trees, garden, etc., chargeable each month:

For 2,000 square feet or less irrigated, per 100 square feet----- .02
From 2,000 to 7,000 square feet irrigated, per 100 square feet----- .01
All over 7,000 square feet irrigated, per 100 square feet----- .005
3. Hotels and Lodging Houses:

For public dining room----- 2.00
For each bedroom with water tap----- .20
For each bedroom without water tap----- .10
For each private bathroom----- .25

4.	For a single public flush toilet in hotels, lodging houses or public places-----	\$0.75
	For each additional public flush toilet-----	.30
5.	For a single public bathtub in hotels, lodging houses or public places-----	.75
	For each additional public bathtub-----	.30
6.	Public urinals in hotels, poolrooms or any public place, for each bowl where a drain is used-----	.50
	With automatic trap flusher, each-----	.70
7.	Restaurants, cafes and lunch places, according to size of establishment and use of water-----	\$2.00 to 5.00
8.	Barber shops, for single chair-----	1.00
	For each additional chair-----	.50
9.	Public halls, clubs or lodge rooms-----	1.25
10.	Public garages and repair shops, according to use of water-----	\$2.00 to 5.00
11.	Railroad corrals, according to use of water-----	\$2.00 to 5.00
12.	Railroad section houses, for 6 cabins or less-----	10.00
	For each additional cabin-----	1.00
13.	Gas and oil service stations, either alone or in connection with other business places-----	\$1.00 to 3.00
	Additional for public toilets or urinals, according to items Nos. 4 and 6.	
14.	Meat markets, laundries, creameries, slaughter houses, bottling works, canning or packing houses, according to use of water-----	\$1.50 to 6.00
15.	For stores and business places not otherwise listed, according to use of water-----	\$1.00 to 3.00
16.	Additional for each toilet, urinal or bathtub in items 7 to 15, inclusive, (except as otherwise provided)-----	.30
17.	For the City Park, according to use of water-----	\$1.50 to 5.00
18.	For fire hydrants, including water for extinguishment of fires:	
	For each hydrant owned and maintained by the Fire District and installed on 4-inch or larger pipe mains-----	1.00
	For each hydrant owned and maintained by the Fire District and installed on smaller than 4-inch pipe mains-----	.35

19. Water used for street sprinkling and sewer flushing, by computed or measured quantity, per 100 cubic feet----\$0.10

METER RATES

Monthly Minimum Charges:

For 5/8-inch meter-----	\$1.50
For 3/4-inch meter-----	2.00
For 1-inch meter-----	2.75
For 1 1/2-inch meter-----	3.75
For 2-inch meter-----	5.00

Each of 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:

First 600 cubic feet, per 100 cubic feet-----	\$1.50
Next 1,000 cubic feet, per 100 cubic feet-----	.20
Next 2,400 cubic feet, per 100 cubic feet-----	.15
Over 4,000 cubic feet, per 100 cubic feet-----	.12

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

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IT IS HEREBY FURTHER ORDERED that Sneible-Tavernetti Company be and it is hereby directed to file with this Commission, within thirty (30) days from the date of this Order, rules and regulations to govern relations with its consumers, such 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 5th day of

October, 1931.

C. L. Seaver
Sam. Whelan
M. B. Hayes
Fred G. Cleveland
 Commissioners.