

MRM/GEE

**ORIGINAL**

Decision No. 2410R

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
N.M. Peterson, as owner of the  
Mountain Avenue Water Company, of  
Fetters Springs, Sonoma County,  
California, for permission to change  
water rates.

Application No. 17422.

A.R. Grinstead, Attorney for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application N.M. Peterson, doing business under the name of Mountain Avenue Water Company, requests the Commission to issue an order granting him the right to discontinue flat rate service and hereafter charge upon a measured basis under a revised schedule of meter rates.

A public hearing in this matter was held before Examiner Satterwhite at Fetters Springs, in Sonoma County.

The evidence shows that N.M. Peterson now owns and operates the Mountain Avenue Water Company, the Sonoma Highland Water System, formerly owned by Kate Waterman, and the Woodleaf Park Water System, formerly owned by J.W. Minges, all supplying a widely scattered area adjacent to Fetters Springs, in Sonoma County. These three plants have been consolidated and interconnected and are being operated as a single unit under the name of

Mountain Avenue Water Company, supplying at present 100 consumers, 71 being metered and 29 on the flat rate schedule. Additional meters are being installed to entirely eliminate all further flat rate service. The source of water supply is two drilled wells, one six inches in diameter and 148 feet deep and the other ten inches in diameter and 200 feet deep, together with a three-inch well, 70 feet deep, held in reserve for standby and emergency purposes only. The pumping equipment is electrically operated and delivers water into two redwood storage tanks, one of 5,000 gallons capacity and the other of 61,000 gallons. The transmission and distribution system consists of 2,950 feet of 3-inch pipe, 8,555 feet of 2-inch pipe, 2,885 feet of 1½-inch pipe and 850 feet of ¾-inch pipe.

The present schedule of rates was fixed by the Commission in its Decision No. 10391, dated May 2, 1922, and is as follows:

FLAT RATES

Annual charge, payable in advance-----\$6.00

In addition to the above annual charge, the following rates will be charged for each month during which water is used:

- |   |        |
|---|--------|
| 1. Residence, four rooms or less-----                                       | \$0.50 |
| 2. For each additional room-----  | .10    |
| 3. Stores-----  | .50    |
| 4. Private patent toilets, each-----  | .10    |
| 5. Private bathtubs, each-----  | .10    |
| 6. For each horse or cow-----   | .10    |
| 7. For the irrigation of lawns or gardens,<br>for each 100 square feet----- | .02    |
| All other use at meter rates.   |        |

METER RATES

Annual charge, payable in advance-----\$6.00

In addition to the above annual charge, the following rates will be charged for each month during which water is used:

1. For the first 250 cubic feet or less-----\$0.50
2. For the next 1,750 cubic feet, per 100 cubic feet- .20
3. For all use over 2,000 cubic feet, per 100 cubic feet- .15

Meters may be installed on any and all services, at the option of the utility or the request of any consumer.

NOTE: Item 7, under Flat Rates, was amended to read \$0.02 instead of \$0.07 under Supplemental Decision No. 10539.

The schedule of rates requested by applicant is as follows:

Each consumer service charge-----\$6.00 per year.

All water used to be charged at meter rates set forth below:

METER RATES

For the first 250 cubic feet or less-----\$0.50  
 For the next 1,750 cubic feet, per 100 cubic feet----- .20  
 For all use over 2,000 cubic feet, per 100 cubic feet----- .15  
 Minimum charge of \$0.50 per month on a 5/8-inch meter  
 and \$1.00 per month on a 1-inch meter. Said minimum  
 charge to cover the first 250 cubic feet, as provided  
 in the meter rates above.

Maintenance and operation expenses for the twelve months' period ending 1931 were analyzed by C.F. Mau, one of the Commission's engineers, from the applicant's records and are as follows:

Power cost for pumping-----\$152  
 Labor for repairs and maintenance----- 600  
 Bills, postage, attorneys' fees, etc. 170  
 Taxes----- 19

Total Expenses-----\$941

The gross revenue for the same  
 period was-----\$1,066

The only appraisal of the physical properties submitted was made by the Commission's engineer setting forth the estimated

original cost at \$8,486 and the corresponding depreciation annuity at \$141 computed by the sinking fund method at five per cent. This appraisal was not disputed by the applicant.

The substitution of the meter rates requested by applicant for the present schedule of flat rates and meter rates means the discontinuance of all flat rate service throughout the entire Mountain Avenue Water Company's system, leaving the present meter rates and yearly standby charge of six dollars (\$6.00) to continue in effect without any increased charge. A slight modification of the existing meter schedule is necessary, however, by reason of the fact that it now contains no minimum monthly charge for service. The complete metering of this system is made necessary by reason of the fact that the territory served is practically all summer-resort in character, there being very few permanent resident consumers and, as the consumers use water for a few days at a time intermittently throughout the fall and winter months, there is no practical method of determining this use under the flat rate system of operation.

In view of the fact that no change is requested by applicant other than the revision of the present measured schedule to provide for monthly minimum payments thereunder and that no increased quantity rate is desired, the application will be granted.

#### O R D E R

Application having been made as entitled above, 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 present rate schedule of N.M. Peterson, doing business under the name of Mountain

Avenue Water Company, in so far as it differs from the schedule of rates herein established, is unfair and unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered, and

Basing this Order upon the foregoing finding of fact and on the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that N.M. Peterson be and he is hereby authorized and directed to file with the Railroad Commission, within twenty (20) days from the date of this Order, the following schedule of rates for water delivered to his consumers in Agua Caliente Park Subdivision, Sonoma Highland Subdivision, Woodleaf Park Subdivision and vicinity, Sonoma County, said rates to become effective for all service rendered subsequent to the 2nd day of November, 1931:

Annual Payment, payable in advance-----\$6.00 per year.

All water used to be charged in addition to above  
Annual Payment at meter rates as set forth below:

METER RATES

Monthly Minimum Charges:

For 5/8 x 3/4-inch meter-----\$0.50  
For 1-inch meter----- 1.00

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 250 cubic feet or less-----\$0.50  
Next 1,750 cubic feet, per 100 cubic feet----- .20  
Over 2,000 cubic feet, per 100 cubic feet----- .15

IT IS HEREBY FURTHER ORDERED that N.M. Peterson be and he is hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, a revised schedule of rules and regulations governing his relations with the 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 2<sup>nd</sup> day of December, 1931.

Leon O'Wherry

W. H. Kim

W. B. Harris

Frederic G. Stewart  
Commissioners.