

ORIGINAL

Decision No. 24645

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CARPINTERIA WATER COMPANY, a corporation, for authority to increase rates.))))	Application No. 17584.
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Schauer, Ryon & Goux, by Harrison Ryon,
for applicant.

BY THE COMMISSION:

O P I N I O N

Carpinteria Water Company, a corporation engaged in the business of selling and distributing water for domestic, commercial, irrigation and other purposes to residents of Carpinteria and vicinity, Santa Barbara County, asks the Railroad Commission to authorize an increase in its rates.

A public hearing in this proceeding was held before Examiner Kennedy at Carpinteria.

The evidence shows that this water system was started in 1919 when Frank L. Stewart and E. Stanley Atkinson constructed a small tank and well on their property and began to supply water to their tenants and to neighbors in the near vicinity whose wells had failed. In 1924, the Carpinteria Water Company was incorporated for the purpose of acquiring the above water plant and Application No. 10514 was filed with this Commission requesting a certificate of public convenience and necessity which was granted in Decision No. 14639, dated March 5, 1925. The present rate schedule is as follows:

FLAT RATES

Residences, per month-----	\$ 2.00
Office buildings, per month-----	1.25
Churches, dairies, hotels, etc., according to use of water, per month-----	\$2.00 to 7.00
High school, per month-----	12.00
Grammar school and Alisos School, per month-----	22.00
Automobile cabins, with water connection per month for sink-----	.50
Automobile cabins, with water connection per month for shower-bath-----	.25 extra
Automobile cabins, with water connection per month for toilet-----	.25 extra
Automobile community toilets and laundries, per month-----	\$1.00 to 2.00
Automobile filling stations with toilets but without wash rack, per month-----	3.00
Automobile filling stations with toilets and wash rack, per month-----	4.00

METER RATES

Monthly Meter Rates:

From 0 to 2,000 cubic feet, per 100 cubic feet----	\$0.25
From 2,000 to 10,000 cubic feet, per 100 cubic feet----	.20
All over 10,000 cubic feet, per 100 cubic feet----	.15

Monthly Minimum Rates:

5/8-inch meter-----	\$1.75
3/4-inch meter-----	2.25
1-inch meter-----	3.00
1 1/2-inch meter-----	5.00
2-inch meter-----	7.50

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 monthly meter rates.

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The water supply is pumped from wells into an elevated storage tank and distributed by gravity through approximately 63,000 feet of mains varying from four inches to one and one-half inches in diameter. There are approximately 340 active consumers receiving water from this company, all of whom pay on a flat rate basis. It is claimed by applicant that fine sand in the water precludes the use of meters unless a very large settling basin be constructed suf-

ficient in size to provide a long period of water retention to permit sand removal by sedimentation.

Mr. W. Body, accountant for the firm of Pace, Gore & McLaren, presented a report in behalf of applicant based on the accounts and records of the company and F.E. Van Hoesen, one of the Commission's hydraulic engineers, presented a report covering an appraisal of the company's property as of January 1, 1932, based upon the historical cost and a study of the operating revenue and expense for the years 1930 and 1931.

Following is a brief summary of the above reports:

	<u>Body</u>	<u>Van Hoesen</u>
Original cost of properties shown by books-----	\$67,495	-
Original cost of properties, depreciated-----	47,712	-
Estimated original cost-----	-	\$67,169
Depreciation, 5% sinking fund method - 1931----	-	1,521
Depreciation, straight line basis - 1931-----	2,558	-
Expenses, less depreciation - 1929-----	4,391	-
Expenses, less depreciation - 1930-----	4,528	4,554
Expenses, less depreciation - 1931-----	5,352	5,471
Estimated expenses for future-----	-	4,975
Operating revenue - 1929-----	7,671	7,671
Operating revenue - 1930-----	8,724	8,724
Operating revenue - 1931-----	8,987	9,533
Bank loans-----	4,300	-
Consumers' deposits, refundable-----	9,429	-

There are no substantial disagreements in the above figures except in the case of depreciation where the estimates are not in accord by reason of the different methods pursued, that used by F. E. Van Hoesen being in keeping with the usual practice of this Commission in rate proceedings. Based upon the above figures, the utility shows a net return for 1931 of 4.4 per cent on a rate base of \$67,169 less the consumers' deposits which are refundable and, similarly, using the estimated future operating costs, shows a net return of 4.8 per cent on the averaged revenue for 1931 as submitted by Body and Van Hoesen. It appears that applicant is entitled to some slight re-adjustment of rates.

The evidence shows that an abnormally large amount of water is pumped on this system which may be attributed either to wasteful use thereof or to the flat rate schedule now in effect. Applicant contends that it is unable to raise the funds which would be required to install meters and the proper sedimentation facilities and equipment. There is no data available to determine the amount of revenue which might be obtained under a measured service if the present meter rates were put into effect but, from a comparison with other utilities operating under similar conditions, it appears that said meter rates undoubtedly would yield a reasonable return. With this in mind, together with the fact that applicant's wells are located so near the ocean as to be susceptible to salt water intrusion if subjected to severe and prolonged pumping, we cannot urge too strongly the necessity of installing meters at as early a date as possible. The meter rate therefore will not be changed. The flat rate provided for in this Order is designed to equalize the charges for water service so that each consumer will pay on a basis of the amount of water used. This schedule should yield applicant a fair net return upon its investment under the existing circumstances and conditions.

O R D E R

Carpinteria Water Company, a corporation, having made application to this Commission as entitled above, a public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises,

It is hereby found as a fact that the rates and charges of Carpinteria Water Company, a corporation, for water delivered to its consumers in and in the vicinity of Carpinteria, Santa Barbara

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

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

IT IS HEREBY ORDERED that Carpinteria Water Company, a corporation, be and it 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 its consumers subsequent to the 1st day of May, 1932:

METER RATES

Monthly Minimum Charges:

5/8-inch meter-----	\$1.75
3/4-inch meter-----	2.25
1-inch meter-----	3.00
1 1/2-inch meter-----	5.00
2-inch meter-----	7.50

Each of the foregoing "Monthly Minimum 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 2,000 cubic feet, per 100 cubic feet-----	\$0.25
From 2,000 to 10,000 cubic feet, per 100 cubic feet-----	.20
All over 10,000 cubic feet, per 100 cubic feet-----	.15

MONTHLY FLAT RATES

- Residences, boarding houses, apartments, lodging houses, tenements and flats of six rooms or less, including one toilet and one bath-----\$2.00
 - For each additional room----- .10
 - For each additional bath, toilet or urinal----- .20
 - Additional for private barn and dairy with not more than two horses, cows or goats----- .50
 - For each additional horse, cow or goat----- .15

2.	Sprinkling or irrigation of lawns, shrubbery, trees, gardens, etc., per square yard actually under irrigation and payable each month of the year-----	\$.003
3.	Small stores, shops or offices-----	2.00
4.	Drug stores, bakeries and confectioneries-----	3.00
	Additional for soda fountain service-----	1.00
5.	Lumber yards-----	3.00
6.	Barber shops, one chair-----	2.00
	Each additional chair-----	.50
	Additional for public bath, each tub or shower-----	.75
7.	Packing houses-----	4.00
8.	Laundries-----	5.00
9.	Billiard parlors, base rate-----	3.00
	Additional for soda fountain service-----	1.00
10.	Business blocks, all floors above first, not exceeding five offices with two public toilets-----	3.00
	For each additional office-----	.25
	For each additional toilet-----	.25
11.	Restaurants and eating houses, base rate-----	4.00
	Additional for soda fountain service-----	1.00
12.	Hotels, base rate-----	3.00
	For each room having running water or bath-----	.25
	For all other rooms-----	.10
	Public bath, each tub or shower-----	1.00
	With dining-room in connection, an additional charge-----	4.00
	With soda fountain service in connection-----	1.00
13.	Public auto courts or camps, base rate-----	3.00
	For each apartment or room with running water or bath---	.25
	For each other apartment or room-----	.10
	For each public toilet-----	.50
	For each public laundry-----	.50
	For each public kitchen-----	.50
	For each public bath-tub or shower-----	1.00
14.	Service stations, base rate-----	3.00
	Additional for each toilet-----	.25
	Additional for wash rack-----	1.00
15.	Garage, base rate-----	3.00
	Additional for wash rack-----	1.00
	Additional for each toilet-----	.25
16.	Construction Work:	
	For each 1,000 bricks laid-----	.25
	Concrete sidewalks and floors, each 100 square feet of construction work-----	.25
	Concrete curb, per lineal foot-----	.25
	For other purposes, per barrel of cement-----	.15
	Graded streets, water used in settling streets, per 100 lineal feet-----	1.00

17. Schools:	
For each 100 pupils-----	\$4.00
For irrigating lawn, shrubbery, etc.:	
From 0 to 5,000 square yards, per square yard	
of surface under irrigation-----	.003
All over 5,000 square yards, per square yard	
of surface under irrigation-----	.002

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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 4th day of April, 1932.

C. J. Sweeney
Leon Whitney
M. A. Carr
W. B. Harris
Fred G. Stewart
Commissioners.