

ORIGINAL

Decision No. 24735

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the DIAMOND RIDGE WATER COMPANY, a corporation, for a raise in rates for furnishing and delivering water to its consumers.

Application No. 17879.

BY THE COMMISSION:

O P I N I O N

Applicant herein, Diamond Ridge Water Company, is a public utility engaged in furnishing water for domestic, irrigation and industrial purposes to approximately thirty-nine consumers in and in the vicinity of Diamond Springs and El Dorado, in El Dorado County. In this proceeding applicant asks for authority to increase its rates, alleging that the revenues received from water sales during the years 1928, 1929, 1930 and 1931 were less than the bare operating expenses and upkeep of the ditch system, in consequence of which the stockholder-consumer must absorb the loss through assessments creating an excessive and prohibitive cost for the water used by such stockholder-consumer.

A public hearing in this matter was held before Examiner Satterwhite at Placerville.

This utility has been before this Commission in a number of prior proceedings involving rates, service conditions and other matters, in each of which the Commission has made extensive and detailed investigations. In Decision No. 19092, decided December 2, 1927, and Decision No. 23896, decided July 21, 1931, the history,

financial, operating and other conditions of this system were fully set out and discussed in detail up to and including the year 1930. At the hearing of this application the evidence submitted in the above two prior matters was admitted as a part of the record of the instant proceeding.

The evidence shows that during the year 1931 there were thirty-nine consumers served by this system, comprising domestic, irrigation and commercial users. The amount of water sold was 2,385 miner's inch days. The total maintenance and operating expenses and taxes were \$2,546 and the revenue \$773. The operating deficit for the year 1931, without considering annual depreciation and interest on the value of the system, was \$1,773. The Commission's investigations and annual reports of this utility show that from the year 1913 to 1931, inclusive, with the exception of the years 1923 and 1924, for which no data were available, and the year 1917 showing a profit of \$270, there has been an operating deficit for each year. The accumulated deficit to the end of the year 1931 aggregates \$49,944 and for the four years last past from 1928 to 1931, inclusive, amounts to \$11,093. This is shown in detail in the following tabulation which also shows the fluctuations in the annual volume of irrigation water deliveries.

: Year :	Citation	: Operating : : Revenue :	: Operating : : Expense :	: Water Deliveries : : Miner's Inches :
1913	C.R.C. Dec.No.7814	\$1,318.55	\$4,340.32	No Record
1914	C.R.C. Dec.No.7814	3,594.15	6,900.73	No Record
1915	C.R.C. Dec.No.7814	2,319.74	3,901.50	No Record
1916	C.R.C. Dec.No.7814	1,011.90	5,290.05	No Record
1917	C.R.C. Dec.No.7814	1,178.65	898.61	6,473.5
1918	C.R.C. Dec.No.7814	1,717.25	5,992.19	8,586.2
1919	C.R.C. Dec.No.7814	1,195.09	5,507.39	No Record
1920	Annual Report	1,784.21	5,424.24	5,068.5
1921	Annual Report	3,197.50	7,433.02	11,761
1922	Annual Report	4,656.40	7,416.85	11,506
1923	Annual Report		No Report	
1924	Annual Report		No Report	
1925	Annual Report	1,449.75	2,324.25	2,789
1926	Annual Report	1,087.25	6,932.84	3,273
1927	Annual Report	2,053.30	3,052.83	6,844
1928	Annual Report	1,922.35	6,350.62	6,406
1929	Annual Report	1,818.10	5,297.59	5,754
1930	Annual Report	978.10	2,390.18	3,097
1931		772.70	2,545.67	2,385

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As was stated in the Commission's Decision No. 19092, in 1925 an application was filed by the then owners and operators of this utility for permission to abandon service. This petition was later withdrawn as a result of negotiations with certain of the consumers and other parties who, rather than see the system and water rights abandoned, acquired all of the capital stock for the nominal sum of ten thousand dollars. Since this time, lack of storage facilities and adverse climatic and financial conditions have resulted in a continuous succession of annual losses, climaxed in 1931 when the serious drought left the company with no water to deliver after the forepart of June with a total realized gross revenue of \$773. These operating losses have been made up by assessments against the stockholders, many of whom are consumers who now state they can no longer stand the unequal burden. This situation was discussed as follows in the former De-

cision No. 19092:

*****several of the consumers are not stockholders in the company and, as the revenues do not and cannot under present conditions equal operating and maintenance charges, the stockholders are faced with the burden of making up the deficit through stock assessments which the nonstockholders escape. The net result of this situation is that a part of the consumers are not only paying for their own irrigation service but are paying also a very large portion of the water costs of the other water users."

The rates in effect on this system at the present time were established by the Commission in its Decision No. 19092 and are as follows:

RATE SCHEDULE

Domestic Flat Rate Service:

For each residence, store, etc.-----\$1.50 per month
Sprinkling or irrigation of lawns,
shrubbery, gardens, etc., up to and
including 2500 square feet, per month----- .03 per 100 sq.ft.
In excess of 2500 square feet, per month---- .01 per 100 sq.ft.

Irrigation Service (Measured Rate):

Continuous flow per miner's inch day
(24 hours)----- .30
Cumulative flow per miner's inch day----- .35
Additional water not ordered in advance,
and furnished after seasonal applications
have been satisfied, where water is avail-
able, per miner's inch day----- .45
(One miner's inch equals a flow of one-
fortieth of a cubic foot per second.)

For Industrial Purposes (Flat Rate):

California Door Company-----\$75.00 per month
Caldor Railroad Company----- 25.00 per month
For hotel at Diamond Springs----- 3.00 per month

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Applicant asks the Commission to authorize the following rates:

For Domestic Flat Rate Service:

For each residence, store, etc.-----\$2.50 per month
Sprinkling or irrigation of lawns,
shrubbery, gardens, etc., up to and
including 2500 square feet, per month----- .05 per 100 sq.ft.
In excess of 2500 square feet, per month----- .02 per 100 sq.ft.

For Irrigation Service (Measured Rate):

Continuous flow, per miner's inch day
(24 hours);----- .50 per inch
Cumulative flow, per miner's inch day----- .55 per inch
Additional water not ordered in advance,
and furnished after seasonal applications
have been satisfied, where water is avail-
able, per miner's inch day----- .60 per inch
(One miner's inch equals a flow of one-
fortieth of a cubic foot per second.)

Application for irrigation service shall be filed
in the office of the company on or before April 20th of
each year the service is required, together with a de-
posit amounting to one-third (1/3) of the total seasonal
bill for the amount of water applied for. Balance of
the payments shall be made in equal installments, due
and payable on July 25th and September 25th of each year
of service.

For Industrial Purposes (Flat Rate):

Caldor Railroad Company-----\$25.00 per month

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Protest against the rates asked for by applicant was
made at the hearing by three irrigation users, who stated in general
that the necessity for an increase in rates was conceded but that
the irrigation rate applied for was too high. There is no doubt but
that the rate requested by applicant for irrigation service is very
high. Nevertheless, the record also shows that this rate will not
produce sufficient revenue in a year of normal water yield to meet
the necessary maintenance and operating costs, exclusive of depreci-
ation, of such an average year. There appears to be nothing that
may be done in this connection other than to authorize the rate re-

requested which at all events should result in a more equitable distribution of the cost of water on the system between the stockholder-consumer and the nonstockholder-consumer. The Commission again desires to suggest that the consumers give further and more serious thought to the matter of forming and organizing a mutual or other cooperative organization looking toward the ultimate acquisition and operation of these properties.

O R D E R

Diamond Ridge Water Company, a corporation furnishing water for domestic, commercial and irrigation uses in and about the towns of Diamond Springs and El Dorado, in El Dorado County, having made application for an increase in rates, 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 now charged by Diamond Ridge Water Company for water delivered to consumers, in so far as they differ from the rates herein established, are unjust and unreasonable rates and that the rates herein established are just and reasonable rates for the service rendered, and

Basing the 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 Diamond Ridge Water Company, a corporation, 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 be charged for all domestic, commercial and industrial water delivered to consumers subsequent to the 2nd day of May, 1932, and for agricultural

irrigation service to be charged for the season of 1932 and thereafter until further order of the Commission.

RATE SCHEDULE

Domestic Flat Rate Service:

For each residence, store, etc.-----\$2.50 per month
Sprinkling or irrigation of lawns,
shrubbery, gardens, etc., up to and
including 2500 square feet, per month----- .05 per 100 sq.ft.
In excess of 2500 square feet, per month----- .02 per 100 sq.ft.

Irrigation Service (Measured Rate):

Continuous flow per miner's inch day
(24 hours)----- .50
Cumulative flow per miner's inch day----- .55
Additional water not ordered in advance,
and furnished after seasonal applications
have been satisfied, where water is avail-
able, per miner's inch day----- .60
(One miner's inch equals a flow of one-
fortieth of a cubic foot per second.)

Application for irrigation service shall be filed in the office of the company on or before April 20th of each year the service is required, together with a deposit amounting to one-third (1/3) of the total seasonal bill for the amount of water applied for. Balance of payments shall be made in equal installments, due and payable on July 25th and September 25th of each year of service.

For Industrial Purposes (Flat Rate):

Caldor Railroad Company-----\$25.00 per month

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IT IS HEREBY FURTHER ORDERED that Diamond Ridge Water Company, a corporation, be and it is hereby directed to file with this Commission, within thirty (30) days from the date of this

Order, rules and regulations covering the application for irrigation water to be furnished irrigators and to be filled out by them when ordering water, said rules and regulations to be in conformity with those attached to the application herein.

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 2nd day of May, 1932.

C. C. [Signature]

W. A. [Signature]

W. B. [Signature]

J. G. [Signature]

Commissioners.