

Decision No. 24785

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of LOLETA WATER COMPANY for an order fixing the monthly rates to be charged for water without meters and for a rate with meters, for water furnished to consumers at Loleta, California.

ORIGINAL

Application No. 17987.

Mahon and Mahon, by J.P. Mahon,
for Applicant.

BY THE COMMISSION:

O P I N I O N

Clarence F. Bertsch and Henry Perrott as joint managers of the Loleta Water Company, a copartnership owned by Frank H. Bertsch and Sarah J. Perrott and engaged in the business of supplying and distributing water for domestic use in and in the vicinity of the Town of Loleta, Humboldt County, California, have made application to the Railroad Commission as entitled above for the establishment of a schedule of rates. Applicant states that consumers are now charged in accordance with the Order of the Railroad Commission dated May 18, 1920, by which no meter rates were fixed and that it now desires to install meters on a large number of the services.

A public hearing in this matter was held before Examiner Johnson at Loleta.

The principal supply of water for this system is obtained

from springs located in hilly pasture land about one and a quarter miles east of the Town of Loleta. The area owned at the source of supply is 1.23 acres on which is also located a 50,000-gallon concrete storage reservoir. The water is transmitted to the town by gravity through a 3-inch pipe line. A well source was added in 1931 to supply a group of twenty-four consumers residing in the highest zone served. By Decision No. 24231 dated November 16, 1931, however, this well was declared inadequate and the development of other waters was recommended. Prospecting for the site of a new well has now been completed and it is expected that the well will be under construction very shortly.

The new managers assumed control of the system on December 1, 1931, as a result of the said Decision No. 24231. Under their operations the drainage area surrounding the source of supply has been cleaned up; tile drains have been placed in the channels leading from the springs; the reservoir has been cleaned; some 500 feet of 3-inch pipe have been replaced in the transmission main and work is progressing on the development of the new well. The probable cost of this new well, exclusive of power service, is estimated by Clarence Bertsch to be approximately three hundred dollars (\$300).

No appraisal of the physical properties was introduced by applicant. However, there was submitted an appraisement of the plant as of March 22, 1932, by C.F. Mau, one of the Commission's engineers, in which the total estimated original cost of the properties was given as \$13,724 and the depreciation annuity \$240, computed by the five per cent sinking fund method. From an inspection of the company's books, the Commission's engineer also reported the total operating expense for the year ending December 31, 1931, to

be \$463, exclusive of depreciation, and the revenue for the corresponding period to be \$1,570. Operations during that period indicate a net return of 6.3 per cent on the investment in fixed operating capital. Based on the operating records of the five-year period from 1927 to 1931, inclusive, and with due consideration to increased pumping cost that will be occasioned by the use of the new well, it is estimated that the probable future annual maintenance and operation costs for the system will very closely approximate \$880, including depreciation.

No increase is asked in rates, for either flat or for measured service, the sole scope of this request being for the establishment of a reasonably equivalent measured rate. There is one possible exception, however, and that is as to the present flat rate charge to the grammar school, consisting of two buildings and housing at present an average of eighty-nine pupils. The present flat rate charge is four cents per pupil. It appears that there is no necessity for a change in this flat rate basis for, should there be any dissatisfaction with it, the rate can be eliminated by the installation of a meter and a charge made in accordance with the actual quantity of water used. Inasmuch as the system has not heretofore been metered and insufficient data were available to determine the future water use, the meter rate fixed herein is believed to be fair to both the utility and consumers and compares favorably with the meter rates now employed in other communities operating similarly and under the same general conditions. It appears that, if the existing flat rate schedule is properly applied to the uses as shown by applicant's survey, no change will be required therein. To obviate further misunderstanding between the consumers and the utility over the existing flat

rate charge of twenty-five cents per month for automobiles and private garages, these items will be eliminated. It is a so-called "nuisance rate" and no longer necessary on this system. Should the elimination thereof reveal any substantial hardship through the loss of revenue from any large user of water under these particular items, it may be taken care of through the installation of meters.

O R D E R

Application having been made to the Railroad Commission 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 Loleta 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 its Order on the foregoing finding of fact and on the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that the Loleta Water Company and Clarence F. Bertsch and Henry Perrott, its managers, be and they are hereby authorized to file with the Railroad Commission, within thirty (30) days from the date of this Order, and thereafter charge the following rates for water delivered to consumers in and in the vicinity of the Town of Loleta, Humboldt County.

FLAT RATES

1.	For residence of not more than five rooms occupied by single family-----	\$1.00
2.	For each additional room-----	.10
3.	Private bathtubs, each-----	.10
4.	Private toilets, each-----	.15
5.	For hotels and lodging houses, in addition to the family rate, for each room with a water tap-----	.20
6.	For each room without a water tap-----	.10
7.	For restaurant or dining room in connection therewith---	2.00
8.	For small stores-----	1.00
9.	For large stores or warehouses-----	1.50
10.	For rooms on second and third stories occupied as offices, for each room with water tap-----	.25
11.	For barber shops, with one chair and one bathtub-----	1.50
12.	For each additional chair-----	.25
13.	For each additional bathtub-----	.25
14.	For urinals, bathtubs, toilets, either public or in hotels or barber shops or schools-----	.25
15.	For drug stores-----	1.00
16.	For soda fountains in addition to drug store rate-----	1.50
17.	For blacksmith shops-----	.50
18.	For photograph galleries-----	2.00
19.	For bakeries-----	1.00
20.	For butcher shops-----	1.00
21.	For irrigation of lawns, gardens and shrubs for 1,000 square feet, charge during summer months-----	.10
22.	For public halls and lodge rooms-----	1.00
23.	For private stables for one horse or cow including water for washing vehicles-----	.25
24.	For each additional cow or horse-----	.05
25.	For schools per pupil based upon an average attendance--	.04

METER RATES

Meters may be installed either at the option of the utility or the consumer. If requested by consumer, deposit must be made by such consumer upon application as follows:

5/8 x 3/4-inch meter-----	\$15.00
3/4-inch meter-----	25.00
1-inch meter-----	35.00

Above deposit to be refunded to the consumer by way of credit on monthly water bills to the extent of twenty (20) per cent thereof, until entire deposit is refunded.

Monthly Minimum Charges:

For 5/8-inch meter-----	\$1.50
For 3/4-inch meter-----	2.00
For 1-inch meter-----	3.00

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:

0 to 600 cubic feet, per 100 cubic feet-----	\$0.25
Next 1,200 cubic feet, per 100 cubic feet-----	.20
Next 2,200 cubic feet, per 100 cubic feet-----	.15
Over 4,000 cubic feet, per 100 cubic feet-----	.10

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Dated at San Francisco, California, this 23rd day
of May, 1932.

C. J. Seavey
Leon A. Whittier
M. A. Cline
M. B. Harris
Fred G. Stewart
Commissioners.