

Decision No. 24985

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
M.J. Pellascio and George Cremonini,  
as owners of the Point Arena Water  
Works of Point Arena, Mendocino Coun-  
ty, California, for permission to  
change rates.

Application No. 18041.

**ORIGINAL**

M.J. Pellascio, in propria persona.  
George Cremonini, in propria persona.

BY THE COMMISSION:

O P I N I O N

The applicants are the owners, as co-partners, of the Point Arena Water Works serving the incorporated City of Point Arena, Mendocino County, and apply herein for an adjustment of flat rates and the establishment of a meter rate schedule.

A public hearing was held in this proceeding before Examiner Satterwhite at Point Arena.

The applicants acquired this water works through purchase authorized by this Commission in its Decision No. 23906 which, among other things, required the new owners to install certain improvements to the plant which had been ordered in Decision No. 23604, issued against the former owner W.S. Meyers. The testimony shows that the applicants have complied with that order and have cleaned and protected the sources of supply and have developed new springs. They also have added 50,000 gallons of storage and have replaced and rearranged the transmission and distribution system. Mr. Pellascio testified that by the end of

October of this year additional and larger mains would be installed to increase the delivery capacity and improve service generally. The system, prior to its acquisition by the applicants herein, was in a very bad state of repair and inadequate to meet the normal demands of the consumers. The improvements have rehabilitated the plant to the extent that there is no longer a likelihood of poor service or the possibility of supplying contaminated water to the community. This has required quite an expenditure by the new owners as the work done has involved practically the reconstruction of the entire system.

A detailed inventory and appraisal of the used and useful properties of the utility as of April 27, 1932, made by Carl F. Mau, one of the Commission's engineers, sets out the estimated original cost to be \$10,712 with a corresponding depreciation annuity of \$172. Reliable figures on revenues and operation expense are available only since the date of acquisition of the plant by the applicants. Revenues for the period of twelve months ending June 1, 1932, were estimated by the Commission's engineer to be \$1,160 and the expenses for the same period were estimated at \$450. Based upon the foregoing figures, it appears that the utility is earning approximately five per cent (5%) on its fixed capital.

The following rates are now being charged by applicants.

QUANTITY RATES

First 400 cubic feet-----\$1.50  
Each 100 cubic feet over the first 400 cubic feet----- .25

FLAT RATES

For all uses on services not metered-----\$1.50

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The evidence shows that immediately subsequent to the purchase of this water works applicants placed meters on fifty-five out of the total of seventy-one active service connections and proceeded to charge for the measured use under the above meter rates. These rates were arbitrarily adopted by the owners from a schedule in effect in a neighboring community and were never properly established by this Commission. It is to fix a schedule of meter rates in a legal manner that applicants have filed this petition. While the owners of this utility are not requesting an increase in rates, they do ask that whatever measured rates are established be fair and reasonable, to which request no objection was made by the water users whose testimony indicated that the entire community is now well satisfied with the service rendered and the quality of the water since the installation of the improvements ordered by the Commission.

No change will be made in the one-dollar-and-a-half (\$1.50) monthly flat rate charge. The water use data available does not cover a complete summer consumption period; however, it is sufficient to indicate that the following schedule of meter rates should be just and proper under the operating conditions now existing on this system.

#### 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 now being fully advised in the premises,

IT IS HEREBY ORDERED that M.J. Pellascio and George Cremonini, as owners of the Point Arena Water Works, are hereby

authorized and directed to file with the Railroad Commission, within twenty (20) days from the date of this Order, the following rates for water delivered to their consumers in and in the vicinity of the City of Point Arena, Mendocino County, California, said rates to become effective for all service rendered subsequent to the 31st day of July, 1932.

METER RATES

Monthly Minimum Charges:

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

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:

0 to 600 cubic feet, per 100 cubic feet-----	\$0.25
Next 400 cubic feet, per 100 cubic feet-----	.25
Over 1,000 cubic feet, per 100 cubic feet-----	.15

Any consumer is entitled to metered service upon application therefor and the utility may meter any and all service connections; if requested by the consumer, a 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

The 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 the entire deposit is refunded.

FLAT RATE

For all uses-----\$1.50 per month

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IT IS HEREBY FURTHER ORDERED that M.J. Pellascio and

George Cremonini be and they are hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, rules and regulations governing relations with their 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 19th day of

July, 1932.

C. Seaver  
Leon Anthony

Fred G. Stever  
Commissioners.