

present and to be heard.

Applicant's water system consists of 32,195 feet of distribution mains, ranging in size from 3/4 inch to 8 inches in diameter, with 293 service connections, of which 277 are metered. Fifty-one fire hydrants are attached to the system, of which all but seven were installed at the expense of the City or of individuals. This utility purchases its entire water supply from Lake Hemet Water Company, and some of its services are connected direct to that company's mains.

The present rates charged for water delivered to consumers are as follows:

| | |
|--|--------|
| Monthly minimum charge for use not in excess of 200 gallons per day. . . . | \$1.50 |
| All use in excess of 200 gallons per day, per 100 cubic feet. | 0.10 |
| Municipal use, per 100 cubic feet | 0.05 |
| Fire hydrants, no charge. | |

Mr. William S. Post, engineer for applicant, submitted a report at the hearing which showed an estimated cost of reproduction of the system, as of January 1, 1922, amounting to \$34,400. The report also set forth a depreciation annuity, calculated by the sinking fund method, of \$465. Maintenance and operating expense for the future was estimated by Mr. Post at \$6,500.

Applicant also presented a statement of the cost of the system, as shown by its books, amounting to \$38,585. This cost, however, included items not now used and useful, and cannot therefore be used in its entirety.

There was submitted in evidence a report prepared by Messrs. M. E. Ready and J. E. Daugherty, of the Commission's Hydraulic Division, which showed an estimate of original cost of the sys-

tem amounting to \$20,855. Depreciation annuity, computed by the sinking fund method, was given as \$503, and maintenance and operating expense was estimated as \$6,034 per year.

Testimony indicates that the estimate of the Commission's engineer for maintenance and operating expense should be somewhat increased, and a careful consideration of all the evidence leads to the conclusion that the following items may reasonably be included in the annual charges:

| | |
|---|---------|
| Return at 8% upon \$20,855 | \$1,668 |
| Depreciation Annuity | 500 |
| Maintenance and Operating Expense | 6,500 |
| Total | \$8,668 |

Operating revenues for the year 1921 were \$6,406, which is less than the foregoing estimate of reasonable maintenance and operating expense. It is therefore evident that the utility is entitled to an increase in rates.

Applicant's request that a fire hydrant rate be established was objected to by the City on the ground that the municipal revenues will not permit the payment of such a charge. It appears that seven of the fire hydrants on this system were installed by applicant; that all hydrants on the system are maintained at its expense; and that the utility stands ready at all times to furnish water for fire fighting purposes. It is evident therefore that the general public derives a benefit from this service which is entirely apart from the service to the individual water user, and that payment therefor should be made by the municipality as the representative of the general public. Testimony shows, however, that many of these hydrants are connected to pipes of small size and that the service is therefore not so valuable as it would be if the mains were of adequate size.

The rates set out in the accompanying order are established after a careful consideration of all the evidence and are design-

ed to do substantial justice to both the consumer and the utility.

The following form of order is submitted:

ORDER

Hemet Town Water Company, a corporation, having made application as entitled above, a public hearing having been held thereon, and the matter having been submitted,

It Is Hereby Found as a Fact that the rates now charged by Hemet Town Water Company for water delivered to consumers are unjust and unreasonable, in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates for such service;

And basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Hemet Town Water Company be and the same is hereby authorized and directed to file with this Commission within twenty (20) days from the date of this order, the following schedule of rates to be charged for water delivered to consumers in Hemet, Riverside County, effective for water furnished subsequent to March 31, 1922, or the meter reading period next preceding that date:

MONTHLY METER RATES

| | |
|--|--------|
| First 600 cubic feet or less | \$1.50 |
| From 600 to 1000 cubic feet, per 100 cubic feet. | 0.18 |
| " 1000 to 5000 " " " " " " | 0.15 |
| Over 5000 " " " " " " | 0.10 |

MONTHLY FLAT RATES

For each service \$1.50

MUNICIPAL USE

Fountains, street sprinkling and sewer flushing, per 100 cubic feet. \$0.10
Total for all fire hydrants, per annum 100.00

IT IS HEREBY FURTHER ORDERED that Emet Town Water Company be and the same is hereby directed to file with this Commission, within thirty (30) days from the date of this order, rules and regulations to govern relations with its consumers, such rules and regulations to become effective upon their acceptance by the Commission.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 27th day of March, 1922.

H. C. Brundage

Waring Martin

J. H. Jones
Commissioners.