

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of
J. M. Vincent for an order authorizing
him to change rates for water service
in the town of Ceres, Stanislaus County.

ORIGINAL

} Application No. 671.

A. J. Carlson, for applicant,
E. H. Zion, for water consumers.

GORDON, Commissioner.

O P I N I O N.

The applicant, J. M. Vincent, is the owner of a water system supplying the unincorporated town of Ceres, Stanislaus County. The water is pumped from wells and distributed to about eighty consumers, chiefly for domestic purposes.

Applicant has been operating under a flat rate of \$1.50 per month. Request is now made to establish a metered service on the following schedule:

For the first 6,000 gallons or any fraction thereof, \$1.50 per month.

For water in excess of 6,000 gallons up to 10,000 gallons per month, 20 cents per 1,000 gallons.

For water in excess of 10,000 gallons up to 15,000 gallons per month, 15 cents per 1,000 gallons.

For water in excess of 15,000 gallons per month, 10 cents per 1,000 gallons.

Applicant has installed some meters at his own expense and proposes to continue to furnish meters without charge therefor to his patrons.

Under the flat rate basis applicant contends that some of his patrons have been using the water to irrigate lawns or gardens, and ^{that} under this practice he is compelled to supply the water at a loss.

Applicant claims an original cost of his system of \$6,893.12. The engineers of the Commission estimate the present value of the system to be \$6,644.

The applicant stated that his gross revenue for 1912 was \$1,440 and his operating expenses \$1,420. It is evident, therefore, that the rates under which applicant is now operating do not yield a sufficient return to pay operating expenses, depreciation and a proper return upon the investment. It is not possible, from the evidence at hand, to determine applicant's probable income under the proposed rates. I am of the opinion, however, that the application for the change in rates should be granted as applied for. If it should appear that any discrimination or injustice results therefrom, the matter may be again brought to the attention of the Commission.

I therefore recommend that the application be granted and submit the following form of order:

O R D E R

J. M. Vincent, having applied to this Commission for authority to change his schedule of water rates in the unincorporated town of Ceres as set forth in the foregoing opinion, and a hearing having been held and it appearing that the rates which the applicant herein has requested authority to establish are just and reasonable rates, it is hereby found as a fact that the following are just and reasonable rates to be charged by said J. M. Vincent for water service in the unincorporated town of Ceres:

For the first 6,000 gallons or any fraction thereof, \$1.50 per month.

For water in excess of 6,000 gallons up to 10,000 gallons per month, 20 cents per 1,000 gallons.

For water in excess of 10,000 gallons up to 15,000 gallons per month, 15 cents per 1,000 gallons.

For water in excess of 15,000 gallons per month, 10 cents per 1,000 gallons.

IT IS HEREBY ORDERED that J. M. Vincent be given authority to establish said schedule of rates, beginning November 1, 1913.

IT IS FURTHER ORDERED that said J. M. Vincent shall install meters used to measure water delivered from his system at his own expense.

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 16th day of October, 1913.

John M. Eshleman
W. H. Howard
Max Fisher
Edwin O. Edgerton

Commissioners.