

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
N. M. PETERSON, owner of the Mountain
Avenue Water Company, of Fetters
Springs, Sonoma County, California,
for permission to fix water rates.

Application No. 7630.

N. M. Peterson, for applicant.

BY THE COMMISSION.

O P I N I O N

N. M. Peterson, applicant in the above entitled matter, owns and operates a public utility water system, known as the Mountain Avenue Water Company, which supplies water for domestic purposes to certain inhabitants living in Agua Caliente Park Subdivision, a tract of land adjoining the town of Fetters Springs, Sonoma County. The application in this proceeding alleges that no rates for water service furnished by this system have ever been fixed by the Railroad Commission and asks that the following schedule of rates be authorized:

- (a) Six dollars annually, to be paid in advance.
- (b) In addition to the annual charge, the payment for each month during which water is used, as follows:

FLAT RATES

1.	Stores and offices.	\$0.50
2.	Houses of four rooms or less. . . . .	.50
	(a) Additional for each room. . . . .	.10
3.	Hotels:	
	(a) Dining rooms.	2.00
	(b) Bed rooms, per room . . . . .	.10

4. Restaurants	\$1.00
5. Barber shops, per chair . . . . .	.50
6. Horses and cows, each . . . . .	.10
7. Auxiliary uses:	
(a) Private toilets . . . . .	.10
(b) Private bath tubs . . . . .	.10
(c) Public toilets. . . . .	.50
(d) Public bath tubs. . . . .	.50
(e) Soda fountains and ice cream parlors . . . . .	.50
(f) Irrigation of lawns and gardens per 100 square feet during irrigation	.02

METER RATES

- 50¢ for 250 cubic feet or less.
- 20¢ for each 100 cubic feet or fraction there-
of for the next 1750 cubic feet.
- 15¢ for each 100 cubic feet or fraction there-
of in excess of 2000 cubic feet.

A public hearing was held in this matter before Examiner Satterwhite at Fetters Springs. All interested parties were notified and given an opportunity to be present and be heard.

This water plant was installed in 1913 by one Diebolt and has been operated only intermittently and by various owners up to March, 1921, at which time the applicant herein acquired the property. Since this time the system has been repaired and improved and placed in operating condition. The water is supplied from a 6 inch drilled well by a pump operated by a 2 horse-power electric motor. Water is stored in a 5000 gallon redwood stave tank from which it is distributed by gravity through approximately 2900 feet of pipe, 2 inches or less in diameter.

The rates charged at present by the applicant are \$1.00 per month for six months during the winter and \$1.50 to \$2.00 per month for service rendered during the other six months of the year. All charges are at flat rates.

The community served is a summer resort. On March 1, 1922, there were six permanent residents who used water for the entire year, while there were thirteen additional consumers who used wa-

ter for only a few months during the summer season.

A report was submitted by Mr. M. R. MacKall, one of the Commission's hydraulic engineers, which shows an appraisal of this plant, based upon the estimated original cost, amounting to \$1,323, an annual replacement fund of \$33, computed by the 6% sinking fund method, recommending as reasonable an allowance for annual maintenance and operation expenses of \$190. No appraisal of the water utility property of this system was submitted by the applicant.

A consideration of the evidence leads to the conclusion that these estimates are fair and they will be used for the purposes of this proceeding. Following is a summary of the annual charges outlined above:

Return on \$1,323 at 8%	\$106
Replacement Fund	33
Maintenance and Operation Expenses	190
Total	<u>\$329</u>

The revenues receivable for the year ending March 31, 1922, were \$86.

The community served is at present very sparsely settled and is still in a development stage. A full return as indicated above would burden the consumers with a prohibitory rate. This matter is further complicated by the fact that the majority of the applicant's consumers use water for only a very short period during the year, which requires the continuous maintenance of a system capable of supplying the maximum number of consumers at all times. In order that the few permanent water users requiring service throughout the year may not have to pay rates in excess of the value of the service which they receive, it appears fair that those consumers requiring service only during a few months of each year should pay a rate which embraces this readiness-to-serve charge covering the time when water is not delivered, al-

though the utility stands ready to render service at any time it is desired.

Taking into consideration the conditions existing in the community served, as revealed in testimony, and the fact that this territory is now in the early stages of development, the rate schedule established in the following order is based upon the fair and reasonable value of the service rendered to the community and is designed to distribute the burden of maintaining the system in so far as possible so that each consumer will bear his equitable proportion of the necessary expense.

O R D E R

N. M. Peterson having made application to the Railroad Commission as entitled above, a public hearing having been held and the matter having been submitted,

It is Hereby Found as a Fact that the rates now charged by N. M. Peterson for water supplied to his consumers are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established for water service are just and reasonable rates for such service.

And basing its order upon the foregoing findings of fact and on the further statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that N. M. Peterson be and he is 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 his consumers in Agua Caliente Park Subdivision and vicinity, said rates to become effective for all service rendered after June 1st, 1922:

FLAT RATES

Annual charge, payable in advance. \$6.00

In addition to the above annual charge, the following rates will be charged for each month during which water is used:

1. Residences four rooms or less \$0.50
2. For each additional room10
3. Stores50
4. Private patent toilets, each10
5. Private bath tubs, each10
6. For each horse or cow.10
7. For the irrigation of lawns or gardens, for each 100 square feet10

All other use at meter rates.

METER RATES

Annual charge, payable in advance. \$6.00

In addition to the above annual charge, the following rates will be charged for each month during which water is used:

- For the first 250 cubic feet or less \$0.50
- For the next 1750 cubic feet, per 100 cu.ft.20
- For all use over 2000 cubic feet, per 100 cubic feet15

Meters may be installed on any and all services at the option of the utility or at the request of any consumer.

IT IS HEREBY FURTHER ORDERED that N. M. Peterson be and he is hereby directed to file with the Railroad Commission within thirty (30) days from the date of this order a complete schedule of rules and regulations governing the distribution and sale of water to his consumers, said schedule to be effective on the day of its acceptance by the Commission.

Dated at San Francisco, California, this 2nd day of May, 1922.

H. A. Lundberg

Erving Martin

J. A. [Signature]
Commissioners.