

Decision No. 10681.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
A. J. ARNAUDON for authority to in-)
stall meters in water service at)
Mendota, California.)

Application No. 7728.

F. E. Cook, for applicant.

BY THE COMMISSION.

O P I N I O N

A. J. Arnaudon, applicant in this proceeding, is the owner of a water system at Mendota, Fresno County, which has been operating as a public utility in the distribution and sale of water since the year 1912. Service rendered has been on a flat rate schedule and request is now made for authority to install meters and to establish a schedule of meter rates.

A public hearing in this proceeding was held at Mendota before Examiner Satterwhite. All consumers were duly notified and given an opportunity to appear and be heard.

This water system consists of a six-inch well about 600 feet deep, an electrically operated two-inch centrifugal pump, which elevates the water to an 8000-gallon storage tank, from which it is distributed to consumers by means of about 2900 feet of pipe of three-inch diameter and less. Twenty-one consumers are served.

Mr. John Spencer, one of the Commission's hydraulic en-

gineers, presented a report which set forth an estimate of the original cost of the water system amounting to \$3,742. This sum would be increased to \$4,057 if meters were installed on all services. Depreciation annuity, computed by the sinking fund method at six per cent., was shown as \$95, and reasonable maintenance and operating expense was estimated at \$312 per annum.

Based upon the foregoing items annual charges are as follows:

Return at 8% upon \$4,057.	\$325
Depreciation annuity.	95
Maintenance and operating expense.	312
Total	\$732

Revenues for the year 1921 were \$422 and it does not appear that any material increase in the number of consumers can be expected in the near future. It is evident that rates sufficiently high to return the full amount of the annual charges set out above would be unduly burdensome upon the consumers. The schedule of rates set out in the accompanying order is therefore designed to produce a sum which, it is believed, will cover maintenance and operating expense, depreciation annuity and a reasonable return upon the investment.

No objection to the installation of a schedule of meter rates was made by consumers and there was no complaint as to the service rendered by the utility. The applicant admitted, however, that at times the service was inadequate, due to the wasteful and unrestricted use of water under the flat rate schedule now in effect. The installation of meters and the establishment of a schedule of meter rates will in all probability entirely correct this condition and greatly improve service.

O R D E R

A. J. Arnaudon 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 A. J. Arnaudon for water delivered to consumers in Mendota 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 A. J. Arnaudon be and he 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, effective for all measured service rendered subsequent to August 1, 1922:

MONTHLY MINIMUM CHARGES

5/8 inch meter	.....	\$1.50
3/4 " "	.....	1.75
1 " "	.....	2.25
1 1/2 " "	.....	3.00
2 " "	.....	4.00

MONTHLY METER RATES

From 0 to 1000 cubic feet, per 100 cubic feet	\$0.25
Over 1000 " " " " " "	0.20

MONTHLY FLAT RATES

The present schedule of flat rates to remain in full force and effect for all unmetered services.

IT IS HEREBY FURTHER ORDERED that A. J. Arnaudon be and he 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 his consumers, such rules and regula-

tions to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 8th day of
July, 1922.

H. B. Brundage

Charles W. Brown

C. J. Townsend
Commissioners.