

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of the C. C. WHITE WATER CO. for  
an increase in rates.

Application No. 7810.

Clyde Thomas, for applicant.

J. Oscar Goldstein, for protestants  
and for the City of Chico.

ORIGINAL

BY THE COMMISSION.

O P I N I O N

The C. C. White Water Company, also known as the White Brothers Water Company, applicant in the above entitled matter, is a public utility supplying water for domestic purposes to residents of Chapmantown, a community adjoining and lying partially within the incorporated limits of the City of Chico, Butte County. The applicant in this proceeding requests the Commission to authorize an increase in the minimum flat rate charge for residences of \$1.50 per month, as at present in effect, to \$2.00 per month. This increase was agreed to by a majority of the consumers of the system as a result of an advertised public meeting at which the consumers expressed their willingness to pay, temporarily, the greater rate, pending the outcome of a proposed election for the purpose of voting bonds for the purchase of the various water systems serving Chico, provided, however, that the service be at all times adequate.

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

The water supply for this system is obtained from three connected wells, each 30 feet deep, which collect the water intercepted by several short tunnels aggregating 110 feet in length. The water is pumped by a 5" x 8" Dean Triplex pump into a concrete cistern of 12,000 gallons capacity, located below the ground level. Water is pumped by a 7" x 8" Gould Triplex pump from this storage cistern or from the wells either directly into the distribution mains or into a 6,000 gallon wood stave tank elevated 60 feet above the ground surface. The pumps are operated by a 15 horse power Westinghouse motor. The distribution system consists of approximately 19,000 feet of pipe lines, a very small amount of which is 6 inches and 5 inches in diameter, the greater part being 4 inches and smaller. A considerable amount of the pipe was second-hand when installed.

The rate now charged by the applicant is \$1.50 per month for residences. This rate was established when the system was first installed in 1910 and has never before been passed upon by this Commission. There are no metered service connections. During the year 1921 there was an average of 135 consumers throughout the year and on June 1, 1922, there were 140 consumers.

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 \$10,691, an annual replacement fund, computed by the 6% sinking fund method, of \$146, and recommending as reasonable an allowance of \$2,100 for operation and maintenance expenses. No other appraisal of this utility's property was submitted.

A consideration of the evidence leads to the conclusion that

the estimates submitted are fair and they will be used for the purposes of this proceeding.

Following is a summary of the annual charges outlined above:

Return at 8% on \$20,691 . . . . .	\$855
Annual replacement fund . . . . .	146
Maintenance and operation expenses. . . . .	<u>2,100</u>
Total . . . . .	\$3,101

The revenues collectible during the year 1921 were \$2,400.

It is apparent that the present rate schedule does not yield an adequate return. However, the service rendered by the applicant during the summer months has been in the past and now is wholly inadequate. Furthermore, the evidence shows that a large amount of the dissatisfaction existing among the consumers is caused by the lax and inefficient methods of management which have characterized the operation of this plant. The applicant does not keep any record of its transactions. The general orders of the Commission requiring public utilities to keep their records according to the prescribed Uniform Classification of Accounts have never been complied with. The applicant has no rules and regulations governing the use of water or the relations between the utility and the consumers.

It appears therefore that any readjustment in the present rate schedule should be predicated upon the installation of such necessary improvements in the distribution system of this utility as will insure that water will be delivered to all consumers at proper pressure and in sufficient quantities to render satisfactory service at all times of the year. Those improvements were ordered by the Commission in its Decision No. 9726, decided November 8, 1921, in Case No. 1612, which was a complaint against the inadequate service of this water utility. At the joint request of the consumers and the water company, the effective date

of the above order was postponed by the Commission on the 5th day of May, 1922.

The installation of meters on this system will eliminate carelessness in the use of water and will at the same time materially reduce the pumping expense. The Commission is of the opinion that the most feasible remedy for the financial and service difficulties of this utility is in serving at measured rates rather than in having the flat rate increased as suggested, and for that reason no change in the flat rate is made herein.

The schedule of rates established in the following order is designed to return a revenue approximately equal to the annual charges as set out above.

#### O R D E R

C. C. WHITE WATER COMPANY 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 the C. C. White Water Company for water supplied to its 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 its order on the foregoing finding of fact and on the other statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the C. C. White Water Company be and it is hereby authorized and directed to file with the Railroad Commission within twenty (20) days from the date of this order the following schedule of rates for water delivered to its consumers

in Chapmantown and vicinity, said rates to be charged for all service rendered subsequent to the date upon which this Commission formally accepts as satisfactory the improvements ordered in its said Decision No. 9726:

RATE SCHEDULE

Monthly Flat Rates:

- |                        |        |
|------------------------|--------|
| 1. Residences. . . . . | \$1.50 |
| 2. Stores. . . . .     | 1.50   |

Monthly Meter Rates:


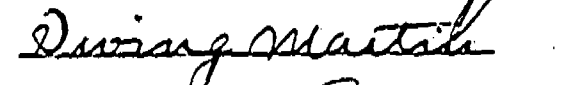
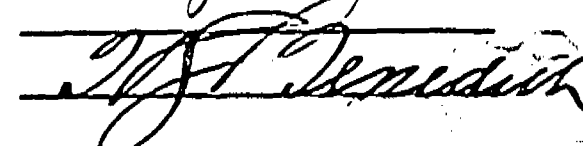
- |  |        |
|--|--------|
| First 1000 cubic feet, per 100 cubic feet . . . . .                      | \$0.25 |
| From 1000 cubic feet to 2000 cubic feet, per<br>100 cubic feet . . . . . | 0.20   |
| Over 2000 cubic feet, per 100 cubic feet . . . . .                       | 0.12   |
| Monthly minimum charge. . . . .  | 1.25   |

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

IT IS HEREBY FURTHER ORDERED that the collection of the rates set out in the schedule herein authorized is expressly conditioned upon the improvements ordered by this Commission in its Decision No. 9726 being installed and in operation in a manner satisfactory to the Commission on or before the 31st day of August, 1922, as established in the Commission's Decision No. 10695, decided July 11, 1922.

IT IS HEREBY FURTHER ORDERED that the C. C. White Water Company be and it is hereby directed to file with the 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 its consumers, said schedule to be effective on the day of its acceptance by the Commission.

Dated at San Francisco, California, this 13<sup>th</sup> day of July, 1922.

  
  
  
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 Commissioners.