

Decision No. 11319.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ETNA DEVELOPMENT COMPANY,
a corporation, for an order re-adjusting
and fixing its rates and charges for wa-
ter service in the town of Etna, Cali-
fornia.

Application No. 8293.

Horace V. Ley, for applicant.

James M. Allen, attorney, for City of Etna.

BY THE COMMISSION:

O P I N I O N

In this proceeding Etna Development Company, an incorporated public utility, asks for an order of the Commission authorizing an increase in the rates charged for water supplied its consumers in Etna, Siskiyou County, and vicinity. The application as filed alleges in effect that the rates at present charged were established by this Commission in its Decision No. 7663 in Application No. 4517, and that the revenue derived therefrom has been non-compensatory and is inadequate to return to applicant the necessary and reasonable annual charges on the system.

A public hearing was held in this proceeding before Examiner Satterwhite at Etna on November 9, 1922.

At the hearing applicant amended its application to correct certain mis-statements which had inadvertently been made therein. These occur particularly in Paragraphs 5, 6, 8 and 9 of the ap-

plication and refer to the present rates in effect as being those fixed in this Commission's Decision No.7663 in Application No. 4517. The application was amended to read to the effect that the rates at present being charged are those established in Decision No.2789, rendered September 30, 1915, in Application No.1868. Applicant admitted that the increased rate schedule in said Decision No.7663, while authorized to become effective by the Commission's supplemental Decision No.10691, had not been accepted or put into effect.

As stated above, this applicant furnishes water service in and in the vicinity of the city of Etna, and reference is made to the above mentioned decisions for the history and description of the system. The evidence shows that the average number of consumers on the system so far in 1922 has been 132, but that during the past few years there has been some decrease in the number of consumers served and in the quantity of water used.

A field investigation was recently made by Mr. E. A. Noble, one of this Commission's hydraulic engineers, and his report compiled from the data obtained was submitted at the hearing. Included therein is an appraisal, as of November 1, 1922, showing the total estimated original investment in used and useful property to be \$25,385, and the 6% sinking fund replacement annuity as \$388. The Commission established a rate base of \$22,251, as of June 7, 1920, in its Decision No.7663. The estimate presented by Mr. Noble was obtained by adjusting the previous rate base for retirements and additions in the system since June 7, 1920, as shown by the records of the company. No other appraisal was submitted in this proceeding.

In the matter of the expense necessary for maintaining and operating this system, Mr. Noble presented an estimate based upon the cost of these items in the past. This estimate allows for a reasonable sum to cover unusual and extraordinary expenses

not recurring at regular intervals, and assumes that careful but reasonable economies will be effected in the conduct of the affairs of this applicant which have not at all times been practiced in the past. The Commission is of the opinion, after considering all the evidence submitted on the subject, that the estimate presented by Mr. Noble is ample, and will therefore include the sum of \$1,850 in the annual charges as the fair cost of operation and maintenance.

Based upon the foregoing, the annual charges to which this applicant is properly entitled are as follows:

Return upon \$25,385 at 8%	\$2,030
Replacement annuity	338
Maintenance and operation expense	1,850
Total annual charges	<u>\$4,268</u>

The revenues reported by this utility have been as follows: In 1919, \$2,901.94; in 1920, \$3,671.25; in 1921, \$3,077.97.

From the above showing it appears that the Etna Development Company is entitled to an increased annual revenue from its water operations. The schedule of rates set out in the following order is designed to produce the amount of the above annual charges and at the same time more equitably distribute the charges among the various classes of consumers than did the rate schedule heretofore in effect.

O R D E R

Etna Development Company having applied to this Commission for an order authorizing it to increase the rates charged for water service, a public hearing having been held and the matter being submitted for decision,

It Is Hereby Found as a Fact that the present rates of the Etna Development Company in so far as they differ from the rates herein set out, are unjust and unreasonable, and that the rates

herein established are just and reasonable rates to be charged by said company for the service of water to its consumers.

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

IT IS HEREBY ORDERED that Etna Development Company be and it 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, said rates to be charged for all service rendered subsequent to December 31, 1922:

RATE SCHEDULE

MONTHLY FLAT RATES:

1. For residences and tenements occupied by single families, of 4 rooms or less \$1.10
For each additional room up to and including ten (10) rooms10
For additional rooms over ten in residences occupied by single family no charge
Additional for each flush toilet or bath tub20
2. For each private barn with not more than two horses or cows50
For each additional horse or cow20
3. Private boarding houses - additional to the residence rate for each roomer or boarder.10
4. Irrigation of lawns, shrubbery, trees, garden, etc., per 100 square feet of surface irrigated, chargeable for six consecutive months:
For 2000 square feet or less035
From 2000 to 7000 square feet.02
All over 7000 square feet.01
5. Hotels and lodging houses:
For dining room.2.00
For each bedroom with water tap.20
For each bedroom without water tap10
For each private bath room25
6. For one public flush toilet in hotels, lodging houses and public places75
For each additional flush toilet35
7. For one public bath in hotels, lodging houses or bathing establishments. 1.25
For each additional public bath tub.50

8.	Public urinals in hotels, pool rooms or any public place, for each bowl where a drain is used.	\$0.50
	With automatic trap flusher, each. . . . .	.75
9.	Suites with water tap utilized as offices, in upper stories of buildings, each . . . . .	.50
10.	Livery stables and stock yards, average of six animals or less.	3.50
	For each additional animal . . . . .	.20
11.	Barber shops, for single chair	1.00
	For each additional chair. . . . .	.50
12.	Public halls, clubs or lodge rooms	1.00
13.	Public garages, average 4 autos or less.	2.00
	For each additional auto . . . . .	.50
14.	Soda fountains, soft drink places and ice cream or lunch parlors either alone or in connection with other business	1.25 to 2.50
15.	Drug stores.	1.40
16.	Photograph galleries or where water is used for photo developing and printing, in addition to the store rate . . . . .	.75
17.	Creameries, laundries, slaughter houses, bottling works, meat markets, ice and cold storage plants, according to the use of water.	2.00 to 8.00
	Charge in addition as per (26) for water motors where used.	
18.	Blacksmith, wagon and machine shops.	1.00
19.	Restaurants, chop houses or cafes.	1.50
20.	Doctors' and dentists' offices, according to number of rooms and whether or not water is used for flushing or other purposes. . . . .	.1.00 to 3.00
21.	For small stores or business places not otherwise listed . . . . .	.75
22.	For large stores or business places not otherwise listed	1.00 to 2.25
23.	Living quarters in connection with stores or places of business . . . . .	.50
24.	Additional charge for each bath tub or flush toilet in (10) to (22) inclusive, except where for public use . . . . .	.20
25.	Public drinking fountains in any place . . . . .	.60
26.	Water motors, depending on use of water . . . . .	.75 to 10.00

PUBLIC USE:

1. For service of water for the extinguishment of fires, which may be drawn from the 15 fire plugs at present in service, which are the property of the town, per month. . . \$12.00
For each additional fire plug or hydrant which may be installed, per month.70
2. Water for sprinkling of roads and streets by the town or county and for flushing of sewers, by the computed or measured quantity of water used, per 100 cubic feet08
3. Public Schools, per month:
For each flush toilet.50
For each shower or bath tub.40
For each wash basin and drinking fountain. . .25

METER RATES:

1. Monthly minimum payments:
For 3/4 or 5/8 inch meters \$1.00
For 1 inch meter 1.75
For 1 1/2 inch meter. 2.50
For 2 inch meter 3.25
2. Monthly quantity rates:
For use from 0 to 2000 cubic feet, per 100 cubic feet12
For use over 2000 cubic feet, per 100 cubic feet08

IT IS HEREBY FURTHER ORDERED that December 31, 1922, be and the same is hereby designated as the effective date of this order.

Dated at San Francisco, California, this 15th day of December, 1922.

W. H. Brundage
Waring Martin
Cliff D. Jones

Commissioners.