

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the matter of the application of MAILLIARD ESTATE for permission to make increase in charges. }

Application No. 435.

Decision No. 1560

BY THE COMMISSION:

SECOND SUPPLEMENTAL OPINION.

On September 12, 1913, the Commission made and entered its order establishing just and reasonable rates to be charged for water distributed by the Mailliard Estate under Application No. 435, at the towns of Lagunitas and San Geronimo, Marin county, California. On November 25, 1913, the Commission made and entered a supplemental order amending the previous order by providing for the collection of payment for amount used above the minimum where meters are placed.

Subsequent to the original decision the water utility property has passed into the ownership of the Lagunitas Development Company. The water rates ordered were put into effect by the last named company upon the first day of January, 1914, and immediately very considerable dissatisfaction developed and there has been an active campaign carried on among the consumers at Lagunitas to have the form of rate changed.

During investigation by this Commission and at the two public hearings conducted in this matter it appeared to be an undoubted fact that the larger number of the consumers would require water service and desired to make payment therefor only for a few months of the year. Therefore, the rate established by the Commission took this into account and was formulated to return to the company the amount of the charges properly to be demanded and necessary for the conduct of its business and to proportion the payment among all consumers in accordance with the benefits derived.

It now appears that the consumers, practically without exception, desire that water be available for use upon their property

during each and every month of the year; and that they are willing to make payment to the Water Company for such continuous availability of service. This causes a radical change of the basis upon which rates may now properly be established.

The Commission has received a petition signed by 87 consumers, reading as follows:

"We, the undersigned, property owners and water consumers of Lagunitas, Marin county, California, hereby respectfully petition that the water rates for Lagunitas be fixed on the flat rate basis, and that the annual charge to each consumer be fixed at \$12.00 per year for the use of 4,500 gallons per month, and for all water used in excess thereof, at the rate of 50 cents per 1,000 gallons."

There has also been filed a printed and published statement over the signature of the Lagunitas Development Company, by John B. Coleman, President, which includes the following:

"Although the decision of the Railroad Commission specifically points out that a flat rate of \$12.00 per year (plus 50 cents per 1,000 gallons over 4,500 gallons per month) is insufficient to yield a fair return upon the cost of the water plants and the value of the service, nevertheless in order to establish a condition of harmony and good will between our company and the water consumers, if the water consumers of Lagunitas decide to apply to the Railroad Commission for a flat rate of \$12.00 per year (plus 50 cents per 1,000 gallons in excess of 4,500 gallons per month) our company will not oppose such application."

It so chances that, considering the number of consumers to be the same as used in the determination of rates in the Commission's former order, a general rate of \$12.00 per year will return to the company the same aggregate sum as was considered probable under the rate before established, it also appearing that there is practically unanimity of desire upon the part both of the consumers and the company that this rate be changed.

SECOND SUPPLEMENTAL ORDER.

IT IS HEREBY ORDERED that LAGUNITAS DEVELOPMENT COMPANY, successor of Mailliard Estate Company, be and the same is hereby authorized to charge for water delivered to its customers in and about Lagunitas the rate of twelve dollars (\$12.00) per consumer per

