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Decision No. _____.

ORIGINAL

Decision No. 3338

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application)	<u>Application</u>
of W. S. MUMAW for an order giv-)	
ing authority to increase rates.)	<u>No. 2165.</u>

W. S. Mumaw in propria persona.

BY THE COMMISSION.

O P I N I O N

The water system owned by the applicant in this proceeding is located in the town of Lancaster, Los Angeles County, and supplies water to thirteen out of about one hundred families living in the town.

Applicant alleges that he has operated the utility at a loss for the last year, inasmuch as the operating expenses were \$101.60 and the gross revenues \$158. Applicant asks that the Commission investigate the conditions surrounding the service which he is rendering and make its order authorizing him to increase the water rate from Two Dollars (\$2.) per

month to Four Dollars (\$4.) for each party supplied with water from applicant's plant.

The development of this utility came about through Mr. Mumaw extending service to several of his neighbors after he had drilled a well and equipped a plant for his own private use.

A statement of the cost of the items embraced in the water plant was submitted with the application, it being shown that the original cost of the property was \$1,182.

One of this Commission's hydraulic engineers made an investigation of the property and has found that the amounts set up for each item as listed by applicant are reasonable costs. Exception was taken to the inclusion of the entire value of the tank house, inasmuch as some private use of this structure was had by the applicant entirely apart from any utility service. Making a deduction of one-half the value of the tank house, there results a total of \$912. which our engineer considered reasonable as basis on which an interest return could properly be allowed.

Applicant has heretofore had in effect a schedule of flat rates, and an investigation was made to determine how much water was pumped and delivered through the system. The result of this investigation shows that the average monthly consumption throughout the year is 15,000 gallons for each consumer, equivalent to 2,000 cubic feet per month, which seems reasonable when one considers the nature of the climate at Lancaster.

The items of annual expense which our engineer has found proper, in order that the business may be carried on without a loss, are as follows:

Electricity for pumping	\$66.00
Repairs on pump	17.00
Allowance for depreciation	52.00
8% interest on \$912.	<u>73.00</u>
Total	\$208.00

It will be noted that there is no allowance herein for salaries, but applicant testified that he was willing to forego salary, if he could receive a return on his investment.

There are thirteen separate houses served by this utility, and as it may be found necessary to meter some of the houses and allow others to continue under the flat rate, we shall recommend a meter schedule of rates, as well as a flat rate schedule, expecting that sooner or later applicant will completely meter his system.

After an examination of the evidence and a careful investigation of the cost of operating this utility, we find that the following rates provide a reasonable return.

Meter Rates:

\$1.00 for 600 cu. ft. or less per mo.
.08 for 100 cu. ft. excess.

Flat Rates:

\$1.00 for house with no outside tap.
1.50 for dwelling with the ordinary
taps and house fixtures.
.04 per 100 square feet of garden
or lawn.

O R D E R

W. S. MUMAW, operating a public utility in the Town of Lancaster, Los Angeles County, having made application for an order authorizing an increase in rates for water delivered to residents of the town of Lancaster,

And a public hearing having been held and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now charged by W. S. Mumaw are unjust and unreasonable insofar as they conflict with the schedule herein authorized, and that the following schedule is just and reasonable for water service furnished by said W. S. Mumaw at Lancaster.

Meter Rates:

\$1.00 for 600 cu. ft. or less per mo.
.08 for 100 cu. ft. excess.

Meters to be installed at option of utility or consumer. If at option of consumer, consumer will be required to deposit \$8., which will be credited in the sum of \$.50 per month on subsequent water bills until the deposit is fully returned.

Flat Rates:

\$1.00 per mo. for house or structure with no outside tap.
1.50 per mo. for house or structure with the ordinary taps and house fixtures.
.04 per 100 sq. ft. of Garden or Lawn.

Dated at San Francisco, California, this 15th day of May, 1916.

Max Thelen
Harry Land
Geo. Ford
Frank P. Doherty
Commissioners.