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Decision No. _____

ORIGINAL

Decision No. 3906-

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the matter of the application)
of W. H. TURNER for an order au-)
thorizing a uniform charge for)
water service.)

Application
No. 2438.

William B. Pringle for Applicant.

BY THE COMMISSION.

O P I N I O N

This is an application by W. H. TURNER for an order authorizing reasonable and uniform rates for water sold by petitioner in a certain subdivision known as Caliente Park, adjacent to Fetters Springs, Sonoma County.

A public hearing in this proceeding was held at Boyes Springs on September 8, 1916. The hearing in this case was consolidated with that of four other water utilities serving adjoining territory, which had filed similar applications and are operating

under similar conditions. Evidence was presented in behalf of petitioner herein and consumers of Caliente Park.

The rates at present charged by W. H. Turner to consumers vary from approximately \$1. to \$2. per month by measure of the facilities for use. A charge of twenty-five cents per month is made when premises are unoccupied. The meter rate is \$1. for the first three hundred cubic feet; all use above that amount being charged for at the rate of twenty-five cents per one hundred cubic feet.

Applicant has been delivering water to fifty-eight consumers during the present year.

The only appraisal of the property in evidence was presented at the hearing by Milo H. Brinkley, one of the Commission's engineers. This estimate totaled:

Reproduction cost	\$2,425.
Reproduction cost, less depreciation	2,117.
Annual depreciation 5% sinking fund	48.

Figures on the cost of operation are not available, as practically all of the labor is performed by the owner of the plant. The cost of power amounted to \$85. during 1915. The evidence ^{shows} that \$360. per year is a fair allowance for operating expenses and taxes, in addition to the cost of power.

The following tabulation shows the annual

gross income which applicant should receive from consumers under the allowances herein found to be reasonable:

Interest	\$194.
Operating expenses and taxes	445.
Depreciation	<u>48.</u>
Total	\$687.

The income amounted to \$400. in 1915. It is evident a change in the present rates will be necessary in order to produce the required revenue.

In establishing a form of rate which will yield sufficient revenue to provide a fair return for the services rendered, it is necessary to direct attention to the character of the use made by the public of the utility's property. The territory served is within an area devoted primarily to summer resorts. The consumers in the most part are non-residents who own or use small cottages as resorts for themselves and families in summer or for vacation purposes at intervals throughout the year. Few consumers remain the entire year. But the capital invested to supply their needs must remain in use at all times. Likewise is the depreciation to the system constant, as are the maintenance charges and the utility's obligation to serve at all times. Under such conditions the consumer seeks conveniences and should pay for those installed for his benefit rather than expect to pay merely for the actual commodity used, which in some cases might be but the use of a day or a week in a year's time.

At present the utility is collecting rates as hereinabove set forth, the plan being to charge a small monthly rate during non-use and a larger rate during the time of actual use. This seems to us a fair method of handling the unusual situation and in the order accompanying this opinion we shall upon that basis establish rates which we believe will closely approximate the cost of service to the different classes of consumers.

There has been complaint of service among the water users which the applicant has declared its intention of improving. The rate herein established is fixed with the understanding that the utility will be required to provide adequate service. Applicant should be required to file with this Commission rules and regulations governing service.

We find as a fact that the rates of W. H. Turner, insofar as they differ from the rates herein found reasonable, are unjust and unremunerative and the rates as set out in the order accompanying this opinion are hereby found to be just and reasonable.

O R D E R

W. H. TURNER having applied to the Railroad Commission for an order authorizing a reasonable and uniform rate to be charged his consumers for water,

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

IT IS HEREBY FOUND AS A FACT BY THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA that the rates now charged by applicant, insofar as they differ from the rates hereinafter in this order set out, are unjust and unreasonable, and that the rates set out in this order are just and reasonable rates to be charged by applicant to its consumers for water.

Based on its order on the foregoing findings of fact and the further findings of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that applicant is authorized to file with this Commission the following schedule of rates, said rates to become effective January 1, 1917.

(A) Six dollars annually to be paid in advance.

(B) In addition to the annual charge, the payment for each month during which any water is used as follows:

(I) Flat Rates:

1. Stores and offices	\$.50
2. Houses of four rooms or less .	.50
a. Additional for each room .	.10
3. Hotels:	
a. Dining rooms	2.00
b. Bed rooms per room10
4. Restaurants	1.00
5. Barber shops, per chair,50
6. Horses or cows each10
7. Auxilliary uses:	
a. Private toilets10
b. Private bath tubs10
c. Public toilets50
d. Public bath tubs50
e. Soda-fountains and ice cream parlors50
f. Irrigation of lawns and gardens per 100 sq. ft. during irrigation02

(II) Meter rates:

- 50 cents for 250 cu. ft. or less.
- 20 cents for each 100 cu. ft. or fraction thereof for next 1,750 cu. ft.
- 15 cents for each 100 cubic feet or fraction thereof in excess of 2,000 cu. ft.

IT IS HEREBY FURTHER ORDERED that within the period of fifteen (15) days from the date of this order, applicant shall file for the approval of this Commission rules and regulations governing its service of water.

Dated at San Francisco, California, this 2nd
~~day of November, 1916.~~
December

J. H. Loveland
Chas. G. Don

Frank R. DeWitt

Commissioners