

Decision No. _____

ORIGINAL

Decision No. 4585

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of
ANDERSON WATER COMPANY, a corporation,
for an order authorizing it to install
meters and fixing the rates for meter
service.

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)
) Application No. 2858.
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Geo. W. Mordecai, Jr. for applicant.

BY THE COMMISSION:

O P I N I O N

Anderson Water Company asks for authority to establish meter rates to apply on certain services to prevent waste of water upon the system which it operates in supplying domestic water to the inhabitants of Anderson, Shasta County. A public hearing in the matter was held by Examiner Westover at Anderson. As the propriety of the metered rates sought involves a consideration of all rates, the entire situation of applicant will be considered.

Applicant has no meter rates at present. It requests in the application a monthly meter rate of \$2.00 for the first 200 cubic feet or less, 20¢ per hundred cubic feet for the next 500 cubic feet and 15¢ per hundred cubic feet for all excess water over 1700 cubic feet.

Anderson Water Company was organized in 1885 with an authorized capital stock of 1000 shares of the

par value of \$10.00 each, all of which are now issued and outstanding. It has no indebtedness. An effort to obtain water from wells failed, and in 1889 the company finished the construction of the present reservoir and some six or seven miles of open ditch through which it conveyed water purchased from an irrigation company operating north of Anderson. In 1908 the present wells and reservoir were constructed, pumping plant installed and the distributing system improved. At present there are about 30,000 feet of distribution mains ranging in size from three-quarters inch to four inches, supplying 152 services. There is also a six inch transmission main conducting water from the reservoir about a half mile from town. A total of about \$30,000 has been spent upon the system since the beginning, raised largely through numerous assessments on the stock.

Applicant submitted an inventory and appraisal showing estimated reproduction cost of \$24,312.82 without depreciation. Of this amount \$7,372.70 represents mains installed in 1888 and naturally now in poor condition. Mr. James Armstrong, one of the Commission's assistant hydraulic engineers, estimates plant and system reproduction cost less depreciation at \$12,500, and that \$3,000 to \$4,000 will probably have to be spent upon plant and system within the next few years for improvements and replacements. The system was acquired by the present owners late in 1916 for \$5500 cash, a stock of merchandise and some land, the value of which was not satisfactorily shown.

Applicant's books show an expenditure for maintenance and operation for the first six months of 1917 of \$1821.26, of which \$329.56 was found to be properly chargeable to capital account, leaving \$1491.70 properly chargeable to maintenance and operation. This period, however, does not include the months when most water is pumped and most power required.

It was agreed at the hearing between Mr. Armstrong and applicant's manager that a fair allowance for maintenance and operation, but not including depreciation, would be \$260 per month or \$3120 per year. Mr. Armstrong estimates the annual depreciation by straight line method at \$600 on plant used and useful.

The gross income for ten months from applicant's books appears to have been \$3309.75 including sales for fire service and for street sprinkling, or approximately \$4000 per annum.

The difficulty under which applicant is laboring in common with many other water utilities is that water is pumped at a fixed cost per unit of electric energy and is sold upon a flat rate without any restriction whatever upon the amount used or wasted. The cost of the water so used or wasted bears no relation whatever to the flat rate paid by the consumer. A careful study of water use in Anderson was made which shows that abnormally large amounts are used and the evidence indicates that a very considerable portion of this abnormal amount of water supplied is absolutely wasted.

Applicant has requested that the Commission also readjust its present flat rates so that the burden shall be more equally distributed between consumers. The result is the schedule of metered and flat rates found in the order. If sufficient meters are installed, especially upon services where waste has occurred in the past, it is believed these rates will produce an adequate return for applicant, largely through reducing the cost for power, and provide the needed depreciation fund without appreciably increasing the water bills of consumers. The exact result can not be anticipated as records of use under meter rates are not available, and the number of meters to be installed is not known.

O R D E R .

ANDERSON WATER COMPANY having applied to the Railroad Commission for authority to establish meter rates for domestic water served to the inhabitants of Anderson, Shasta County, and to readjust its flat rates, and a public hearing having been held upon said application,

IT IS HEREBY FOUND AS A FACT that the rates heretofore in effect in so far as they differ from the rates hereinafter authorized are unjust, unreasonable and non-compensatory and that the rates authorized in the order herein are just and reasonable rates, and basing its conclusions upon said findings of fact and upon the findings of fact in the opinion preceding this order,

IT IS HEREBY ORDERED that Anderson Water Company be and it is hereby authorized to establish and file with the Commission and immediately thereafter to receive and collect the following schedule of monthly rates to be charged by it for water from its system at Anderson, Shasta County, California, to-wit:

Meter Rates:

First	1,000 cu. ft.	per month, per	100 cu. ft.	.....	22¢
Next	1,000 cu. ft.	" "	" 100 cu. ft.	.....	18¢
Next	3,000 cu. ft.	" "	" 100 cu. ft.	.....	14¢
Over	5,000 cu. ft.	" "	" 100 cu. ft.	.....	10¢

Minimum Monthly Charges:

5/8 inch meter	.....	\$1.25
3/4 " "	.....	1.50
1 " "	.....	2.00
1 1/2 " "	.....	2.50
2 " "	.....	3.00

All meters to be installed by Anderson Water Company at its own expense, and at option of the consumer or the company. When a meter is installed at the request of a consumer, a deposit may be required, such deposit to be returned to the consumer as a credit on monthly water bills at the rate of one-tenth of the deposit per month. The following deposits may be required:

For 5/8 inch meter.....	\$10.00
" 3/4 " "	14.00
" 1 " "	18.00
" 1 1/2 " "	35.00
" 2 " "	60.00

Flat Rates:

Residential Use:

For every house or building occupied by a single family, per month\$1.25

And in addition thereto, the following special rates:-

For each additional family, per month...	.50
" " bath-tub, per month .....	.25
" " water-closet, per month .....	.25
" " urinal, with self-closing valve .....	.25 per month
" " " without " " .....	.50 " "
" " horse, cow, or head of stock ..	.15 " "
" irrigation of lawns and gardens, each 100 sq. ft. or fraction per month...	.02

Note: Charge for lawns and gardens to be made only during period in which water is used, provided, however, that no period less than one month shall be considered.

Commercial:

For each store, bank, bakery, office, warehouse, saloon, grocery, eating house, barber shop, butcher shop, blacksmith shop, confectionery shop, hotel, lodging house, boarding house, church, hall, laundry, photograph gallery, printing office, steam engine, market, market stall, horse trough, soda fountain, or other places of business per month \$1.25

In addition to the above monthly flat rate charge of \$1.25, the following special rates:

Public water-closets, per month	\$.50
Public urinals with self-closing valves, per month .....	.50
Public urinals without self-closing valves, per month	1.00
Public bath-tubs, per month .....	.50

Building Purposes:

Water furnished for building or construction purposes
as follows:

Each barrel of lime or cement	\$.10
" 1,000 bricks .....	.10
" ton hard wall plaster .....	.30
" " asbestos stucco .....	.30
Curbs and gutters:	
Regular size, per lineal foot .....	.00 $\frac{1}{2}$
30 in. size " " " .....	.00- $\frac{3}{4}$
Sewers, for each foot in depth of main	
sewer, per 100 lineal feet .....	.20
House connections .....	.50

Or any of the above by meter at meter rates.

Fire Protection:

For each hydrant especially installed for fire protection
or for the individual use of persons, firms, or corporations
for fire purposes exclusively:

Each 2 inch connection per month	\$1.50
" 2 $\frac{1}{2}$ " " " " "	2.00

Anderson Water Company is also authorized and directed
to file with said schedule suitable rules and regulations, designed,
among other things, to prevent waste of water.

Dated at San Francisco, California, this 29th day
of August, 1917.

Max Thelen

Alex Gordon

Frazer R. Berlin

Commissioners.