

ORIGINAL

Decision No. 41822

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application)  
of EDGAR S. NYE for authority to)  
increase rates for the sale of )  
water in Riverside Park, Santa )  
Cruz County, California. )

Application No. 2917.

BY THE COMMISSION:

O P I N I O N.

Applicant herein is engaged in the business of selling water for domestic use to the residents of Riverside Park, which is a small tract adjoining the town of Ben Lomond, Santa Cruz County, California.

Applicant in this proceeding applies for an increase in the rates charged by him for said service upon the ground that the revenue derived under the present schedule of rates is insufficient to meet maintenance and operating expenses.

A public hearing was held in this matter on September 11, 1917 at Ben Lomond before Examiner Encell.

The property involved in this proceeding was installed by applicant in the summer of 1914 to serve a subdivision

of fifteen acres near Ben Lomond which subdivision was subdivided into 100 lots. Upon 14 of these lots summer cottages and houses have been built which are occupied by their owners at intervals varying from continuous residence to five days a year. The rates charged by applicant have been \$1.00 per month, regardless of extent of use or the usual variation of flat rates by the size of houses, fixtures, area irrigated, etc.

Applicant has for sometime past discontinued pumping water for his consumers and has been receiving water from the pipes of the Mountain Water and Light Company, a public utility engaged in business in that vicinity.

At the hearing an appraisal of the property was introduced which represented a total valuation of the same of \$766.00, after due allowance had been made for depreciation. Of this amount, however, the unused pumping plant is now non-operative and should be deducted. In addition thereto a further deduction should be made owing to the fact that applicant has extended a three-fourth inch pipe, a distance of 1800 feet for the purpose of serving one consumer.

The present value of the property now used and useful to the utility after making the foregoing deductions is the sum of \$386.00 and annual depreciation, straight line, \$21.42.

The Commission's Hydraulic Engineering Department testified that the cost of operation to this utility would reasonably be the sum of \$95.00. This is based

on the assumption that the fourteen users will use water on an average of five months each or seventy consumer months; that the use of a consumer month will be 3,000 gallons; that a commercial expense of 50 cents per consumer month be allowed and that applicant purchase annually 210,000 gallons of water at the rates of Mountain Water and Light Company.

Accepting above testimony as bases for the charges, the following are the annual charges for the company.

Interest at 7% on \$386.00	\$27.02
Depreciation	21.42
Operation & Maintenance	<u>95.00</u>
Total	\$143.44

The Mountain Water and Light Company which is engaged in serving water to the same vicinity, has, by this Commission, been allowed a rate which provides for an annual charge of \$6.00 per Year for each consumer whether water be used or not and a further charge of 75 cents per month for the first 5,000 gallons or less. The income of the applicant herein, based upon those rates, would be as follows:

14 consumers @ \$6.00 annually	\$84.00
70 months @ .75	<u>52.50</u>
Total	\$136.50

#### O R D E R

EDGAR S. NYE having applied to the Railroad Commission for authority to increase the rates charged by him for water sold by him in Riverside Park, Ben Lomond, Santa Cruz County, California, and a public hearing having been held

thereon,

THE RAILROAD COMMISSION FINDS AS A FACT that the rates now charged by Edgar S. Nye in said District are unjust and unreasonable in so far as they differ from the rates herein established and that the rates herein established are just and reasonable rates to be charged by Edgar S. Nye in said District.

Basing its order on the foregoing finding of fact and on the other findings of fact which are contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Edgar S. Nye be and he is hereby authorized to file with the Railroad Commission, effective November 1st., 1917, the following schedule of rates to be charged by said Edgar S. Nye in Riverside Park, Ben Lomond, Santa Cruz County, California.

#### SCHEDULE A (Meter Rate)

##### Annual Charge:

An Annual Charge of \$6.00 shall be paid by each consumer whether the service is metered or not, to be paid annually in advance.

##### Metered Service.

75 cents for the first 5000 gallons or less;  
15 cents for each 1000 gallons or fraction thereof for the next 10,000 gallons;  
12 cents for each 1000 gallons or fraction thereof used in excess of \$15,000 gallons.

#### SCHEDULE B (Flat Rates)

##### Annual Charge:

An Annual Charge of \$6.00 shall be paid in advance, annually by each consumer.

##### FLAT RATE SERVICE:

75 cents per month, pending installation of meters, in addition to annual charge.

#### SCHEDULE C (Fire Protection)

An Annual Charge of \$2.00 shall be paid by each consumer who desires Fire Protection, to be paid annually in advance.

SCHEDULE D (Annual Contracts)

Contracts for Flat Service in lieu of above Flat Rate Service will be made with consumers based on the above rates and estimated according thereto, to be paid in advance, annually, and to be filed with the Commission, when requested by the consumer.

SCHEDULE 3 (Sprinkling)

For each Standard or each Water Tank used for Sprinkling Roads and Streets the rate shall be for each Standard or Tank, \$25.00 per annum, to be paid in advance.

SPRINKLING STREETS FROM FIRE HYDRANTS.

Where water is used for Sprinkling Streets by consumers other than the County, the charge shall be 50 cents per month for each consumer, during the months in which water is used for said purpose.

Dated at San Francisco, California, this 7<sup>th</sup> day  
*November*  
of ~~October~~, 1917.

M. M. Thelen  
H. B. Ireland

Frank R. D. Smith  
Commissioners.