

Decision No. _____

ORIGINAL

Decision No. 5716

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of SUMMER HOME REALTY COMPANY for an order authorizing a uniform charge for water service.) Application No. 3511.

Edward O'Brien for applicant.

BY THE COMMISSION:

O P I N I O N

Summer Home Realty Company applies for authority to establish a reasonable and uniform rate for water served in the summer resort known as Summer Home Park near Hilton, Sonoma County, through 73 services, 66 of which were active last season. The present rate is \$5.00 per annum per consumer.

Public hearings were held by Examiner Westover at Summer Home Park on April 23d, and at San Francisco on May 2, 1918. Water is developed from a well and two tunnels, the tunnels being on the hillside back of the town, and stored in three tanks with a combined capacity of 18,500 gallons. Physical connection is also made with what is known as the Swain System which operates in this vicinity and sells water to

applicant when its supply is short in summer. The Swain System pumps water from a well near the Russian River.

The only appraisal of the property in testimony was presented at the hearing by Milo H. Brinkley, one of the Commission's engineers. He estimates the reproduction cost of the property at \$3570 and the annuity to cover annual depreciation at \$57.

We estimate that \$315 per year will cover maintenance, operating expenses and taxes, which it is estimated will be produced by the rates found in the order. The annual charges would therefore be:

Return on reproduction cost.....	\$286.
For water purchased	50.
Operating expenses and taxes.....	315.
Annual depreciation.....	57.
Total.....	<u>\$708.</u>

The character of the service is such that water charges on the basis of facilities used does not appear to be equitable. These facilities vary greatly with different consumers and apparently constitute no indication of water use. Also consumers use the service in greatly varying extent. A few live on their property throughout the year, most for about six weeks in the summer; while a number visit their properties several times during other portions of the year. The evidence indicates that if all consumers are charged uniform flat rates for similar periods of time substantial justice will be done. Where there would appear to be an inequality in water charges due to excessive use by some consumers the Company expects to remedy this situation by installing meters. For this reason it desires to have a meter rate established. It is also believed that

with meters installed water use will lessen and the amount of water necessarily purchased from the Swain system will be materially reduced.

The testimony shows that poor service has been given by consumers at times in the past. The increased rates set out in the order will enable the company to give adequate service, which will be expected.

O R D E R

SUMNER HOME REALTY COMPANY having applied to the Railroad Commission for an order authorizing an increase in the rates to be charged its 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 rate set out in this order is a just and reasonable rate to be charged by applicant to its consumers for water and that the rate now charged is not just and reasonable.

BASING 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 June 1, 1918.

Flat Rates

- (a) Six dollars annually to be paid in advance.
- (b) In addition to the annual charge, payment for each month during which any water is used as follows:

(1) Additional flat rates.
June and July.....\$1.25
Remaining months..... .50
The maximum charge to be
\$12.00 per calendar year.

(2) Additional meter rates.
For all use..... .25 per 100 cu. ft.
Minimum, per month..... .50

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 24th day of May, 1918.

Max Thelen
H. S. Boardman
Geo. Gordon

Commissioners.