

Decision No. _____

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 5450

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In the matter of the application
of MRS. CORISTA GUIBBINI for au-
thority to increase the rate for
water service.

} Application No. 3660.
}

G. Guibbini for applicant.

BY THE COMMISSION:

O P I N I O N

This is an application by Mrs. Corista Guibbini for an order authorizing an increase in the water rate charged by applicant for water sold at Inverness, Marin County.

A public hearing in this proceeding was held at Inverness on April 22, 1918 before Examiner Westover. Evidence was presented in behalf of petitioner herein, no consumers being present and no evidence being presented in their behalf although they had previous notification of the hearing.

The evidence shows that previous to 1916 the rate charged was \$5.00 per annum but in 1916 and 1917 applicant collected \$8.00 per annum from consumers. One consumer protested against this raise in rates without the authority of the Commission and the utility filed this application asking that \$8.00 per annum be made the legal rate.

The water supply for this utility is obtained from several springs and a tunnel, all of which are contained in the ranch of applicant on a hillside above the town. From these sources of supply pipe lines distribute the water to 23 consumers. Formerly 34 consumers were supplied but it was found to be more satisfactory to applicant for some of them, on account of their location, to

obtain water from the Hamilton Water System which operates in the vicinity and they are now so supplied.

All of the consumers use water during practically every month in the year although continuous residence does not occur, and the bulk of the water is served during the summer months. It appears that a yearly rate is suited to the conditions and also that the facilities and water use of the different consumers is so similar that a uniform flat rate is just.

No appraisal of the property was presented at the hearing but an examination was made by Milo E. Brinkley, one of the Commission's engineers, and a stipulation was made that he should report at a later date. His report has now been made, and the estimate is as follows:

Reproduction Cost.	\$3463.00
Annual Depreciation, 5% Sinking Fund	43.00

In this estimate is included one acre of land which is considered sufficient for water bearing purposes.

This plant formerly served a larger number of consumers and it appears to be of excessive capacity for the present consumers. It also gives irrigation service to the owner and this should be considered in apportioning the plant cost to consumers. It is believed that a proportion of the plant cost not in excess of \$1500 is all that should be chargeable for water service to the present consumers.

Testimony shows that the cost of operation amounts to \$60 per year.

The following tabulation shows the annual gross income which applicant should receive from consumers under the allowances herein found to be reasonable.

Return.	\$120.00
Operating expenses and taxes	60.00
Depreciation	<u>20.00</u>
Total.	\$200.00

It is found that a rate of \$8.00 per annum per consumer will give sufficient revenue for the annual charges if proper allowance

is made for irrigation service to the owner.

O R D E R

MRS. CORISTA GUIBBINI having applied to the Railroad Commission for an order authorizing an increase in the rates to be charged her 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.

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 Rate

Annual charge per consumer..... \$8.00
Said rate to be payable in advance
on May 1st of each year.

Dated at San Francisco, California, this

29th day of May 1918.

Max. Thelen

Alfred Gordon

Edwin O. Beaman

Frank R. Berlin
Commissioners