

Decision No. _____

ORIGINAL

Decision No. 5555

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of the PLACENTIA DOMESTIC WATER WORKS
for an order authorizing a change from
flat rate to meter rates for water ser-
vice.

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)
) Application No. 3191.
)

A. S. Bradford for applicant.

BY THE COMMISSION:

O P I N I O N

Placentia Domestic Water Works, A. S. Bradford,
Trustee, applicant herein, prays an order establishing a meas-
ured rate schedule to be charged for water delivered for domestic
uses in and about the unincorporated town of Placentia, Orange
County, California.

A public hearing was held upon the application by
Examiner Westover at Los Angeles.

The application alleges in effect that - (1) ap-
plicant is furnishing water for domestic uses to approximately
two hundred consumers and charging therefor at various flat
rates ranging from \$1.00 to \$5.00 per month; and (2) that the
purpose of asking that a measured rate schedule be established
is to conserve the water supply and provide an income adequate
to meet expenses of operation, maintenance, depreciation and
interest on investment; and asks that a monthly rate of \$1.50
per month for 3000 gallons or less and \$.25 per 1000 gallons
for water used in excess of 3000 gallons be established.

The construction of the plant was begun in 1910,
at which time the owners purchased a sixty acre tract, sub-
divided and marketed it, and established what is now the town
of Placentia. The plant and system was built as a

necessary part of a project for the sale of real estate.

The water supply is obtained from wells located within the townsite. It is pumped from these wells into the distribution system of iron and steel pipes through which it is delivered to the consumers. Two 26,000 gallon steel tanks store the surplus of water pumped over that consumed and during periods when the demand is greater than the quantity pumped, make up the deficiency.

Applicant submitted data showing a total cash outlay of \$27,292.55, including a part of the expense of installing meters. This sum also includes a number of pipe lines which have been replaced, a tower and tank which collapsed due to faulty design and items of maintenance and operation expense.

J. G. Walther and C. E. Loveland of the Commission's Hydraulic Engineering Division submitted an estimated cost of \$22,121. including the cost of metering and it appears that if the items above mentioned which should not be included in an appraisal for rate making purposes be excluded, the resultant cost of plant will approximate that estimated by the Commission's engineers.

The Commission's Hydraulic Division report a maintenance and operation expense of \$1,151. for 1916 after eliminating such items as are properly chargeable to capital. There will be an increased cost of operation in the future due to the expense of reading and maintaining meters. This increased cost is estimated at \$400.00 annually.

The total annual charge for which income must be provided is as follows:

Interest on \$22,121. @ 8%	\$1,769.
Sinking Fund Annuity	544.
Maintenance and Operation Expense	1,551.
Total	<u>\$3,864.</u>

The rate set out in the order following will produce at least this sum annually.

O R D E R

Placentia Domestic Water Works, A. S. Bradford, Trustee,

having applied to this Commission for authority to establish a

schedule of measured rates for water sold by it to its consumers, and a hearing having been held and the matter having been submitted.

IT IS HEREBY FOUND AS A FACT by the Railroad Commission of the State of California that the measured rate schedule herein established is reasonable, just and remunerative.

IT IS HEREBY ORDERED that Placentia Domestic Water Works A. S. Bradford, Trustee, establish and file on or before twenty days from the date of this order/ the following measured rates to be charged for water by it to its consumers:

<u>Use per Month</u>	<u>Rates</u>
0 - 1000 cu. ft.	\$.20 per 100 cu. ft.
1000 - 2000 cu. ft.	.15 " " " "
above- 2000 cu. ft.	.10 " " " "

Minimum payment - \$1.00 per month.

Dated at San Francisco, California this 30 day
of July, 1918.

Edwin O. Edgerton

W. B. ...

Frank ...

Commissioners.