

Decision No. 5752**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of ()
 the Vallejo Water Company, a corpora-)
 tion for an order permitting it to (Application No. 3819.
 raise and adjust its rates.)

---oOo---

J. H. Dieckmann, Jr.
 for Applicant.

BY THE COMMISSION:

O P I N I O N

This is an application by the Vallejo Water Company, a corporation for an order to increase and adjust rates for water furnished to the inhabitants of the City of Vallejo and contiguous territory in Solano County.

Applicant contends that the present rate schedule is too low, that it does not produce a revenue commensurate with the service rendered and that it is lower than is customarily charged for similar service.

Applicant's system was built in the year 1869 to supply water for domestic, industrial and agricultural uses. It was the only supply for the City of Vallejo for twenty years, at the end of which time the present municipal system was constructed. The property consists of a storage reservoir, earth dam, transmission lines, distribution system, lands and rights of way, all of which has been appraised by F. C. Herrmann, the Company's engineer, at approximately \$208,000., the physical properties amounting to \$133,802. The Company is incorporated for \$1,000,000. which is divided into 10,000 shares of the par value of \$100. each. There is a mortgage on the property of \$185,000. to secure the payment of outstanding bonds held by the stockholders of the

Company.

Public hearing in this proceeding was held in the City of Vallejo on July 8th, 1918, before Harry A. Eccell, Examiner. Mr. J. H. Dieckmann, Jr. testified for Applicant that the gross receipts for the year ending on the 31st day of December, 1917, were \$4,753.14, and the expenditures \$4,021.84, leaving a net income of \$731.30, exclusive of a depreciation fund and interest on investment. Of the amount expended, \$2,907.37 was for salaries, lowering of mains, repairs, materials and employers' liability insurance and taxes, \$1,114.47 for surveys, inspections, water treatment, reports, publicity, which does not recur annually and should therefore be amortized over a period of years.

The Commission's Engineer testified that the system was built with sufficient capacity to serve several hundred consumers, while at present there are only about fifty.

It is obvious that to establish a rate schedule which would produce a sum equal to interest on the appraised value, depreciation, and maintenance and operation expense, would necessitate such an increase as would be far in excess of what the service rendered is reasonably worth. We will therefore establish a rate schedule which is fair to the utility and its consumers under the conditions obtaining. The schedule which applicant suggests does not in our opinion equitably distribute the burden among its consumers. We shall therefore modify it establishing, however, a schedule which will produce approximately the same annual revenue as that suggested by applicant.

O R D E R

The Vallejo Water Company, a corporation having applied to the Railroad Commission to increase and adjust its rates and a public hearing having been held thereon, and the matter being now ready for decision,

IT IS HEREBY FOUND AS A FACT by the Railroad Commission of the State of California, the existing rates of the Vallejo Water Company are unjust and unreasonable and that the rates hereinafter set out are just and reasonable rates to be charged for water by said Company to its consumers and basing its order on the foregoing findings

of fact and each statement of fact in the opinion preceding this order,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the Vallejo Water Company is hereby authorized to file with this Commission a schedule of rates to be effective as of September 1st, 1918, as follows:

FLAT RATES

Dwellings, Hotels and Lodging Houses:
Including one bath & one toilet.

Six rooms or less	\$.75	per month
Seven or eight rooms	1.00	" "
Nine to ten rooms	1.50	" "
For each additional room over ten rooms	.25	" "

For each additional bath or toilet - -	.25	" "
--	-----	-----

Except in case of Hotels and Lodging Houses where charge will be made for each bath tub	.25	" "
for each toilet	.50	" "
Public toilets - -	1.50	" "

Gardens and Lawns, $\frac{1}{2}$ ¢ per sq. yd.

Street Troughs	1.50	" "
Black Smith Shops, (small)	1.50	" "
" " (large) - meter rates.		
Stable and Garage, one horse	.25	
1 cow	.15	
Automobile	.25	

METER RATES

Domestic and Industrial Uses:

0 - 1000 cu. ft.	22 cents per 100 cu. ft.
1000 - 5000 " "	17 " " " "
over 5000 " "	12 " " " "

Minimum rate for 5/8, 3/4 and 1" meters - \$1.00 per mo.
" " " each additional $\frac{1}{2}$ " meter .50 " "

Irrigation:

0 - 1000 cu. ft.	22 cents per 100 cu. ft.
over 1000 cu. ft.	10 cents per 100 cu. ft.

Minimum rate same as Domestic and Industrial.

IT IS HEREBY FURTHER ORDERED that within twenty days from date of this order the Vallejo Water Company file with this

Commission revised their rules and regulations for its acceptance.

Dated at San Francisco, California, this 14th
day of Sept., 1918.

Edwin O. Egerton
H. J. Loveland
W. J. Gordon
Francis R. DeWitt