

ORIGINAL

Decision No. 6094

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

---oOo---

In the matter of the application of IDA LANE BARNETT, doing business under the fictitious name of Oildale Water Company, for an order authorizing the installation of meters and establishment of meter rates at Oildale, Kern County, California.

Application No. 5915.

BY THE COMMISSION:

O P I N I O N

A hearing in the above entitled matter was held by Examiner Westover at Bakersfield.

The application herein as amended at the hearing, recites that applicant's water system represents an investment of approximately \$10,000; that about 100 consumers in Oildale, a suburb of Bakersfield, receive service; that revenues average \$150 per month at the present monthly rates of \$2.00 for the six summer months and \$1.50 for the six winter months, and that the expenses are greatly in excess of this sum; that many consumers use water recklessly and waste large amounts, which results in deprivation to others and adds unnecessary expense. The prayer is that excessive users be ordered to install meters, and for general relief.

The plant in question was purchased for

\$2500. authority for the transfer being found in Decision No. 4113 of February 19, 1917. (See Vol. 12, p. 551, Opinions and Orders of the Railroad Commission of the State of California.)

Since then applicant has made a number of additions to the plant and system but apparently is unable to satisfactorily show the amount thereof owing to incomplete and inaccurate records. The system, as constructed, is also considerably overbuilt and the present consumers should not be required to pay rates based upon the entire investment. Most of the additions consisted of second-hand materials, making it difficult to fix a fair present value, especially as to distributing system, which is not visible. The expense for maintenance and operation will be affected by the change of any considerable proportion of the consumption from a flat to a measured rate. For these several reasons we do not attempt to find a specific figure to be used herein as a rate base.

Meter rates considered adequate and reasonable, were established by Decision No. 3764, in Application No. 3763 of A. Ferguson for the sale of water in territory adjoining that served by the applicant in this proceeding. Using the same basis for estimating returns herein, applicant's gross revenue should equal about \$1700 annually. An estimate of annual expense follows:

Maintenance and Operation:

Fuel and power	\$200.00
Repairs	350.00
General expense	700.00
Taxes	50.00
Depreciation	200.00
Total	<u>\$1400.00</u>

The foregoing estimate is considered extremely liberal, and the estimated net return of \$300 the minimum that should be received by applicant with the system fully metered.

This Commission has gone on record many times as favoring the sale of water and other public utility products at measured rates. The complete metering of this water supply is clearly advisable, and applicant should proceed to install meters as rapidly as practicable. It was estimated that the complete metering of the Ferguson system would result in saving half the pumping cost.

We cannot grant applicant's request that the consumers be required to install the meters. Under general orders we have provided that each utility must provide every part of its property at its own cost. In certain instances, utilities have been allowed to put into effect rules and regulations providing for deposits by consumers when meters are installed at the request of consumers. Applicant herein may avail herself of such a provision.

O R D E R

IDA JANE BARNETT, doing business under the fictitious name of Oildale Water Company, having applied for authority to install meters and establish metered rates in Oildale, a suburb of Bakersfield, a public hearing having been held thereon and the matter having been submitted and being now ready for decision,

IT IS HEREBY FOUND AS A FACT that the application should be granted and that the rates to be charged for water delivered through meters as herein established are just and reasonable rates.

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

IT IS HEREBY ORDERED that Ida Jane Barnett be and she is hereby authorized and empowered to install meters on any service through which water is delivered to a consumer and to charge and collect the following rates for water served in Oildale, California.

Monthly metered rates.

Between 0 and 800 cu. ft.	25¢ per 100 cu. ft.
Above 800 cu. ft.	10¢ per 100 cu. ft.
Minimum charge for each meter in use	\$1.00 per month.

IT IS HEREBY FURTHER ORDERED that applicant herein file her complete schedule of rates, including the above, within 30 days from the date of this order; together with a completely revised schedule of rules and regulations, which may provide for requiring that consumers deposit the cost of installing meters, such deposits to be returned in the form of specified portions of water bills; such rules and regulations to be subject to acceptance by this Commission.

Dated at San Francisco, California, this 29th
day of January, 1919.

Edwin O. Egerton
Frank R. White
H. A. Brundage
Irvine Martin
Commissioners.