

Decision No. 6184

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of NAPA CITY WATER COMPANY for an)
increase in rates to meet increas-) Application No. 4059.
ed costs in overhead expense, costs)
of operation, materials, etc.)

H. L. and L. E. Johnston for Napa City Water Co.
Wallace Rutherford for City of Napa.
H. L. Williamson in propria persona.

LOWELAND, Commissioner.

O P I N I O N.

This is an application of Napa City Water Company, a public utility corporation, hereinafter referred to as the applicant, engaged in the business of supplying water to the people of Napa and vicinity, for permission to increase rates to meet increased costs of operation.

A public hearing was held in Napa, January 29, 1919.

The application alleges, in effect, that owing to increased salaries, taxes, power bills and materials, its operating expenses will be increased in excess of \$3000.00 per annum and under the present rates the applicant is not receiving sufficient revenue to pay a proper return upon its investment.

Applicant asks permission to increase its monthly minimum charge from \$1.00 to \$1.25, exclusive of Alta Heights, where the Commission has heretofore fixed the minimum at \$1.50, or for such other or further relief as the Commission may deem equitable.

The capital installed on December 31, 1918, as shown by the applicant's books, was \$501,924.79, and an inspection of the property and a check of inventories submitted indicates that

a fair estimate of reproduction cost would amount to at least this amount. It therefore appears fair to use the book capital as the basis upon which to compute a return.

This Commission has stated in a number of instances that a measured system of rates is the only method in which each consumer bears his fair portion of the expense and I desire to recommend that this utility proceed at once to complete metering of the system. The system at present has meters on about eighty per cent of all services. Full allowance will be made in the rate base to cover the cost of such additional meters as are required.

Maintenance and operating expense for 1918, as shown by the books was \$22,880, and investigation indicates that reasonable increases due to higher costs of labor, materials, power and taxes will necessitate an allowance of \$23,400 per annum in the future, and I find as a fact that it is a reasonable amount to be included in annual charges to meet this expense.

Inspection of the properties and a study of the inventories submitted by the applicant indicate that the system has an average probable life of 33 years. On the four per cent sinking fund basis, the allowance for depreciation annuity should be \$4,682.

In view of all the circumstances, I am of the opinion that a six per cent return upon the investment will be fair and reasonable.

The necessary annual charges are then as follows:

Interest on \$310,000.00 at 6 per cent.....	\$18,600
Depreciation annuity.....	4,682
Maintenance and operation.....	<u>23,400</u>
Total.....	\$46,682

In 1918 the applicant's operating revenues amounted to \$38,125, and the deficit from operation, based upon the necessary

annual charges set forth above, is \$8,557.

I therefore find as a fact that the applicant is entitled to an increase in rates.

The rates fixed in the accompanying order are just and reasonable rates and will provide sufficient revenue to yield the necessary increase.

The rates heretofore charged the City and County of Napa for water used in sprinkling streets and parks are as fixed by ordinance and are less than those charged other consumers. Considering the public nature of such use of water, I am of the opinion that it will be unnecessary at this time to change these rates.

I submit the following form of order:

O R D E R.

NAPA CITY WATER COMPANY having made application for permission to increase rates charged by said Napa City Water Company to its consumers, a public hearing having been held thereon, and the Commission being fully apprised in the premises,

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT that the rates now charged by Napa City Water Company are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates to be charged by Napa City Water Company.

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

IT IS HEREBY ORDERED that Napa City Water Company be and the same is hereby authorized to file with the Railroad Commission within twenty (20) days from the date of this order, and thereafter to charge the following rates for water served to the

inhabitants of Napa and vicinity:

RATE SCHEDULE

Metered use:

To apply to all users on separate premises, in whatever ownership.

1. Monthly minimum payments:

1/2" and 3/4" Services.....	\$1.00
1" Services	1.50
1 1/4" Services	1.75
1 1/2" "	2.00
2" "	3.00
2 1/2" "	3.50
3" "	4.00

2. Monthly meter rates:

First 10,000 gallons, per 1000 gallons.....	0.40
Next 90,000 " " 1000 "	0.35
Over 100,000 " " 1000 "	0.32

Flat rate use:

To apply to all users on separate premises in whatever ownership.

Monthly flat rates:

1. Residences, boarding houses, apartments, lodging houses, tenements and flats of five rooms or less.....\$1.25
For each additional room..... 0.25
Additional for each bathtub..... 0.30
Additional for each toilet..... 0.30
Additional for each private garage and
one machine..... 0.25
For each additional automobile..... 0.25
Additional for private barn,
not more than two horses or cows..... 0.50
For each additional horse or cow..... 0.20
2. Sprinkling or irrigation of lawns,
shrubby, trees, gardens, etc.,
per square yard..... 0.02
3. Blacksmith shops, machine shops, lumber yards,
printing offices, bakeries, undertaking
parlors, grocery stores, dental offices,
theatres, warehouses, butcher shops and
large stores..... 3.00
4. Drug stores and photograph galleries..... 3.50

5.	Bottling works, creameries, slaughter houses, and laundries.....	\$5.00
6.	Banks, professional offices, billiard parlors, fraternal halls, clubrooms, churches, xxxxxxxx shoe shops, plumbing shops, stores and shops not otherwise listed.....	1.50
7.	Office buildings for each room.....	0.50
8.	Restaurants, chophouses and cafes, per unit of seating capacity.....	0.15
9.	Livery stables and feed yards, per average number of stock fed, each.....	0.25
10.	Barns in connection with stores, shops, etc., not more than two horses.....	0.50
	For each additional horse.....	0.25
11.	Garages, 6 autos or less.....	3.00
	For each additional machine.....	0.50
12.	Soda fountains and ice cream parlors, either alone or in connection with other business...	2.00
13.	Additional for each bathtub, toilet or urinal in 3 to 12 inclusive.....	0.30
14.	Barber shops, per chair.....	1.00
	Additional for each bathtub.....	1.00
	Additional for each toilet.....	0.50
15.	Saloons.....	3.00
	Additional for each toilet.....	0.50
	Additional for each urinal.....	0.30
16.	Buffets in connection with fraternal halls or club rooms.....	1.50
17.	Hotels...	
	Dining room.....	2.00
	Bedrooms with running water.....	0.25
	Each bathtub.....	0.50
	Each toilet.....	0.30
18.	Steam engine, per horsepower.....	0.10
19.	Public drinking fountain.....	1.50
20.	Public watering trough.....	2.50
21.	Building work:	
	For mortar and to dampen bricks, per 1000 bricks.....	0.35
	For cement work, each barrel.....	0.15
22.	Meters will be installed at the request of any consumer who desires to be charged at meter rates.....	

23. The Company reserves the right to install meters at its own expense upon any service connection and thereafter charge the meter rate.

Public use:

Underground fire hydrants, per month.....	\$2.00
Post and steamer fire hydrants, per month.....	2.50
Engine house per month.....	5.00
Police headquarters per month.....	1.50
Library, per month.....	1.50
Court house, per month.....	25.00
Court house plaza, per month.....	25.00

Street, road and park sprinkling
per 1000 gallons..... 0.10

All other public use at ordinary metered rates.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 12th day of March, 1919.

Edwin O. Egan
H. A. Howard
Frank W. W. W.

Commissioners.