

Decision No. 7098.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
The Vacaville Water and Light Company
requesting the Railroad Commission of
the State of California to fix a Reason-
able Rate for which water may be sold
in the territory, embracing the Town
of Vacaville and vicinity.

:
:
:
: Application No. 3961.
:
:
:

W. Z. McBride, for Applicant.

O. E. Merchant and G. A. Arnold,
for Board of Trustees of Vacaville.

BY THE COMMISSION:

OPINION ON REHEARING

In this matter Vacaville Water and Light Company has filed a petition for rehearing and asks for a modification of this Commission's Decision No. 6288, issued April 25, 1919, in the above entitled matter, which decision established a schedule of metered and flat rates to be charged for water served to consumers in Vacaville and vicinity.

The petition for rehearing alleges in effect that the result of putting into force the schedule of rates as ordered by said Decision No. 6288 would have a tendency to cause all consumers to apply for metered service, which in turn would require the installation of some 293 meters which the Company is financially unable to do at the present time.

A public hearing was held in this matter and W. Z. McBride, in testifying for applicant, stated that he would withdraw the suggested modified schedule of rates as set out in the petition

for rehearing, and asks that an adjustment of rates be made by the Commission.

A field investigation of the utility was made by E.A. Noble, and the book accounts were examined. The records, however, were found to be incomplete and inaccurate. It was impossible to tabulate the metered water use for any one year. Due to the fact that meters are not read and the quantity of water recorded, it appears that the greater part of the year the consumers are billed for 800 cubic feet or less at the \$1.50 minimum monthly charge. Thus applicant has no doubt lost revenue which the rates in effect might otherwise yield.

The Maintenance and Operation expense as set out by this company in its annual reports for 1918 is inaccurate in that certain items properly chargeable to capital account and renewals have been included therein. It was impossible to segregate the labor items so mischarged.

Based on the corrected book accounts and a comparison with the operation of similar utilities, it is estimated that the following is a reasonable allowance to be included in the annual charges of this company for maintenance and operation expense:

Salary of Manager	\$ 900
Salary of Bookkeeper.....	537
Labor reading meters, care of pumps and general repair work	755
Electric Power, pumping	1100
General office expense, insurance, pump repairs, garage, etc.....	845
Taxes	500
Office Rent	<u>90</u>
Estimated total for year 1919-----	\$4727

As the Vacaville Water and Light Company operates both an electric and water utility, the salaries received by the manager and bookkeeper are charged half to each service.

Correcting the Commission's previous estimate as to the undepreciated cost of this property, in accordance with the additions installed since its preparation, the Commission's Engineer submitted the total of \$36,320.00 as the undepreciated cost as of August 1919, and \$524.12 as the 6% sinking fund annuity.

A summary of the annual charges follows:

Return on \$36,320 at 8%.....	\$ 2,906
Depreciation Annuity, 6% Sinking Fund Basis	524
Maintenance and Operation Expenses.....	4,727
	<hr/>
Total Annual Charges -----	\$8,157
Revenue received, 1918	7,607

It is apparent that the rate schedule at present in effect will not produce a sufficient revenue to return the above estimated annual charges. Furthermore, it appears from a study of the metered water use subsequent to the date of Decision No. 6288, that a more equitable distribution of the charges can be effected by adjusting this rate schedule.

However, attention is called to the fact that it is impossible to compute a rate under a flat rate method of delivery by which the charges can be equitably distributed among the various consumers. The benefits obtaining from a metered system are a conservation of the supply, an equitable distribution of the charges and a saving in operation expenses, notably pumping costs. A fully metered system, in this instance, would contribute to efficiency of operation, and it is recommended that some plan be adopted for the gradual metering of the entire system.

Upon consideration of all the evidence and facts set forth in this opinion, the rates in the original order herein will be modified and revised as set out in the following order:

ORDER ON REHEARING

VACAVILLE WATER AND LIGHT COMPANY having made application for a modification of the rates set forth in Decision No. 6288 of this Commission, a public hearing having been held thereon and the Commission being fully apprised in the premises,

It is hereby found as a fact that a modification of the rates complained of is justified by conditions and that the rates hereinafter established are just and reasonable rates to be charged by Vacaville Water and Light Company for service to its consumers,

And basing its order upon the foregoing finding of fact and upon the further statements of fact contained in the opinion which precedes this order,

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

RATE SCHEDULE

FLAT RATES:

	<u>Per Month</u>
1. Residence, 5 rooms or less, including toilet and bath	\$ 1.00
2. Residence, over 5 rooms, including toilet and bath.....	1.50
3. For each additional private toilet or bath.....	.25
4. Irrigation of lawns, shrubbery, trees, gardens etc., payable every month in the year, per square yard.....	0.00 $\frac{1}{2}$
5. Laundries, Creameries and bottling works: \$2.00 to	5.00
6. Barbershops, for single chair	1.25
For each additional chair.....	0.25

Per Month

7. For one public bathtub in hotels, loding houses, barber shops or bathing establishments\$ 1.25
For each additional bathtub..... .35
8. Stores and Shops not otherwise specified according to use of water,.....\$1.00 to 3.00
9. Restaurants and public dining rooms.....\$.2.00 to 4.00
10. Public Garages..6 or less 2.50
For each additional machine..... 0.50
11. Livery stables and feed yards, per average number of stock fed, each 0.25
Minimum payment 2.00
12. Additional for private barns in connection with residences, stores or shops, not more than 2 horses or cows 0.50
For each additional horse or cow 0.20
13. City of Vacaville, for 33 fire hydrants already installed75.00
For each additional hydrant installed 2.00
14. Building Works:-
For mortar to dampen brick, per 1000 brick..... 0.35
For cement work, each barrel..... 0.15
15. Meters may be installed at the request of any consumer or at the option of the utility.
16. Water for all purposes not herein specified to be charged at the metered rate.

METERED USE:

1. Monthly Minimum Payments for Metered Service:

- For 3/4 inch or 5/8 inch meters.....\$ 1.35
For 1 " meter,..... 1.75
For 1½ " " 2.25
For 2 " " 2.50

2. Monthly Quantity Rates:

- 600 cubic feet or less\$ 1.35
Between 600 and 3000 cu. ft. per 100 cu. ft.... 0.20
Between 3000 and 5000 cu.ft.,per 100 cu.ft.... 0.16

2. Monthly Quantity Rates (Cont'd)

Over 5000 cubic feet, per 100 cu.-ft.....\$ 0.12
City of Vacaville, street sprinkling, per
100 cu. ft. 0.10

Dated at San Francisco, California, this 1st day of
~~January~~ February, 1920.

Edwin O. Edgerton
H. L. ...
Frank ...
H. ...

Commissioners.