

Decision No. 7135

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of ANDERSON WATER COMPANY for an
order authorizing an increase in
water rates.

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) Application No. 4459.
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F. A. Cody for applicant.

BY THE COMMISSION:

O P I N I O N

The above entitled matter is an application brought by Anderson Water Company, a public utility engaged in the business of supplying water for domestic uses in and in the vicinity of Anderson, Shasta County, California, for authority to increase its rates. The application alleges that the rates at present in effect, which rates were established by this Commission in its Decision No. 4585, issued August 29, 1917, in the matter of the application of Anderson Water Company for an order authorizing it to install meters and fixing rates for meter service (Application No. 2858), Vol. 13, p. 787, Opinions and Orders of the Railroad Commission, do not produce a sufficient revenue to pay operating expenses, and asks that this Commission now establish a rate sufficient to pay expenses and provide a reasonable return on its investment.

A public hearing was held in this matter, at which it was stipulated that the evidence submitted in the previous proceeding, referred to above, be considered in evidence.

A field investigation of the properties of Anderson Water Company was recently made by H. A. Noble, one of the Commission's hydraulic engineers. His report shows that immediate repairs of the pump pit are necessary and that the reservoir will have to be cement lined and covered by order of the State Board of Health, and also that much of the pipe lines and mains should be renewed, having reached a condition where the cost of repair is excessive.

The evidence shows that this utility has been confronted during the past year with a large curtailment in the use of water. A number of consumers who heretofore obtained their supply from this system now take water from the recently constructed Anderson-Cottonwood Irrigation District ditch for the irrigation of their gardens and grounds, others have bored private wells, and in addition to this the oiling of the streets has made sprinkling unnecessary. In 1917 the average number of consumers was 152, and in 1919 the active consumers decreased to 121, of which 69 are on a flat rate schedule and 52 have metered service.

The Commission's engineer estimates the cost new of the system as \$24,700 and the 6% sinking fund annuity \$277. Based upon the evidence submitted and a detailed analysis of the book accounts, it is estimated that \$3,200 for maintenance and operation is a reasonable amount to be included in the annual charges.

The revenue produced by the existing rates totaled for the year 1917 \$4,573.38 and for the year 1918 \$4,001.15. On December 31, 1918, the accounts uncollected totaled \$117.66.

From the above figures it is apparent that applicant is entitled to an increase in rates. The schedule of rates set forth in the accompanying order is designed to produce a sufficient revenue to return to applicant the expense of operation, depreciation, and a reasonable allowance for interest on investment.

It is impossible to establish a schedule of unmeasured rates whereby the burden of maintaining a plant of this character is equitably distributed among the various consumers in proportion to their use of water. The benefit to be derived from a metered system is not only an equitable distribution of the charges but is also a means whereby the water supply can be conserved, good service rendered and operating expenses reduced. In order that this company may be operated more efficiently it is recommended that applicant proceed with some systematic program for metering its entire system.

O R D E R

ANDERSON WATER COMPANY having applied to this Commission for an order authorizing it to increase its rates, a public hearing having been held and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT, that the present rate schedule of Anderson Water Company, in so far as it differs from the rate schedule herein set out, is unjust and unreasonable, and that the rate schedule herein established is just and reasonable, and basing its order on 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 Anderson Water 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 its consumers:

RATE SCHEDULE

MEASURED RATES.

1. Minimum monthly payments.

5/8 inch and 3/4 inch meter.....	\$1.40
1 " meter	2.50
1 1/2 " "	3.00
2 " "	3.50

2. Quantity rates per 100 cubic feet.

For use between 0 and 400 cubic feet, per month....	35¢
" " " 400 " 2400 " "	20¢
" " " 2400 cubic feet, per month.....	15¢

All meters to be installed by Anderson Water Company at its own expense and at option of the consumers or the company. When a meter is installed at the request of a consumer, a deposit may be required, such deposit to be returned to the consumer as a credit on monthly water bills at the rate of one-tenth of the deposit per month. The following deposits may be required:

For 5/8 inch meter.....	\$14.00
" 3/4 " "	18.00
" 1 " "	23.00
" 1 1/2 " "	40.00
" 2 " "	68.00

Monthly Flat Rates.

1. Residences and tenements of four rooms or less occupied by a single family..... \$ 1.60
 - For each additional room..... .10
 - Additional for each flush toilet or bathtub .25
 - For each private garage where autos are washed on the premises..... .25
 - For each private barn - not more than two horses or cows..... .30
 - For each additional horse or cow..... .20
2. Private boarding houses - for each roomer or boarder in addition to the family..... .20
3. Irrigation of gardens and grounds, payable every month in the year, per 100 sq. ft.. .06
4. Livery stables and stockyards, per average number of stock fed, each..... .30
 - Minimum payment..... 1.50
5. Barber shops, for single chair..... 1.40
 - For each additional chair..... .25

6. Bakeries, in addition to store rate,
for each barrel of flour used..... .06
7. Soda fountains and ice cream or lunch parlors,
either above or in connection with
other business.....\$1.50 to \$4.00
8. Wagon and blacksmith shops..... 1.50 to 3.00
9. Public garages, average 6 autos or less..3.00
For each additional auto..... .50
10. Photograph galleries or where water is
used for photo printing and developing,
in addition to the store rate..... 1.50
11. For small stores or shops, not otherwise
listed, according to use of water..... 1.00 to 2.00
12. For large stores or shops, not otherwise
listed, according to use of water..... 2.00 to 5.00
13. Additional for each bath tub and flush
toilet or urinal in 4 to 12 inclusive.... .50
14. Living rooms in connection with stores or
shops, additional to store rate..... 1.00
15. For use of hose in front of stores or
shops for washing windows and sprinkling
sidewalks and roadway, according to
frontage..... .25 to \$1.25
16. Bathing establishments, either alone or in
connection with barber shops, for one
public bath tub..... 1.50
For each additional bath tub..... .75
17. Water for building and construction
purposes:
For mortar or to dampen brick, per 1000
bricks..... .20
For cement work and plastering each barrel
of cement or lime used..... .20
Use for any other construction work,
per 100 cubic feet..... .20
18. Water for all purposes or establishments
not specified in above schedule, charged
for at meter rates.

Fire Protection.

For each hydrant especially installed for fire protection
or for the individual use of persons, firms or corpora-
tions for fire purposes exclusively:

Each 2 inch connection..... \$1.50
Each 2½ inch connection..... 2.00

Dated at San Francisco, California, this 13th day of February,
1920.

Edwin C. Egan
H. D. Loveland
H. C. Brundage

Commissioners.