

Decision No. 7136.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the matter of the Application of )  
ANTELOPE CREEK AND RED BLUFF WATER ) Application No. 4397.  
COMPANY for raise of rates. )

Elliott McAllister for Applicant.  
McCoy and Gans by E. S. Gans, for  
City of Red Bluff.  
M. J. Cheatham, District Attorney,  
for County of Tehama.

BY THE COMMISSION.

OPINION

The above entitled matter is an application brought by Antelope Creek and Red Bluff Water Company for authority to adjust and increase its rates charged for water. The application alleges in effect, that applicant is an incorporated public utility engaged in the business of supplying water for domestic purposes in the City of Red Bluff, Tehama County, California; that the rates in effect at the present time, which were established by City Ordinance No. 138 on April 14, 1913, are non-compensatory and do not produce a sum sufficient to meet operating expenses, depreciation and interest on the investment, and further, that they are discriminatory in favor of the municipality, in that no provision is made for payment by the municipality for fire protection or the use of water in schools and municipal buildings.

A public hearing was held in this matter, of which all interested parties were notified and given an opportunity to appear

and be heard. The principal protest to the application was that presented by the City of Red Bluff and by the County of Tehama, they maintaining that their respective rights to free water for municipal buildings, fire hydrant service, and water at a nominal rate for the County Court House should remain unaltered, it being claimed by them that by reason of the provisions of the franchise under which the water company operates, and of a certain contract with Tehama County permitting the laying of a transmission pipe line across the County Bridge over the Sacramento River, they were and are entitled to free or reduced rates.

The franchise under which the water company operates is known as Ordinance No. 14 of the Board of Trustees of the Town of Red Bluff, adopted June 16, 1877, and was granted to Antelope Water Company, applicant's predecessor.

The County of Tehama offered in evidence a copy of the original minute order of the Board of Supervisors granting the Antelope Water Company a right of way along the public highway and over the Sacramento River Bridge, the consideration being free water for the Court House and grounds, and in 1911 an additional order was issued whereby the County agreed to pay \$5.00 per month by reason of the increased use of water at the Court House.

Applicant points out, however, that the above contentions have been decided adversely and cites in substantiation Section 19, Art. II of the Constitution of 1879 and subsequent amendments; Spring Valley Water Works v. Board of Supervisors, 61 Cal. 18, and Decision No. 2502 of this Commission in Case No. 639, Town of Hollister v. Hollister Water Company, decided June 21, 1915, Vol. 7, p. 207, Opinions and Orders Railroad Commission of California.

Attention is called to the fact that the powers of this Commission to regulate and establish rates, despite existing contracts between a public utility and its patrons is clearly established by the

decisions of the higher courts. Further, that a contract or agreement entered into between a municipality and a utility is no different from any other contract.

While in this particular case the contracts may have been proper at the time they were made, it appears that changed conditions of water use have brought about the necessity for a change in the rate for this public use of water.

At the hearing in this proceeding appraisements of the property were submitted by applicant and the Commission's engineers. Those submitted by applicants were prepared by P. E. Harroun, Consulting Engineer for applicant, W. F. Luning, City Engineer of Red Bluff, and Otto von Gelden, Consulting Engineer. These appraisements were prepared in 1905 for the purpose of arriving at a fair price to be paid by the City of Red Bluff for these properties. The company brought these appraisals to date and arrived at the sum of \$172,259. This should be corrected for pipe replaced, the value of which is not deducted from the sum reported. No record of the proper amount to deduct is available. H. A. Noble, one of the Hydraulic Engineers of the Commission, submitted an estimate of the cost new of these properties totaling \$135,707, which includes actual cost of water rights. He also submitted an estimated replacement fund of \$1205, computed by the sinking fund method.

After a careful consideration of all of the evidence submitted, it appears that the total of the appraisement submitted by the Commission's Engineer is a fair sum upon which the interest return be computed for the purpose of this proceeding.

The Auditing Department of the Commission investigated the records of the company and reported that the sum of \$10,964.57 was expended during 1918 for operation and that a gross revenue of \$19,070.82 was received by the company. The Commission's Engineer carefully investigated the operating expenses and reports that in his opinion the

fair cost of operation will be \$10,500.

Summarizing these annual charges, it is found that the rate schedule should annually produce the sum of \$22,562. It is apparent that the rate schedule heretofore in effect has not produced this sum and that the rates should be increased.

The evidence shows that there is an extravagant use of water in this community, and it is apparent that there is much waste and leakage. The unrestricted use and waste obtaining under a flat rate schedule accounts for the excessive use and results in a large pumping cost annually. We recommend that this utility adopt and put into effect suitable rules and regulations designed to eliminate the waste through leaky house fixtures, and further that some plan be inaugurated for a gradual and systematic metering of the entire system. This Commission has stated many times that a measured schedule of rates is the only method by which each consumer bears his proper portion of the expense and that the benefit derived is not only an equitable distribution of the charges, but also conservation of water supply, improved service and a reduction of operating costs.

#### O R D E R

ANTELOPE CREEK AND RED BLUFF WATER COMPANY having applied to this Commission for an order authorizing it to increase its rates, and 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 Antelope Creek and Red Bluff 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 Antelope Creek and Red Bluff

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

Metered Use:

1. - Monthly Minimum Payments for Metered Service:

5/8 inch and 3/4 inch services.....	\$1.00
1 inch services.....	1.50
1 1/2 inch services.....	2.00
2 inch services.....	2.50
2 1/2 inch services.....	4.00
3 inch services.....	5.00

2. - Monthly Quantity Rates:

	<u>For 100 Cubic Feet</u>
For 600 cubic feet or less, per month.....	\$1.00
For use between 600 and 3000 cubic feet.....	0.14
For use over 3000 cubic feet.....	0.10

Public Use:

1. - For Fire Hydrants Owned by City:

	<u>Per Month</u>
3 inch - each per month.....	\$0.50
4 inch - each per month.....	0.75

2. - Sprinkling Roads and Streets by the City or County, measured by the wagon or truck tank capacity, per 100 cubic feet,.....

0.10

3. - Automatic Sewer Flushers, according to measured or computed quantity of water used, per 100 cubic feet,.....

0.10

4. - For Public Buildings and Grounds and all other public use of water, by meter measurement, per 100 cubic feet,.....

0.12

MONTHLY FLAT RATES

1. - Residences and tenements of not more than five rooms, occupied by single families, with not over one bath tub and toilet,.....\$ 1.00

For each additional room,..... 0.10

For each additional bath tub or toilet..... 0.15

For each private garage where autos are washed on the premises,..... 0.25

For each private barn, not over two horses or cows,..... 0.50

	For each additional horse or cow.....	\$ 0.20
2.	- Private boarding houses, for each boarder in addition to the family rate.....	0.10
3.	- Sprinkling or irrigation of lawns, shrubbery, gardens, etc., payable every month in the year, per 100 square feet.....	0.06
4.	- Hotels and Lodging Houses:	
	Dining room.....	1.50 to 4.00
	For each room with water tap.....	0.20
	For each room without water tap.....	0.10
	For each private bathroom.....	0.25
5.	- Restaurants and cafes, per unit of seating capacity.....	0.10
6.	- Offices, rooms in upper stories of buildings so occupied, for each room except doctors' and dentists' offices,.....	0.50
7.	- Doctors' and dentists' offices, not exceeding two rooms, with water tap,.....	1.50
	For each additional room with water tap.....	0.50
8.	- Photograph galleries, or where water is used for photograph printing and developing in addition to store rate.....	2.00
9.	- Bakeries, in addition to the store rate, according to the monthly use of flour, for each barrel used,.....	0.05
10.	- Drug Stores.....	1.50
11.	- Soda fountains, soft drink counters and ice cream or lunch parlors, either alone or in connection with other business,.....	1.75
12.	- Blacksmith and wagon shops where water is used for cooling tires, etc.,.....	1.50
13.	- Livery and sales stables or stockyards, per average number of stock fed.....	0.20
	Minimum payment.....	2.00
14.	- Public garages, average 6 autos or less.....	3.50
	For each additional auto.....	0.50
15.	- Barber shops, for single chair.....	1.25
	For each additional chair.....	0.25
16.	- For ordinary small stores or shops, not otherwise listed, according to use of water.....	1.00 to 2.00
17.	- For large stores or shops, not otherwise listed according to use of water.....	2.00 to 5.00
18.	- For use of hose in front of stores and shops for washing windows and sprinkling sidewalks, etc., according to frontage.....	0.25 to 1.25

- 19. - Living rooms in connection with stores or shops,  
additional to store rate..... \$0.75
- 20. - Additional for each toilet or bath tub in  
5 to 17, inclusive,..... 0.25
- 21. - Public Toilets in hotels, lodging houses and  
public places..... 1.50  
For each additional toilet..... 1.00
- 22. - Public urinals in hotels, office buildings,  
or any place, for each bowl where a drain is  
used, each..... 2.50  
With automatic trap flusher, from.....1.00 to 5.00
- 23. - Bathing establishments, either alone or in  
connection with barber shops, for one pub-  
lic bath tub..... 1.50  
For each additional bath tub..... 0.75
- 24. - Building Work;  
For mortar and to dampen brick, per 1000 bricks.. 0.15  
For cement work and plastering, each barrel of  
cement or lime used..... 0.15
- 25. - Water for all purposes or establishments not  
specified in above schedule, charged for at  
meter rates.
- 26. - Meters may be installed at the request of any  
consumer or at the option of the utility.

Dated at San Francisco, California, this 13<sup>th</sup> day of  
February, 1920.

Edwin C. Edgerton

H. H. Loveland

H. H. Bundege

Commissioners.