

Decision No. 7139

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
SONOMA VISTA WATER COMPANY for per-) Application No. 4938
mission to increase its water rates.)

W. I. Fitzgerald, for applicant.

Frank S. Sprague, for protestants.

BY THE COMMISSION.

O P I N I O N

Sonoma Vista Water Company, applicant herein, is engaged in the business of selling water for domestic purposes in a territory known as Sonoma Vista subdivision near Boyes Springs, Sonoma County, California. It is alleged by applicant that the income derived from its present rates is not sufficient to return operating expenditure, replacements and interest on the investment, and application is accordingly made for an increase in its present rates.

The rates in effect at the present time were established by this Commission in its Decision No. 3905, In the matter of the Application of the Sonoma Vista Water Company for an order authorizing uniform charge for water service (Application No. 2439) Vol. 12 page 19, Opinions and Orders of the Railroad Commission of the State of California.

An Appraisal of the property was made and submitted by the Commission's engineers in Application No. 2439, above referred to, showing an estimated reproduction cost of \$5,124 for operative

property and \$1,354.00 for non-operative property. Since that appraisal was made, additions and betterments have been installed in the amount of \$4,052.00. These items total \$10,530.00 and subtracting therefrom the value of certain non-operative property, including certain wells and gas engine, the appraised value of which is \$1,264.00 we find the estimated cost new of the plant to be \$9,266.00. An annual replacement fund in the amount of \$197.00 has been computed by the sinking fund method.

The evidence shows that \$980.00 is a fair sum to be included for operating expenses. The income for 1919 was \$827.00, which is \$153.00 less than reasonable operating expenses.

The Sonoma Vista Water Company serves a summer resort community and the consumers, in large part, maintain a residence there for a period of about three months during the summer season, and throughout the year spend week-ends at this resort. Because of the wide variation in the number of consumers and the fact that the company must stand ready at all times to deliver water to these consumers, it is very difficult to establish a rate schedule that will distribute the expense of maintaining and operating a system of this character equitably among the consumers. Those consumers who reside at Sonoma Vista only for a short time each year have maintained for their benefit a system of much larger capacity than would be necessary to serve a population using a like quantity of water delivered during twelve months rather than during three months of the year, as at present.

The evidence shows that that this project is operating in connection with a real estate development project and that most of the lots in this subdivision have been sold, and probably many new consumers will be acquired by the company in the near future. While the rate established in the following order will not, at the present time, give a return on the investment, it is designed to produce operating expenses and depreciation with a

small interest return, it being apparent that the revenue will be increased by the addition of new consumers which the system can handle in its present condition and with its present available water supply.

O R D E R

Sonoma Vista Water Company having applied to the Railroad Commission for an order authorizing it to increase its water rates, and a public hearing have been held, and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT, that the rate schedule of Sonoma Vista Water Company heretofore in effect, in so far as it differs from the rate schedule herein established, is unjust and unremunerative, and that the rate schedule herein established is fair, just and reasonable,

And basing its order upon the foregoing finding of fact and upon the other statements of fact set out in the opinion preceding this order,

IT IS HEREBY ORDERED, that Sonoma Vista Water Company be and it is hereby authorized and directed to file with this Commission within twenty days from the date of this order, the following schedule of rates effective for all meter readings subsequent to the date of this order, except that the annual charge shall be for each calendar year, beginning January 1st, 1920.

Annual charge to be paid in advance, which entitles consumer to 400 cu.ft. per month	\$12.00
For the next 1600 cu.ft., for each 100 cu.ft. consumed per month20
For all in excess of 2000 cu.ft., for each 100 cu.ft. consumed per month15

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

Edwin C. Eady

H. D. Loveland

H. V. Bourdige

Commissioners.