

Decision No. 7637.

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of  
BENICIA WATER COMPANY, a Corpora-  
tion, for an emergency rate for wa-  
ter furnished to the City of Benicia  
and its inhabitants. )

) Application No. 5570

- A. E. Shaw, for Applicant,
- W. V. Goodman, for City of Benicia,
- D. A. Porter, for the Southern Pacific Company.

MARTIN, COMMISSIONER.

O P I N I O N

This is an application by Benicia Water Company, a public utility corporation, hereinafter referred to as the applicant, engaged in the business of supplying water to the people of Benicia, for authority to install a temporary rate to amortize expenses incurred, and to be incurred, in furnishing an emergency supply of water to its consumers.

A public hearing was held in Benicia, the matter has been submitted and is now ready for decision.

The application alleges in effect that owing to deficient rainfall during several past years applicant's reservoirs have not been filled; that during the past year there has been practically no runoff into its reservoirs; and that the supply avail-

able for use by its consumers is now almost exhausted, making it necessary to secure water from the Sacramento River and to transport the same to Benicia by means of tug and barge.

Testimony by applicant's engineer sets forth the estimated cost of providing the emergency supply as follows:

Purchase and Installation of Barge of 300,000 gallons capacity, and other equipment,.....	\$37,467.54
Operation of Barge, Tug and Pumping Equipment from April 26, 1920, to January 1, 1921,...	40,046.82
Depreciation on Equipment,.....	<u>18,733.77</u>
Total Cost,.....	\$58,780.59

The total delivery of water is estimated as 63,750,000 gallons at a cost of \$0.92 per thousand gallons.

Barging of water was commenced on April 26th, but not all of the equipment included in the foregoing estimate of cost has been purchased and installed, and if not eventually required will result in a somewhat lower cost per thousand gallons.

Applicant asks permission to install emergency rates for water delivered to consumers and to continue such rates in effect until the entire extraordinary expense is amortized. The present regularly established rates and the emergency rates asked for are as follows:

	Present Rates	Rates Asked For	
		Schedule "A"	Schedule "B"
First 20,000 gallons, per 1000 gal.	\$0.60	\$1.52	\$1.50
Next 10,000 " " " "	0.55	1.47	1.50
" 10,000 " " " "	0.50	1.42	1.50
" 10,000 " " " "	0.45	1.37	1.50
" 25,000 " " " "	0.40	1.32	1.50
" 25,000 " " " "	0.35	1.27	1.50
Over 100,000 " " " "	0.29	1.21	1.50
Monthly Minimum Payment for 5/8 in. meter allowing 2,500 gallons,.....	1.50	3.70	---
Do. - " 1,500 " .....	---	---	2.25
City of Benicia per month,.....	100.00	160.00	150.00

The testimony offered shows that the present shortage of

water has been caused by great increase in use of water, due to war activities, occurring during a period of abnormally dry years. It is apparent that immediate steps should be taken by the utility to devise means of increasing its water supply and to prevent a recurrence of the present emergency.

It is also apparent that applicant is not now receiving sufficient revenue from the sale of water at its regularly established rates to provide for the extraordinary expense of the emergency supply.

It is therefore evident that applicant is entitled to a temporary increase in rates.

A careful consideration of all the circumstances indicates that it will be wise to amortize the extraordinary expense, in so far as is possible, as it occurs, and not to spread the amortization over a series of years.

The actual total cost of providing the emergency supply cannot, of course, be accurately ascertained until the emergency has passed, applicant's reservoirs are replenished by rainfall, and the emergency equipment has been sold or otherwise disposed of. It is probable that the emergency condition will end about January 1, 1921. The rates fixed in the accompanying order will however do substantial justice to both applicant and consumers. Further investigations will be made by the Commission from time to time and such supplemental orders will be issued as are required.

#### O R D E R

Benicia Water Company having made application for permission to install an emergency rate to be charged by said Benicia Water Company to its consumers, a public hearing having been

held thereon, and being fully advised in the matter,

The Railroad Commission hereby finds as a fact that the rates now charged by Benicia 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 Benicia Water Company.

Basing its order upon the foregoing finding of fact and upon the statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Benicia Water Company be and the same is hereby authorized and directed to file with the Railroad Commission within ten (10) days from the date of this order, and to hereafter charge for all meter readings subsequent to June 1, 1920, and until further order of the Commission, the following rates for water served to the inhabitants of Benicia and vicinity:

RATE SCHEDULE:

First 20,000 gallons, per 1000 gallons,.....	\$1.50
Next 20,000 " " " "	..... 1.45
" 20,000 " " " "	..... 1.40
" 20,000 " " " "	..... 1.35
Over 80,000 " " " "	..... 1.30
Monthly minimum rate for 5/8 inch meter, per month,.....	2.25
For each 1/4 inch diameter of meter above 5/8 inch, per month,.....	0.50
Municipal use, per month,.....	160.00

The collection of the rates herein established is expressly conditioned upon the applicant herein filing with the Railroad Commission, within ninety (90) days from the date of this order, detailed plans and specifications for increasing its water supply sufficiently to prevent a recurrence of the present shortage.

AND IT IS FURTHER ORDERED that Benicia Water Company shall, on or before the fifteenth day of each month, file with the Railroad Commission a statement showing the revenues received from the sale of water during the preceding month at the foregoing emer-

gency rates and also a statement showing what revenues would have been received at the regularly established 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 27<sup>th</sup> day of May, 1920.

Elin O. Edgerton  
H. D. Loveland  
Deering Matson

Commissioners.