

ORIGINAL

Decision No. 2878.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of RUSSIAN RIVER WATER COMPANY for)	
an order adjusting and fixing rates)	Application No.5470.
to consumers at Monte Rio, Mesa)	
Grande, Sheridan and adjacent ter-)	
ritory.)	

A. F. Lemberger, for Applicant,
 Cecil Raymond, for Water Consumers' Association.

BY THE COMMISSION:

O P I N I O N

The applicant in the above entitled proceeding asks for an order fixing rates to be charged for water delivered to consumers in Monte Rio, Mesa Grande, Sheridan and adjacent territory, summer resorts located along the Russian River in Sonoma County.

It is alleged in effect that the rates heretofore established by this Commission are non-compensatory and do not produce sufficient revenue to cover maintenance and operation expense, depreciation and a reasonable return upon the investment.

Applicant therefore asks the Commission to fix a schedule of equitable rates to be charged for water delivered to its consumers.

A public hearing was held at which all interested parties were given an opportunity to be heard.

Testimony shows that the water systems of Mount Jackson Water and Power Company, Russian River Heights Water Company and GuerneWood Park Development Company, public utilities

supplying other summer resorts in the vicinity, including the town of Guerneville, are owned by the same interests controlling the Russian River Water Company.

At the present time the four separate utilities are managed and operated jointly, and it is the intention, in the near future, to consolidate them further by means of certain pipe connections into two operating districts.

The estimated original cost of the property as determined by the Commission's hydraulic engineers was \$17,571, and the depreciation annuity, calculated by the sinking fund method, \$302.

A study of the testimony indicates that a reasonable allowance for maintenance and operation expense will be \$2,900 per year, and that the total annual charges based upon the foregoing figures amount to \$4,608.

The revenues derived from the sale of water in 1918 amounted to \$2,540 and in 1919 to \$2,561, indicating that the utility is entitled to an increase in rates.

The present rates charged by applicant are as follows:

1. A minimum annual charge for both metered and flat rate service of \$5.00 per service, payable in advance.
2. In addition to the minimum annual charge of \$5.00 per service, payment for each month or fraction thereof during which water is used will be as follows:

(a) Metered Service

For the first 500 cubic feet,	15¢	per	100 cubic ft.
For the next 1500	"	"	12¢
For all over 2000	"	"	7½¢
Minimum monthly charge for service,	\$.75.		

(b) Flat Rate Service

For each month or fraction thereof, per service	\$.75
---	-------

The records for 1919 show a total of 249 flat rate consumers and 39 consumers served through meters.

Applicant serves a district which may be classed as a summer

colony in that a large majority of the consumers occupy their residences and use water during only a few of the summer months. It is essential that a form of rate be established wherein those consumers using water only a small portion of the year, but having it available at all times, shall pay their just proportion of the annual charges and not place an undue burden upon the few permanent residents.

The rate schedule set out in the accompanying order is designed to distribute the charges equitably among permanent and summer residents and to do substantial justice to both the consumers and the utility.

O R D E R

Russian River Water Company having made application in the above entitled proceeding, a public hearing having been held thereon, and the Commission being fully advised in the matter,

It is Hereby Found as a Fact, that the rates now charged by Russian River Water Company for water delivered to its consumers 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 for such service; and basing its order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Russian River Water Company be and it is hereby authorized and directed to file with the Railroad Commission within twenty (20) days from the date of this order, and thereafter charge, the following schedule of rates for all water delivered subsequent to June 30, 1920:

FLAT RATES

Minimum annual charge, payable in advance, which entitles consumer to a maximum of 400 cubic feet of water per month for four months, . . . \$14.00

For each additional month, which entitles the consumer to 400 cubic feet of water, \$1.00

Flat rates for the entire year, payable in advance, which entitles the consumer to 400 cubic feet of water monthly, 18.00

MEMBER RATES

Minimum annual charge, payable in advance, which entitles consumer to 400 cubic feet of water per month for four months, \$14.00

All use during other months, 400 cubic feet or less, 1.00

For use over 400 cubic feet:
 Next 3600 cubic feet, 20 cents per 100 cubic feet.
 Over 4000 " " 15 " " " " "

AND IT IS HEREBY FURTHER ORDERED that Russian River Water Company file with the Railroad Commission within thirty (30) days from the date of this order amended rules and regulations to provide that the present method of computing rates for the fiscal year ending April 30th be changed to the calendar year for the future, also that the applicant shall bill consumers from May 1, 1920, to June 30, 1920, at the rates heretofore in effect, and from July 1 to December 31, 1920, at the rates herein established.

Dated at San Francisco, California, this 14th day of July, 1920.

Edwin Q. Edgerton
J. D. Loveland
Frank R. Berlin

 Commissioners.