

ORIGINAL

Decision No. 5080

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)	
Haines Canyon Water Company for an)	Application No. 4642.
increase of its water rates.)	

R. T. Quinn, for Applicant.

William Schieder, for Consumers.

BY THE COMMISSION.

O P I N I O N

The application in the above entitled proceeding alleges in effect that applicant's present rates do not provide sufficient revenue to cover the cost of maintaining and operating its water system and provide a return upon the investment.

Applicant therefore asks for permission to increase rates.

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

Applicant supplies water for domestic and irrigation use to about 280 consumers in Tujunga and vicinity, in Los Angeles County.

Applicant alleges that its revenues, annual charges and deficit from operation for the fiscal year ending March 31, 1919, were as follows:

REVENUES

Sales of Water - Domestic	\$2,537.27
" " " - Irrigation	3,430.23
Initial Annual Payments	2,410.42
Miscellaneous Revenues	<u>40.00</u>
Total	\$8,417.92

ANNUAL CHARGES

Maintenance and Operating Expense	\$7,683.28
Depreciation (straight line method).	4,265.66
Interest,	<u>7,333.37</u>
Total	\$19,282.31
Deficit from Operation,	\$10,864.39

The present rates charged by applicant are as follows:

Minimum monthly payments when water is used,
for each service connection:

1 inch diameter or less,	\$1.00
1½ " " " "	1.50
2 " " " "	2.00
3 " " " "	3.00

For Water Used:

From 0 to 500 cubic feet, per 100 c.f.	\$.20
"500 "1000 " " " " "	.10
All over 1000 cubic feet, taken from domestic pipe line, per 100 cubic ft.	.0325
All over 1000 cubic feet, taken from irrigation pipe line, per 100 cubic ft.	.0275
Initial Annual Payment, for each acre of irrigable area in each lot where Water service is desired	4.00
The initial annual payment applies to irrigators only and is in addi- tion to the regular irrigation rates.	

Applicant herein and its predecessor have been
before the Commission in a number of proceedings, to which
reference is made for a detailed description of the system,
applicant's history and methods of operation. Reference is made
more particularly to Decision No. 5065 In the Matter of the
Application of Western Empire Suburban Farms Association for
authority to adjust and increase its water rates - Application

No. 2912 (Volume 15, page 67 of Opinions and Orders of the Railroad Commission of California), in which proceedings the rates heretofore in effect were established.

Appraisals of the property, estimates of maintenance and operating expense and depreciation allowances were submitted by both the applicant and the Commission's hydraulic engineers, and from the testimony presented it appears that the annual charges would be as follows:

Interest on \$49,500 at 8%	\$3,960
Replacement fund (sinking fund)	625
Maintenance and Operating Expense.	<u>7,500</u>
Total	\$12,085

With revenues of \$8,418 for the fiscal year ending March 31, 1919, it is apparent that applicant is entitled to an increase in rates.

Owing to the peculiar conditions under which applicant operates, the form of rate schedule heretofore in effect, which includes an initial annual payment based upon the net area of the tract where service is desired, has been a source of discord between applicant and its consumers, and should be changed. The rate schedule established herein includes an initial monthly charge, dependent upon the size of meter through which service is rendered, and in addition a charge for the water delivered. It appears logical that a charge of this kind should be based upon the ability of the utility to serve, rather than upon the area irrigated. Furthermore, in this instance we are of the opinion that this initial monthly charge should not include payment for water delivered.

Service during the past two years has been inadequate during the summer months, and a great many complaints have been made to the Commission. It has now come to the Commission's

attention, however, that the utility has made improvements in its pumping equipment and distribution system, and conditions have undoubtedly been improved.

The rate schedule herein established is designed to do substantial justice both to the utility and the consumer and will yield to applicant a fair income, taking into consideration the present state of development of its properties and the increasing sales of water.

O R D E R

Haines Canyon Water Company having made application in the above entitled matter, a public hearing having been held and the Commission being fully advised in the matter,

It is Hereby Found as a Fact that the rates now charged by Haines Canyon Water Company for water delivered to consumers in Tujunga and vicinity are unjust and unreasonable, and 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 opinion preceding this order,

IT IS HEREBY ORDERED that Haines Canyon 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 rates for water:

RATE SCHEDULE

Initial Monthly Charge:

5/8	inch meter	\$0.50
3/4	" "	0.75
1	" and 1 1/2 inch meters	1.00
2	" meters	1.25
3	" "	1.50
4	" "	1.75

Rates for Water Used, in Addition to above Initial Charge:

Where service is through a single meter -

From 0 to 500 cubic feet per month, 25¢ per 100 cubic feet.

"500 " 1000 " " " " " , 12¢ " 100 " "
Over 1000 " " " " , 6¢ " 100 " "

Where service is through more than one meter, such additional services being for irrigation use-

All water used through additional meters, 6¢ per 100 cu.ft.

The initial monthly charge shall apply on each active service connection during the time when water is turned on and the utility stands ready to deliver water through it.

The charges for water used are in every case to be in addition to the initial monthly charge.

Where there are two or more service connections to one consumer, they shall be considered as separate connections and billed accordingly.

IT IS HEREBY FURTHER ORDERED that the above rates are established and shall remain in effect upon the following conditions being complied with by applicant herein, and not otherwise:

(1) That adequate service be rendered and a sufficient supply of water shall be delivered to applicant's consumers.

(2) That applicant file with this Commission within thirty (30) days of the date of this order its plans for additions and betterments to this system to provide an additional water supply and adequate facilities for its delivery to consumers.

(3) That applicant file with this Commission within thirty (30) days of the date of this order a detailed statement of the consumers served by it prior to January 1st, 1920, new consumers taken on subsequent to that date, and its plans for serving additional consumers. This statement shall include a map showing the area served on these various dates, the plans for serving any area additional to that served on January 1st, 1920, and the proposed facilities for service.

(4) Applicant shall file with this Commission within sixty (60) days of the date of this order, amended and revised Rules and Regulations governing service of water to its consumers, and shall put the same in effect, as amended and revised, within ten (10) days after their approval by the Commission.

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

Edwin O. Egerton
H. D. Loveland

H. B. Bondig

COMMISSIONERS.