

Decision No. 8172

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

-00-

ORIGINAL

In the Matter of the Application of )  
JACKSON WATER WORKS for the estab- )  
lishment of Meter Rates. :

Application No. 4896

Grace E. DePue for Applicant.

BY THE COMMISSION.

O P I N I O N

Emily V. Blair is the owner of a public utility water system which is operated under the fictitious name and style of Jackson Water Company, through which system water is supplied to consumers in Jackson, Amador County, California, and of which, one Grace E. DePue is manager.

In this proceeding application is made in the name of Jackson Water Company for authority to establish meter rates for service.

A public hearing was held in this matter before Examiner Westover at Jackson, California, of which hearing all interested parties were notified and given an opportunity to be present and be heard. At the hearing applicant requested not only authority to establish a meter rate, but also asked that the flat rates be revised so that an adequate return would be realized upon the investment.

The water supply for Jackson Water Company is purchased from the Pacific Gas and Electric Company's ditch and stored in two

43,000 gallon tanks from which it is delivered by gravity to the distribution system. The contract under which water is purchased provides for a payment of 20 cents per miner's inch day and terminates January 1, 1922. In 1918 the average number of consumers was 368. At the present time there are about 340 consumers.

An estimated cost of the system was submitted by the Commission's hydraulic engineers amounting to \$25,374. Applicant presented no appraisal but agreed to accept that of the Commission's engineers. However, the value of certain rights of way and intangibles were not included in this appraisal and after an examination of the record it appears fair that an interest return be allowed upon the sum of \$28,000.00. The replacement fund computed by the sinking fund method is \$398. This latter sum, accumulated annually, is designed to provide a proper fund for the replacement of wornout properties.

The gross revenues and maintenance and operation expense of the utility for recent years is as follows:

	1916	1917	1918	1919
Gross Revenue ---	\$ 9,794.72	\$9,742.59	\$9,077.00	\$8,958.41
Maintenance and Operation Expense	5,096.71	5,788.12	7,732.73	6,398.39

An investigation showed that the large increase in maintenance and operation expense in 1918 was due to the inclusion therein of certain capital expenditures.

After a careful consideration of all the conditions under which the utility operates it appears that a reasonable allowance for future maintenance and operation expense is \$6,750.00.

Summarizing, it appears that the following are the elements going to make up the sum which should annually be produced by rates.

Interest on \$28,000 at 8%--	\$ 2,240
Replacement fund	398
Maintenance and Operation	6,750
Total	\$ 9,388

Inasmuch as applicant purchases all of the water which it distributes at a meter rate, and has been selling same upon a flat rate basis, we desire to direct attention to the fact that such a practice is uneconomical. Where water is sold on a flat rate basis there is always a tendency toward wasteful and extravagant use of water. It is impossible to establish a schedule of flat rates whereby the burden of maintaining a water system of this character is equitably distributed among the various consumers in proportion to their use of water. The benefits to be derived from a metering of the system is not only an equitable distribution of the charges, but is also a means whereby the water can be conserved.

The evidence in this proceeding and all facts relating to the operation of this company indicate that this is a case in which the application for increased rates should be granted. The schedule established in the following order is designed to return to applicant maintenance and operation expense, replacement fund and a reasonable amount for interest on the investment.

### O R D E R

Application having been made to the Railroad Commission as entitled above, a public hearing having been held and the Commission being fully informed in the matter,

It is hereby found as a fact that the rates now charged by applicant for water delivered to 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 findings contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Jackson Water Works be and it is hereby authorized and directed to file with the Railroad Commission, within twenty days from the date of this order and thereafter charge,

the following rates for water delivered to consumers.

Monthly Flat Rates.

1.	For residences and tenements of not more than 5 rooms including bath and toilet.	\$1.25
	Additional for each room	0.25
	Additional for each bathtub	0.20
	Additional for each toilet	0.20
	Additional for each private garage and one automobile	0.25
	For each additional automobile	0.25
	Additional for private barn not more than two horses or cows	0.50
	For each additional horse or cow	0.20
2.	Sprinkling of lawns, shrubbery, trees, gardens, etc., per square yard of surface actually watered.	0.005
3.	Blacksmith shops, machine shops, lumber yards, printing offices, bakeries, undertaking parlors, grocery stores, dental offices, theatres, warehouses, butchershops and large stores	3.00
4.	Drug stores and photograph galleries	3.50
5.	Bottling works, creameries, slaughter houses and laundries	5.00
6.	Banks, professional offices, billiard parlors, fraternal halls, club rooms, churches, shoe shops, plumbing shops, stores and shops not otherwise listed.	1.50
7.	Office buildings for each room	0.50
8.	Restaurants and cafes, per unit of seating capacity.	0.15
9.	Livery stables and feed yards, per average number of stock fed, each.	0.25
	Minimum payment per month	2.50
10.	Barns in connection with stores, shops, etc.	
	Not more than two horses	0.50
	For each additional horse	0.25
11.	Public Garages, 5-autos or less	3.00
	For each additional auto	0.50
12.	Soda Fountains or ice cream parlors, either alone or in connection with other business	2.00
13.	Additional for each bathtub, toilet or urinal in 3 to 12 inclusive	0.30
14.	Barber shops, per chair	1.00
	Additional for each bathtub	1.00
	Additional for each toilet	0.50

15.	Soft drink parlors	\$3.00
	Additional for each toilet	0.50
	Additional for each urinal	0.30
16.	Hotels-	
	Dining Room	2.00
	Bedrooms with running water	0.25
	Bedrooms without running water	0.10
	Additional for each bathtub	0.50
	Additional for each toilet	0.30
	Additional for each urinal	0.30
17.	Steam Engines, per horsepower	0.10
18.	Public drinking fountain	1.50
19.	Public watering trough	2.50
20.	Building Work-	
	For mortar and to dampen 1000 bricks	0.35
	For cement work per barrel	0.15
21.	Water motors, depending on size	\$1.00 to 3.00
22.	Private Fire Hydrants, including water used for extinguishing fires:	
	1½ inch hydrants, each	0.50
	3 inch monitor	1.50
23.	Cold storage machines, in addition to other rates	\$1.50 to 5.00
24.	Water for industrial use or for all purposes not otherwise specified will be charged for at meter rates.	

Public Use

1.	For fire hydrants, including water used for extinguishing fires:	
	Hydrants, 2 inch or larger, per month	0.75
	Hydrants, less than 2 inch   "   "	0.50
2.	Sprinkling roads or streets, by city or county, measured by wagon tank capacity, per 100 cubic feet	0.10
3.	Public buildings, school houses, including grounds, and all other public use, to be charged at regular meter rates.	

Meter Rates  
MONTHLY MINIMUM PAYMENTS:

5/8 inch meters	\$ 1.00
3/4   "   "	1.50
1   "   "	2.00
1½   "   "	2.50
2   "   "	3.00
3   "   "	5.00

Monthly Meter Rates

From 0 to 400 cubic feet, per 100 cubic feet	\$0.25
" 400 " 2000 " " " " " "	0.15
Over 2000 " " " " " "	0.10

AND IT IS FURTHER ORDERED that applicant herein file with the Railroad Commission, within sixty days from the date of this order, revised rules and regulations governing the supply of water to consumers and shall put them into effect within five (5) days of their approval by this Commission.

Dated at San Francisco, California, this 12<sup>th</sup>  
October  
day of ~~September~~, 1920.

Edwin C. Edgerton  
A. D. Loveland  
Frank R. Palmer  
H. B. Sandberg

Commissioners