

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

ORIGINAL

.....
In the matter of the application of :
J. FRANK JACKSON and IDA H. JACKSON :
for permission to increase rates for :
domestic water service at San Martin, :
County of Santa Clara, California. :
.....

Application No. 385

Devoto, Richardson and Devoto for applicants.
W. R. Biaggi for protestants.

GORDON, Commissioner:

O P I N I O N .

The application in this proceeding sets forth that the applicants are at the present time supplying water in the Town of San Martin, Santa Clara County, California, at the rate of \$1.50 for the first 5,000 gallons and 25 cents for each additional 1,000 gallons, or fraction thereof; that the water is supplied from springs, the source of which is approximately three miles from the town; that the water is conveyed from these springs to a cement reservoir and then by a gravity system to the consumers in San Martin; that the value of the plant is approximately \$10,000, and that the present revenue is approximately \$37.00 per month; that it is necessary to make certain expenditures to make certain improvements in the system by installing cement or concrete inclosures where the springs come to the surface and to install additional meters and relay a portion of the pipe line system.

Applicants request that they be permitted to put in to effect a rate of \$3.00 for the first 5,000 gallons of water and 25 cents for each 1,000 gallons in addition.

A protest against the granting of this application was signed by a large number of water users at San Martin and filed with this Commission.

Applicants allege that the value of the water system at San Martin is approximately \$10,000. At the hearing, it appeared that the system was constructed in 1894 and had been sold several times prior to 1910 for approximately \$3,000, and that in 1910 the then owner constructed a reservoir, and later sold the system to the present owners for \$6,000. At the hearing, applicants voluntarily reduced their estimated value of the plant from \$10,000 to \$6,000. The Commission's Engineering Department has made an investigation of this plant, and, including \$300.00 for improvements which applicants contemplate installing immediately, has determined the value of the plant to be \$3,817.00.

Applicants are at present supplying thirty-three consumers, including the Southern Pacific Company, which company has four separate service connections.

The income, at the present rates, for the year 1912, amounted to \$554.00, and during the period from August 1, 1912 to June 1, 1913, amounted to \$533.00. There is no reason for believing that the present income will decrease, and I feel safe in assuming, from the figures just stated, that the average annual income of applicants will amount to practically \$640.00.

During 1912, applicants' operating expense amounted to \$130.46. While I believe that this estimate is low, nevertheless, I am of the opinion that the present rates are sufficient to produce for applicants a reasonable return upon their investment. The present rates in effect are higher than those in many similar villages, and applicants having a gravity system are free from the usual expense of pumping water.

Seven of applicants' consumers do not have meters, and the protestants to this application have claimed that this amounts to a discrimination, because the ^{un}metered consumers make an extrava-

gant use of the water, at a rate far less than is charged to the consumers who have meters. Applicants have stated in the application that they contemplate installing the additional meters. I believe that in this instance, where the supply of water is limited, it would be wise to have all of the consumers upon a meter basis. This will conserve the supply and make each of the consumers pay for exactly the amount of water which is used.

I recommend that applicants be required to install meters to all consumers, with one exception. This exception is the Southern Pacific Company. That company has four separate service connections. One of these is situated at a stock corral, and is seldom, if ever, used. The other connections, ^{with one exception,} are used so infrequently that I am of the opinion, and find as a fact, that the case of the Southern Pacific Company is in a class by itself, and that applicants should not be required to bear the expense of installing meters for these connections, but, ^{should} charge a flat rate for the service furnished to this company.

In accordance with the conclusions herein announced, I submit herewith the following order:

ORDER.

J. Frank Jackson and Ida H. Jackson having applied to the Commission for authority to increase rates for water service supplied in the Town of San Martin, Santa Clara County, California, a public hearing having been held upon this application and the Commission being duly advised,

IT IS HEREBY ORDERED That prior to September 1, 1913, applicants shall, at their own expense, install a water meter for each of their consumers, except as hereinafter provided, in so far as meters have not already been installed.

IT IS FURTHER ORDERED That applicants need not install meters upon the connections supplying the Southern Pacific Company at San Martin, but that on and after August 1, 1913, applicants shall charge said company for water service a flat rate of \$1.00 per month for each connection.

IT IS FURTHER ORDERED That in all other respects the application in this proceeding be and the same hereby is dismissed.

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 29 day of July, 1913.

John W. Matheson

Max Shelton

Edwin O. Edgerton

Commissioners.