

Decision No. 8359.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

----- ORIGINAL

In the Matter of the Application of )  
UKIAH WATER & IMPROVEMENT COMPANY ) Application No. 5618.  
for authority to increase rates. )

Sullivan, Sullivan and Theodore J. Roche, by  
George D. Squires, for Applicant.  
Charles M. Mannon for City of Ukiah.

BY THE COMMISSION.

O P I N I O N

Ukiah Water & Improvement Company, applicant herein, is a public utility water company engaged in the business of supplying water for domestic and commercial purposes to consumers in and in the vicinity of Ukiah, Mendocino County, California. In this proceeding applicant asks for authority to increase its rates for said service, alleging in effect that the present rates do not provide sufficient revenue to yield operating expenses, depreciation and a reasonable return upon the investment.

A public hearing was held in this matter before Examiner Satterwhite at Ukiah. All of applicant's consumers were notified of the hearing and given an opportunity to appear and be heard.

The rate schedule at present in effect was fixed by this Commission in its Decision No. 3294, dated April 29, 1916, Application No. 2146, In the Matter of the Application of Ukiah Water and Improvement Company for authority to increase rates.

(Vol. 9, p.844, Opinions and Orders of the Railroad Commission of California.) Reference is made to that decision for the history of the company and facts relating to operating conditions.

For the purposes of this proceeding, Mr. M. R. MacKall, one of the Commission's Hydraulic Engineers, submitted a report and appraisal of the properties of applicant. This appraisal is based upon the appraisal of the system made by the Commission's engineers in 1916, insofar as it was approved, to which has been added subsequent additions to capital. Mr. MacKall's appraisal of the used and useful properties of applicant is \$65,656. He reports a depreciation annuity computed by the sinking fund method in the amount of \$616, and an estimate of reasonable maintenance and operation expense of \$8,821. Applicant presented a statement which purports to show that the future maintenance and operating expenses will amount to \$12,883.

The difference between the estimates presented is largely due to the elimination by Mr. MacKall of certain charges which had been entered in the books as operating expenses and which in fact were incurred in replacing and extending certain portions of the system or were for expenses which do not annually recur. It appears that there should be added to Mr. MacKall's estimate certain items, the principal of which is an allowance for expenditures for legal services.

After a careful study of the evidence presented, and taking into consideration the increased costs of labor and materials, it appears that the sum of \$9,200 is a reasonable amount to be allowed for maintenance and operation expense, and that figure will be used herein.

The following is a summary of the fair and reasonable annual charges:

Interest on \$65,656 at 8% .....	\$5,252
Replacement fund.....	616
Maintenance and Operation expense.....	<u>9,200</u>
Total .....	\$15,068

The total revenue for the year 1919 was approximately \$12,700, and it is therefore evident that the present rate is inadequate and that applicant is entitled to an increase in rates.

O R D E R

The Ukiah Water and Improvement Company, having made application in the above entitled matter, a public hearing having been held thereon, and the Commission being fully apprised in the matter,

IT IS HEREBY FOUND AS A FACT that the rates now charged by the Ukiah Water and Improvement Company for water supplied to its consumers are unjust and unreasonable insofar as they differ from the rates herein established and that the rates herein established are just and reasonable rates for such service, and basing its order upon the foregoing finding of fact and upon the statements of fact contained in the preceeding Opinion,

IT IS HEREBY ORDERED that the Ukiah Water and Improvement Company 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 its consumers in Ukiah and vicinity:

Monthly Flat Rates

Dwelling Houses, five rooms or less	\$1.25
Each additional room	.25
Private Toilets, each	.25
Private Urinals (with self closing valves) each	.25
" " (without self closing valves) each	.40
Bath tubs, each	.25
Private Stables, including one horse and vehicle	.50
For each additional animal	.10
Private Garage, including one automobile	.50
For each additional machine	.25
Sprinkling and irrigation, per sq. yd. sprinkled or irrigated	.007

Barber shops, each	\$1.50
Public Bath Tubs, each	1.00
Additional tubs installed in same establishment, ea.	.50
Public water closets, each	.50
Watering troughs	1.00
Public Halls	1.25
Stores	1.25
Butcher shops, candy stores, restaurants, saloons, creameries	2.50
Office rooms	.50
Printing offices and photograph galleries	3.00
Livery stables and stage barns	3.00
Blacksmith shops	1.50
For building and construction purposes per barrel of lime, cement, or material mixed	.10
Fire Hydrants installed by city and repaired by Water Co.	1.00
Fire Hydrants Installed by Company 2"	1.50
" " " " " 3"	2.00
For service other than as above enumerated the meter rate schedule shall apply.	

Monthly Meter Rates

Quantity Rates	
For Use	
Between 00 and 2000 cu.ft. per 100 cu.ft.	\$ .20
Over 2000 cu.ft. per 100 cu.ft.	.12
Minimum Payments	
5/8" and 3/4" meters	\$1.00
1" Meter	1.50
1 1/2" Meter	1.75
2" Meter	2.00

IT IS HEREBY FURTHER ORDERED that the Ukiah Water and Improvement Company be, and it is hereby directed to file with the Railroad Commission for its approval, within thirty days of the date of this Order, rules and regulations

to be and become effective within five (5) days of their approval by the Commission.

Dated at San Francisco, California, this 23<sup>rd</sup> day of November, 1920.

Edwin O. Edgerton

H. D. Boardman

Frank R. Holt

H. T. Boardman

Living Martin

Commissioners.