Decision No. 85F6

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of MANUEL J. SIMAS for an Order)
authorizing increase of water rates.)

Application No. 6134.

L. A. Enos for applicant.

Albert Welson for certain protesting consumers and in propria persons.

A. E. Campbell for Fay Water Company.

BY THE COMMISSION.

OBINION

Manuel J. Simas, applicant in the above entitled matter, owns and operatos a public utility water system which supplies water for domestic purposes to the inhabitants of Avila, San Luis Obispo County. The application in this proceeding alleges in effect that the present rates do not yield sufficient revenue to provide operating expenses, depreciation and a fair return upon the investment, and the Commission is accordingly requested to establish an increased schedule of rates.

A public hearing was hold in this matter before

Examiner Westover at San Luis Obispo. All interested parties

were notified and given an opportunity to be present and be heard.

The present water supply for the system in question is

purchased through a metered connection at the rate of 20¢ per 1000 gallons from the Fay Water Company, a public utility engaged in supplying water to various consumers and the wharves situated at or near Avila. The Fay Water Company obtains its water from wells and also by gravity. As the water is not delivered to applicant at sufficient pressure to reach the storage tanks, a booster pump or an auxiliary windmill is used for this purpose. Applicant's storage facilities consist of two redwood tanks having a total capacity of 26,000 gallons, from which the water is distributed to consumers by gravity. There are four shallow wells on this system which may be used in cases of emergency.

At present water is sold under flat rates ranging from \$1.00 for small houses occupied by one individual, to \$1.75 per month for larger residences. On November 1, 1920, there were 45 consumers.

A report was submitted by Mr. M. R. MacKall, one of the Commission's hydraulic engineers, which shows an appraisement of this plant based upon the estimated original cost, amounting to \$3,419, an annual replacement fund, computed by the 6% sinking fund method, of \$56, and a reasonable allowance for maintenance and operation expenses of \$1,450. No appraisal of the water utility property of this plant was submitted by applicant.

A consideration of the evidence leads to the conclusion that the estimates submitted are fair, and they will be used for the purposes of this proceeding. Following is a summary of the annual charges outlined above:

\$3.419 at 8%\$ 274 Fund 56
and Operation1,450
Total

The revenue collectible during 1919 was the sum of

\$945. However, the evidence presented during the hearing indicated that lax methods prevail with relation to making collections and that this condition is responsible for failure to collect a large percentage of available revenues. It appears that the adoption of a more aggressive and efficient policy of plant management would greatly reduce the present waste of water, reduce operating expenses and be the means of materially increasing the revenue and improving the service.

considering the probability of a normal annual increase in population, and the more remunerative income to be derived from efficient and judicious management of the system, it appears that the schedule of rates set out in the following order, while not designed to produce the entire amount of the annual charges which the investment appears to warrant, will result in an increase in revenue and a fair rate to the consumers for the service renderod.

ORDER

MANUEL J. SIMAS having made application to the Railroad Commission as entitled above, a public hearing having been held and the Commission being fully apprised in the matter,

IT IS HEREBY FOUND AS A FACT that the rates now charged by Maneul J. Simps for water supplied to his consumers are unjust and unreaconable, in so far 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 on the foregoing finding of fact and on the other statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California, that Manuel J. Simas be, and he is hereby

authorized and directed to file with the Railroad Commission within twenty days from the date of this order, the following schedule of rates for water delivered to his consumers in Avila and vicinity, said rates to be charged on all bills rendered subsequent to February 1, 1921:

MONTHLY FLAT RATES

Residences of 3 or more rooms	\$2.	OC.
Residences less than 3 rooms		
Bath tubs, each	•	. 25
Private toilets, each		
Private garages, provided with a water tap.	-	. 50
Stores		.00
Hotels		.00
School buildings		.00
Public water troughs		, 00
Irrigation of lawns, gardens and simbbery,.		
for each square yard of surface actually		Δ.
irrigated	_	.01 .25
For each cow or horse	-	ب بعر

MONTHLY METER RATES

Monthly minimum,			
or less			. 1.50
Next 700 cubic for	eet, per	· 100 cubic feet	45
For all over 1000			
cubic feet			40

AND IT IS HEREBY FURTHER ORDERED that Menuel J. Simas file with the Railroad Commission within thirty days from the date of this order, rules and regulations governing service to his consumers, said rules and regulations to become effective as corrected and amended upon their acceptance for filing by the Commission.

Dated at San Francisco, California, this ______ day of January, 1921.

HAMendego Dring Martin