

Decision No. 8659

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application)
of MANTECA WATER WORKS, a corpor-)
ation, for an order authorizing)
an increase of rates.)

Application No. 5976.

Von Detten, Henry & Goodrum
by M. J. Henry for applicant.
J. R. Scott for citizens of
Manteca, protestants.
J. D. Dean for Board of Trade
of Manteca.

BY THE COMMISSION.

O P I N I O N

Manteca Water Works, applicant herein, is an incorporated public utility supplying water for domestic, industrial and municipal purposes in the town of Manteca, San Joaquin County, California. In this proceeding applicant asks for authority to increase its rates, alleging in effect that its present income is not sufficient to meet operating expenses, provide for depreciation and yield a reasonable return on the investment. It is also stated that the increased cost of labor and material have made it practically impossible to make necessary repairs and provide adequate service under present circumstances, and it is admitted that there is need of much new construction. Applicant also contends that a substantial increase should be granted in the fire hydrant rental.

A public hearing was held in this proceeding before

Examiner Satterwhite at Manteca. All interested parties were notified and given an opportunity to attend and be heard. At the hearing Mr. D. H. Harroun, one of the Commission's hydraulic engineers, presented a report covering a field investigation and appraisal of the property of the utility in question. The appraisal submitted shows the estimated original cost of the system to be \$50,714 and the replacement annuity, computed by the sinking fund method \$640. This latter sum set aside annually, is designed to provide a fund for the replacement of worn out properties. The Commission's engineer also recommends the sum of \$6,175 as a fair and reasonable sum to provide for the future annual cost of maintaining and operating the system. These estimates were not questioned at the hearing or subsequently; they appear to be fair and will be used for the purposes of this proceeding.

The following is a summary of the estimated annual charges set out above:

Interest on \$50,714 at 8%.....	\$4,057
Replacement Annuity.....	640
Maintenance and Operation Cost... <u>6,175</u>	
Total.....	\$10,872

Applicant's annual report to this Commission shows that the gross operating revenue for the year 1919 was \$6,775.52. There are at present some 336 consumers and the revenues have shown a consistent and substantial increase annually since 1916. This revenue was produced almost entirely by flat rates, only one consumer receiving service on a metered basis. It has been announced many times by this Commission that in its opinion the most satisfactory method of rendering adequate service and of properly distributing the charges of a utility among the various consumers in proportion to the service received by each, is by metering the system and charging for the quantity delivered. Not only will this result in

an equitable distribution of charges, but is also a means whereby the water supply can be conserved. Applicant has signified its intention of proceeding with a program of metering the entire system, but until such time as the system shall have been fully metered revenue must continue to be derived from the flat rate schedule. It is therefore necessary to make such an adjustment of the flat rate schedule as will be equitable under the circumstances and also establish a measured rate schedule, each so designed as to return to applicant a revenue sufficient to meet the necessary and reasonable maintenance and operation expenses, a proper replacement annuity and a reasonable sum to apply as interest on the used and useful investment. The metered schedule set out in the following order is based upon the experience in water use of other systems of similar size and characteristics, and when the system in question is entirely metered, it is estimated that these rates will return to applicant approximately the total of the annual charges which the Commission's engineer has found to be reasonable.

We do not find it expedient to require any radical changes in the schedule of flat rates now in effect. However, the distinction between single and double outlet fire hydrants now made, does not appear to be justified in view of the fact that all are attached to four-inch mains and therefore have a delivery capacity limited to the capacity of the main rather than of their outlet orifices. The rate which we will establish herein for fire hydrants is uniform for all. We have also found it advisable to include in the flat rate schedule a rate for irrigation or sprinkling based upon the area irrigated. No such charge has heretofore been made but this important usage should yield a return to the utility.

After a careful consideration of the elements entering and conditions relating to this matter, the following order is designed

to establish proper rates for service rendered by Manteca Water Works and provide an increased revenue.

O R D E R

MANTECA WATER WORKS having applied to the Railroad Commission for authority to increase the rates charged for water served to consumers on its system, a public hearing having been held and the Commission being fully advised in the premises;

IT IS HEREBY FOUND AS A FACT, that the rates and charges of Manteca Water Works, insofar as they differ from the rates herein established, are unjust, unreasonable and unremunerative, and that the rates and charges herein established are just and reasonable rates;

And basing its order on the foregoing finding of fact, and on the further 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 Manteca Water Works be and it is hereby authorized to file with the Railroad Commission within twenty (20) days of the date of this order, the following schedules of rates, said rates to be charged on all bills rendered subsequent to March 1, 1921, and be and become effective as of that date:

FLAT RATE SCHEDULE

	<u>Per Month</u>
For houses, flats or tenements, occupied by single family, including one bath tub, washstand and patent toilet.....	\$ 1.50
For each additional family.....	1.00
For each additional bath tub, washstand or patent toilet.....	.25
For lodging house, in addition to family rate, per room without stationary washstands.....	.15
With stationary washstands.....	.20
For restaurant or boarding house, from.....	\$2.00 to 5.00
For small stores and shops (family use excluded)....	1.00

Per Month

For dental rooms.....	\$1.50
For large stores and warehouses.....	\$1.50 to 5.00
For soda fountains or soft drink parlors.....	1.50 to 3.00
For drug stores with soda fountains.....	1.50 to 3.00
For barber shops with one sanitary stand.....	1.50
For each additional sanitary washstand.....	.25
For each bath tub or shower bath or washstand.....	.25
For public garages, housing not to exceed 15 auto- mobiles.....	1.50
For feed or livery stables or sale stables or feed yards and corrals containing not more than ten heads of live stock and including water for wash- ing buggies and carriages.....	1.50
For each additional live head of stock.....	.25
For blacksmith shops, machine shops, wagon shops and repair shops with use of hose for cooling tires, \$1.50 to 3.00	2.50
For public watering trough, each.....	.25
For horse and buggy, or cow, when taken with other water.....	.25
For private garage storing more than one automobile when taken with other water.....	.25
For laundries and wash houses in connection with lodging houses, hotels, etc., other than steam laundry.....	\$1.50 to 10.00
For photograph studios.....	\$2.50 to 5.00
For rooms in second or third story of buildings and occupied as offices, other than physicians.....	.50
For physician or surgeon's office.....	\$1.50 to 4.00
For lodges or societies including one banquet room.....	1.50
For fire hydrants.....	2.50
For irrigation of lawns or gardens, per square yard actually irrigated.....	.005
All other uses at measured rates.	

MEASURED RATES

Readiness to serve charge to apply to all metered services:

5/8" and 3/4" meter, per month.....	\$.50
1" meter.....	.75
1 1/2" meter.....	1.00

Quantity Charges:

From 0 to 500 cubic feet per month, per 100 cu.ft.,...	\$.30
From 500 to 3000 cubic feet per month, per 100 cu.ft.,...	.25
Over 3000 cubic feet per month, per 100 cu.ft.,...	.20
For street sprinkling and sewer flushing, per 100 cu.ft.	.15

The quantity charge shall be in addition to the readiness-to-serve charge.

Dated at San Francisco, California, this 21st day
of February, 1921.

H. D. Cleveland

H. K. Brundage

James Martin
Charles H. Rowell

Commissioners.