

Decision No. 8846

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of HENRY CHAUVET for permission)
to install meters and increase)
water rates to consumers of water)
in the Town of Glen Ellen.)

Application No. 6026.

ORIGINAL

R. L. Thompson by R. M. Barrett,
for Applicant.
Emma R. O'Donnell in propria persona.
Mrs. Stella O'Donnell in propria persona.
Mrs. Eliza Shepard, for the Jack London
Estate.

BY THE COMMISSION:

O P I N I O N

HENRY CHAUVET, applicant in the above entitled matter, owns and operates a public utility water system which supplies water for domestic and commercial purposes to the inhabitants of Glen Ellen and vicinity in Sonoma County. The application alleges in effect that owing to the extravagant use of water by the consumers it has been deemed advisable to install meters, also that the present rates do not yield an adequate revenue, and authority is therefore requested for the installation of meters and the establishment of a schedule of rates that will produce a reasonable return to applicant.

A public hearing in this matter was held before Examiner Westover in Glen Ellen. All interested parties were notified and given an opportunity to be present and be heard.

This utility obtains its water supply from two small streams known as Ashbury Creek and Graham Creek. The water is

diverted by dams and flows into two concrete reservoirs of a total storage capacity of approximately 35,000 gallons. From these reservoirs the water is distributed by gravity through three-inch iron pipe lines to Glen Ellen. The system has 29,420 feet of mains, the greater portion of which is two and three inches in diameter.

The rate at present in effect is a flat rate of \$1.50 per month, and was established some thirty years ago when the system was installed. There are thirty-five services, all of which are permanent. Some of these services supply a number of cottages which are rented during the summer months.

Mr. M. E. MacKall, one of the Commission's hydraulic engineers, made a field investigation of this system and submitted a report and appraisal showing the estimated original cost of the properties to be \$7,252, and allowing an annual replacement fund, computed by the sinking fund method, in the amount of \$79. \$450 was estimated to be a reasonable allowance for the annual maintenance and operation expenses of this utility. No other estimates or appraisals were presented and a careful analysis indicates that the estimates submitted are fair, and they will therefore be used for the purposes of this proceeding.

Following is a summary of the foregoing items which go to make up the annual charges of this utility:

| | |
|--------------------------------|------------|
| Return on \$7,252 at 8%..... | \$ 580 |
| Replacement Fund..... | 79 |
| Maintenance and Operation..... | <u>450</u> |
| Total..... | \$1,109 |

The revenues for 1919 were \$842, and the estimated revenues for 1920 were \$812. It appears, however, that the 1920 revenues could have been increased to approximately \$865 had reasonable rates been charged and collected for all service rendered and from all available sources.

Evidence was presented at the hearing indicating that there

are times when the supply of water is entirely inadequate to meet the demands. A serious shortage occurs each summer, which is no doubt due in large part to the unrestricted use which obtains under the flat rate schedule. There is a consequent waste of water which would be greatly reduced or entirely eliminated by the installation of meters, and this method would also result in a more equitable distribution among the consumers of the burden of maintaining the system.

It will be noted that application is made in this proceeding for specific authority to install meters. In this connection we would point out that where there is a rate established for metered service, it automatically follows that the utility has the authority to install meters. Inasmuch as a schedule of metered rates will be established in the following order, the authority to install meters will run concurrently, and therefore applicant herein has, without question, the authority to proceed with the installation of meters on any or all services, if he so desires, and charge the rates prescribed for such service.

It also developed at the hearing that applicant has been supplying water to certain consumers on a contract basis in exchange for rights-of-way. It has been found unsatisfactory and unfair for a utility to allow one consumer to enjoy preferential rates or privileges which result in a discrimination against another, and this practice is not permitted by the Commission. Where such a condition exists, discrimination in rates should be removed, and all classes of consumers should be charged for service at the rates which are established by the Commission and applicable to all alike. If this action results in an alleged hardship to the consumer, or if said consumer feels that he is entitled to further compensation, it is a question for the courts and not this Commission to decide.

It is apparent that the present rates do not yield an ad-

equate return upon the investment, and that applicant is entitled to some readjustment of rates. The rate schedule established in the following order is designed to produce an increased revenue for the utility, provide for a measured schedule of rates, eliminate any discriminations which may have heretofore existed and establish rates which are fair and equitable for the service rendered.

O R D E R

HENRY CHAUVET 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 Henry Chauvet for water supplied to his 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 for the service rendered.

And basing its order upon the foregoing finding of fact and upon the 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 Henry Chauvet be and he is hereby authorized and directed to file with the Railroad Commission within twenty (20) days from the date of this order, the following schedule of rates for all water delivered to his consumers in Glen Ellen and vicinity on and after May. 1, 1921, said schedule to become effective as of that date and supersede any and all rate schedules for said service heretofore on file or in effect:

MONTHLY FLAT RATES

Minimum annual charge, payable in advance,
entitling consumer to water for a period
of four months.....\$ 7.00
For each additional month..... 1.75

METER RATES

Minimum annual charge, payable in advance,
entitling consumer to a maximum of 400
cubic feet of water per month for a period
of four months..... 6.00
For all use during other months, 400 cubic
feet or less..... 1.50
For use over 400 cubic feet:
Next 1600 cubic feet, per 100 cubic feet..... .30
All over 2000 cubic feet, per 100 cubic feet. .25

IT IS HEREBY FURTHER ORDERED that Henry Chauvet be and he is hereby directed to file with the Railroad Commission within thirty (30) 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 9th
day of April, 1921.

Frank P. DeLam
H. D. Loveland
H. C. Brundage
Dwight Martin

Commissioners.