

Decision No. 8848

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application)
of PLYMOUTH WATER COMPANY, a cor-)
poration, for permission to in-)
crease rates.)

Application No. 5979.

W. A. Green, for Applicant.

BY THE COMMISSION.

O P I N I O N

PLYMOUTH WATER COMPANY, an incorporated public utility water company, is engaged in the business of supplying water for domestic and irrigation purposes to the inhabitants of the town of Plymouth, Amador County. In this proceeding applicant asks for authority to increase its rates for service, it being alleged that the rates at present in effect are non-compensatory and insufficient to produce an adequate return on the investment.

A public hearing was held in this matter before Examiner Satterwhite at Plymouth. At the hearing applicant amended its petition to include a request for the establishment of a metered rate schedule as well as a flat rate schedule.

Plymouth Water Company was incorporated September 1, 1881. Its water supply is purchased from the Enterprise ditch owned by the Hayward, Lane and Hobart Estate Company at a flat rate of \$75 per month. It is pumped from this ditch into the distribution mains and the excess goes to a 300,000 gallon concrete storage and regulating

reservoir, situated at an elevation of about 185 feet above the principal portion of the district served. Electric power for pumping is furnished by the Plymouth Consolidated Mines, Ltd., in return for free water for fire protection and domestic use at their mine. Said mining company obtains its main water supply directly from the Enterprise ditch.

A field investigation of this utility was made by Mr. E. A. Noble, one of the Commission's hydraulic engineers. His report and appraisal submitted at the hearing shows the estimated cost of the properties to be \$22,124. A depreciation annuity in the sum of \$380 was included, computed by the sinking fund method. This amount set aside annually is designed to provide a proper fund for the replacement of worn out properties. No appraisal was submitted by applicant at the hearing, that of the Commission's engineer being accepted for the purposes of this proceeding.

The following tabulation shows the gross revenues and maintenance and operation expenses of Plymouth Water Company for the years indicated:

<u>Item</u>	<u>1917</u>	<u>1918</u>	<u>1919</u>
Gross Revenue.....	\$2,951.92	\$2,829.00	\$2,871.00
Maintenance and Operation Expense.....	2,001.71	1,855.20	2,007.84

The evidence shows that the above maintenance and operation expenses have not been unreasonable, and after careful consideration of all the conditions affecting the operation of this system, it appears that \$2,100 is a fair allowance to include in the annual charges for future maintenance and operation expense.

The following is a summary of the above elements which go to make up the annual charges:

Interest return on \$22,124 at 8%.....	\$1,770
Annual replacement fund.....	380
Maintenance and Operation Expense.....	<u>2,100</u>

Total,.....\$4,250

At present there are about 125 active services on this system of which some 106 are for residential use and gardens, and we find that the possible revenue under the present schedule of rates will not more than meet the reasonable maintenance and operation expenses of the company. It would therefore follow that some adjustment in rates must be made to enable the company to continue its operations on a more economical basis.

The evidence shows an excessive and wasteful use of water in this community. This condition is accounted for by the unrestricted use obtaining under the flat rate schedule and results in a large pumping cost annually.

In this connection attention is called to the fact that it is impossible to establish a flat schedule of rates wherein the charges will be equitably distributed among the various consumers according to use. A flat rate tends to an excessive use of a commodity whereas metered rates not only effect an economy in the use but result in an equitable distribution of the expense of production and a saving in operation expenses, which for this utility would be chiefly pumping costs.

We recommend that this utility adopt and put into effect suitable rules and regulations designed to eliminate waste through leaky house fixtures and further, that some plan be inaugurated for a gradual metering of the system.

The evidence further shows that in certain instances service has been rendered to consumers by this company at free or reduced rates. This practice should be discontinued at once, as it

results in discriminations which should not obtain in the operation of a public utility water system.

The rate schedule established in the following order is designed to remove any discriminations which may have heretofore existed, produce an income for the utility which is equal to the amount of the annual charges set out herein, and require the payment of a rate by consumers which is reasonable for the service rendered:

O R D E R

PLYMOUTH WATER COMPANY having made application to the Railroad Commission as entitled above, a public hearing having been held and the Commission being fully apprised in the premises;

IT IS HEREBY FOUND AS A FACT that the rates now charged by Plymouth Water Company for water delivered to 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 to be charged for such service.

And basing its order upon 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 Plymouth Water Company be and it 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, said rates to be charged for all service rendered subsequent to April 1, 1921, to become effective as of that date and supersede any and all rate schedules of Plymouth Water Company therefore on file or in effect:

RATE SCHEDULE

Monthly Flat Rates:

1. Residences and tenements of not more than 5 rooms occupied by single families.....	\$ 1.50
For each additional room.....	.15
Additional for each bath tub or flush toilet.....	.25
Additional for private barn, not more than two horses or cows.....	.60
For each additional horse or cow.....	.25
Additional for each private garage where autos are washed on the premises.....	.20
2. Private boarding houses, for each boarder in addition to the family rate.....	.15
3. Sprinkling or irrigation of lawns, shrubbery, gardens, etc., per 100 square feet of surface actually watered, payable every month in the year.....	.025
4. Livery stables and stock or feed yards per average number of stock fed, for each.....	.40
Minimum payment.....	4.00
5. Public Garages: average of 5 autos or less.....	3.00
For each additional automobile.....	.30
6. Soda fountains, soft drink places and ice cream or lunch parlors, in addition to the store rate.....	1.50
7. Barber shops, for single chair.....	1.50
For each additional chair.....	.75
8. Public halls, clubs and lodge rooms.....	1.50
Additional for kitchen or buffet in connection with.....	1.00
9. Restaurants and cafes, per unit of seating capacity.....	.15
Minimum charge.....	2.25
10. Blacksmith, wagon and repair shops.....	3.00
11. Bottling works, creameries, slaughter houses, laundries and butcher shops, according to the use of water.....	\$3.00 to 8.00
12. Drug stores, photograph galleries, bakeries and billiard parlors.....	2.25
13. Banks, doctors' and dentists' offices, plumbing shops, theatres and stores and shops not otherwise listed.....	1.75
14. Living rooms in connection with stores or shops, additional to store rate.....	.75

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| 15. | Additional for each bath tub, toilet or urinal
in 4 to 14, inclusive,..... | \$.30 |
| 16. | Bathing establishments, either alone or in
connection with other business, for one
public bath tub..... | 1.50 |
| | For each additional bath tub..... | .75 |
| 17. | <u>Building Work:</u> | |
| | For mortar and to dampen brick, per 1000 brick. | .25 |
| | For cement work and plastering, each barrel
of cement or lime used..... | .25 |
| 18. | Water for hotels, industrial use or for all pur-
poses not otherwise specified will be charged
for at meter rates. | |
| 19. | Meters may be installed at the request of any con-
sumer or at the option of the utility. | |

Public Use:

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|----|--|-----|
| 1. | For fire hydrants, including water used for ex-
tinguishing fires: | |
| | Hydrants - 2 inch or larger, per month..... | .75 |
| | Hydrants - less than 2-inch, per month..... | .50 |
| 2. | Sprinkling roads or streets by city or county,
measured by wagon tank capacity, per
100 cubic feet..... | .15 |
| 3. | Water for public buildings and grounds and for
all other public use, to be charged for at
regular meter rates. | |

Metered Use:

- | | | |
|----|---|------|
| 1. | Monthly minimum payments for metered use: | |
| | For 3/4-inch and 5/8-inch meters..... | 1.25 |
| | For 1 -inch meter..... | 2.25 |
| | For 1 1/2 -inch meter..... | 3.00 |
| | For 2 -inch meter..... | 3.75 |
| 2. | Monthly quantity rates: | |
| | For 400 cubic feet or less, per month..... | 1.25 |
| | For use between 400 and 1600 cubic feet,
per 100 cubic feet..... | .20 |
| | For use over 1600 cubic feet, per 100 cu.ft.,... | .15 |

Dated at San Francisco, California, this 12th
day of ~~March~~ ^{April}, 1921.

Frank R. Owen

H. Loveland

H. B. Brundige

Irving Martin

Commissioners.