

Decision No. 9244

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of)
EMMA H. ROSE, ANNA G. LANE and HOBART)
ESTATE COMPANY, a corporation, for an)
order directing the installation of)
meters upon the services of domestic)
and industrial consumers.)

Application No. 5713.

E. S. McCurdy, for Applicant.
Chas. P. Snyder, City Attorney, for
the citizens and water users and
trustees of the City of Angels.

BY THE COMMISSION.

SUPPLEMENTAL OPINION

In this proceeding Emma H. Rose, Anna G. Lane and Hobart Estate Company, a corporation, owning a public utility water system supplying water for domestic and industrial purposes to the inhabitants of the towns of Angels, Murphys and other small communities in the vicinity in Calaveras County, ask permission to install meters on the services of its consumers and that a schedule of metered rates be established which will yield them the same net revenue as heretofore produced by the flat rates in effect.

The application alleges in effect that there is apparently an excessive and wasteful use of water by the consumers on the aforementioned system, attributing same to the unrestricted use obtaining under the present flat rate schedule of charges; that it is desired to completely meter the system, thereby effecting a conservation of the water supply and permitting its utilization in the generation of additional electrical energy in their hydro-electric power plants.

further, applicant does not seek an increase in revenue from the sale of water but asks that a schedule of metered rates be established whereby the charges will be equitably distributed among the consumers according to their actual use of water.

The Commission concluded that a hearing would not be necessary in this proceeding, and accordingly on July 26, 1920, issued its ex parte order (Decision No. 7920) establishing therein a schedule of metered rates to be charged consumers, with the condition imposed that applicants should hold as a trust fund any sum yielded by the metered rates over and above that which would have been produced by the flat rates theretofore in effect.

Subsequent to the decision a petition was filed with the Commission by a number of applicants' consumers, requesting a public hearing in this proceeding in order that they be afforded an opportunity to present certain facts and protests. A public hearing was accordingly granted and held at Angels before Examiner Satterwhite.

Utica Mining Company properties at Angels, the domestic water system involved in the above proceeding, and a hydro-electric power system, of which one plant of 2000 horse power capacity is located at Murphys and another plant of 750 horse power capacity is located at Angels, are owned and operated by the applicant herein. These all obtain their water supply from applicants' ditch system, which, in turn diverts its supply from the North Fork of the Stanislaus River. Water is also distributed directly from applicants' ditches to certain irrigation users.

Applicant operates all of the above properties as the Utica Mining Company. The ditch system consists of about 35 miles of open ditch and flume, including 5 miles of the natural channel of Angels Creek, which terminates in what is known as the pipe line reservoir, located two miles distant from and at an elevation of

about 500 feet above the town of Angels. Thence four pipe lines convey the water for use in the Utica Mine, in the Angels hydro-electric plant and for distribution in the town of Angels and vicinity.

A field investigation of this domestic water system was made by Mr. H. A. Noble, one of the Commission's hydraulic engineers, and his report shows the estimated cost installed of the distribution system solely and not including any portion of the ditch system to be \$33,981; that for the year 1919 the maintenance and operation expenses chargeable to the domestic system totalled \$7,082.17 (exclusive of taxes, which were not segregated) that the revenue obtained from water sales under the flat rates in effect totalled \$5,176.35. For the years 1917 and 1918 the revenue totalled \$6,352.45 and \$5,451.05, respectively.

A further consideration of a rate base or of the elements going to make up the annual charges for this utility is unnecessary, since as mentioned above, applicant does not seek an increase in revenue by the installation of meters and the establishment of a meter rate.

Applicant proceeded to install meters in August, 1920, and had completely metered the system by December, 1920. The active services total 262, of which only 32 are for business and industrial use. A comparatively large area of gardens and orchards is irrigated in connection with the domestic services. Applicants filed with the Commission a tabulation of the record of metered use of water by its consumers during the above mentioned period, together with a house survey of the premises served. This was the season of minimum irrigation use, and the large and evidently wasteful use of water recorded for a number of the domestic services was accounted for by the leaky condition of the piping within the consumers' premises.

The testimony submitted by the consumers at the hearing was confined largely to protests that during certain seasons the

water in the mains contains large amounts of silt and sediment brought down by the ditch, and therefore considerable water must be drawn off and wasted to obtain clear water for domestic use; also, that under the high pressure at which the water is delivered in the mains the valves on their premises become leaky and frequently wear out. Wherefore it was contended that the installation of meters will result in unreasonable charges because of the recording of said waste of water.

The evidence shows that at certain residences where small settling tanks are provided, the objectionable condition of muddy water is largely overcome, and besides, these tanks serve as a pressure break on the premises. It would appear desirable that facilities for removal of objectionable matter be incorporated as an integral part of this system.

From the evidence some 14 consumers have been supplied free service of water in consideration of various right-of-way agreements and certain other privileges granted applicants. This amounts to a preferential and discriminatory rate granted by the utility to these few consumers against the others on the system, which practice this Commission has found to be unfair, and its policy has been to eliminate such preferential rates and service. Where such a condition exists, the discriminatory rates should be discontinued and all classes of consumers should be charged at the established rates, which are applicable to all alike. If there remains any right of compensation in these particular cases, it is not for this Commission to adjudicate the matter.

Applying the trial meter rates set out in Decision No. 7920 to the tabulation of metered water use, and making allowance for the elimination of a large percentage of the present waste of water through leaky house connections and the irrigation use in the summer months, it is evident that the trial rates, while designed to produce the same annual revenue as the flat rates in effect, would in reality produce a revenue considerably greater than

that received through the flat rates.

After a careful consideration of all the evidence, and particularly the facts set out herein, the conclusion is reached that should a rate schedule be established to yield to applicants a full return on the investment in said domestic system the resulting charges to the present consumers would be greater than they could reasonably afford to pay, which fact applicants admit. Therefore the rates set out in the following order have been computed, designed to return approximately the maintenance and operation expenses of the system and to equitably distribute the charges among the various consumers according to their use, and we are of the opinion that the trial rates heretofore established should be rescinded.

O R D E R

Emma H. Rose, Anna G. Lane and Hobart Estate Company, a corporation, having made application in the above entitled proceeding for an order authorizing the installation of meters on its domestic and industrial services and having asked that a schedule of meter rates be established for such service, a public hearing having been held and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that applicants' present rate schedule for domestic and industrial service, in so far as it differs from the rate schedule herein set out, is unjust and unreasonable, and that the rates herein established are just and reasonable rates to be charged their consumers for water;

And basing its order upon the foregoing findings of fact and the other statements of fact which are contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Emma H. Rose, Anna G. Lane and Hobart Estate Company, a corporation, be and they are hereby author-

ized and directed to file with this Commission within twenty (20) days of the date of this order, the following rates for water delivered to their consumers on the domestic distribution system, said rates to be charged for all service rendered subsequent to August 15, 1921:

RATE SCHEDULE

Monthly Minimum Payments
for Metered Service:

For 5/8-inch meters.....	\$1.50
For 3/4-inch meters.....	1.75
For 1 -inch meters.....	2.25
For 1 1/2-inch meters.....	2.75
For 2 -inch meters.....	3.50
For 2 1/2-inch meters and larger.....	4.25

Monthly Quantity Rates:

From 0 to 1000 cubic feet, per 100 cubic feet.....	\$.18
From 1000 to 3000 cubic feet, per 100 cubic feet.....	.10
All over 3000 cubic feet, per 100 cubic feet.....	.04

Public Use:

1. For fire hydrants including water used for extinguishing 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 tank capacity, per 100 cubic feet..... .10
3. Public Buildings, school houses, including grounds, at regular meter rates.

IT IS HEREBY FURTHER ORDERED that this order shall supersede the order of this Commission in Decision No. 7920 supra, dated July 26, 1920, and said order is hereby rescinded and set aside; provided, however, that applicants shall continue to charge

and collect the rates now in effect until same are superseded by the schedule of rates established herein.

Dated at San Francisco, California, this 13th day of July, 1921.

H. B. ...

H. B. ...

During ...

Commissioners.