

Decision No. 9747

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of the Garden Grove City Water )  
Company of Garden Grove, Orange )  
County, California, for authority )  
to increase its rates to a just )  
and reasonable figure. )

ORIGINAL

Application No. 6755.

J. L. Knapp, for applicant.

By the Commission.

O P I N I O N

The Garden Grove City Water Company is a public utility supplying water for domestic and irrigation purposes to residents in Garden Grove and vicinity, Orange County, California. In this proceeding applicant asks for authority to increase its water rates, alleging in effect that the present schedule of rates does not produce a sum sufficient to cover maintenance and operating expense, replacement fund, or a fair return upon the investment.

A public hearing was held at Garden Grove before Examiner Westover of which all consumers were notified and given an opportunity to appear and be heard.

The Garden Grove City Water Company was incorporated in 1914 and acquired this water system with the authorization of the Railroad Commission. The water supply is obtained from a well and stored in a 12,000 gallon tank elevated forty feet above ground, from which it is distributed by gravity to about 172 consumers. A few irrigation consumers are supplied by delivering the capacity of the pump on an

hourly basis.

The rates in effect are as follows:

Flat Rates.

Per family \$1.00 per month

Meter Rates.

Minimum .10 per 100 cu.ft. \$1.00 per month

Irrigation.

.75 per hour capacity of pump

Applicant did not present an appraisal of its property.

F. E. Van Hoesen, one of the Commission's assistant engineers, presented a report covering the results of a field investigation of the properties of this utility, together with a study of the cost of maintenance and operation. His appraisal shows an estimated original cost of the system of \$11,182 and recommends a replacement annuity of \$204 computed on the 6% sinking fund method. His report also shows an estimate of a reasonable necessary maintenance and operating expense for the ensuing year amounting to \$1275.

These estimates were not questioned at the hearing and appear reasonable.

The following is a summary of the annual charges as indicated above:

Return on \$11,182 @ 8%	\$895.00
Replacement Annuity	204.00
Maintenance & Operating Expense	1275.00
Total	<u>\$2374.00</u>

The records of the company show that the total operating revenue for 1920 was \$1861.06. The number of consumers has increased approximately 45% since January 1, 1920, and it is reasonable to assume that the business of the utility will continue to increase to some extent. It is, however, apparent that this utility is entitled to an increase

in its rates.

There are no data of water use available upon which to establish a schedule of meter rates for this utility, but the schedules of flat and measured charges set out in the following order are designed to produce a reasonable income.

### O R D E R

Garden Grove City Water Company having made application in the above entitled proceeding, a public hearing having been held thereon and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that the rates now charged by Garden Grove City Water Company for water delivered to its 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 upon the findings contained in the opinion preceding this order,

IT IS HEREBY ORDERED, that Garden Grove City 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 for all water delivered to its consumers on and after December 1, 1921:

#### MONTHLY METER RATES FOR DOMESTIC SERVICE

For use from 0 to 1000 cubic feet per 100 cu.ft.	.20
From 1000 to 4000 cubic feet per 100 cubic feet	.15
All use in excess of 4000 cubic feet per 100 cu.ft.	.10

MONTHLY MINIMUM CHARGES

For 5/8 inch by 3/4 inch motor	\$1.00
" 3/4 " " motor	1.25
" 1 " " "	1.75
" 1 1/2 " " "	2.50
" 2 " " "	3.00
" 3 " " "	4.00
" 4 " " "	5.00

MONTHLY FLAT RATES

1. Residences, boarding-houses, apartments, lodging-houses, tenements and flats of five rooms or less including toilet and bath,	\$1.00
For each additional room	.20
" " " bath	.20
" " " toilet	.20
Additional for each private garage and one automobile	.20
For each additional automobile	.20
Additional for private barn, with not more than two horses or cows	.50
For each additional horse or cow	.10
2. Sprinkling or irrigation of lawns, shrubbery, trees, gardens, etc, per sq. yd.	.002
3. Blacksmith shops, machine shops, lumber yards, printing offices, bakeries, undertaking parlors, grocery stores, theaters, warehouses, butcher shops, and large stores	2.00
4. Drug stores, dental offices and photograph galleries	3.50
5. Bottling works, creameries, slaughter-houses and laundries	5.00
6. Banks, professional offices, billiard parlors, fraternal halls, clubrooms, churches, shops, plumbing shops, stores and shops not otherwise listed.	1.50
7. Office buildings, for each room	.50
8. Restaurants, chop-houses and cafes per unit seating capacity	.15
9. Livery stables and feed yards per average number of stock fed each	.25
10. Barns in connection with stores, shops, etc. not more than two horses	.50
11. Garages, six automobiles or less	3.00
For each additional automobile	.50
12. Soda fountains and ice cream stands, either alone or in connection with other business	2.50
13. Barber shops, per chair	1.00
Additional for each bath tub	1.00
" " " toilet	.50
14. Hotels:	
Dining room	2.00
Bedroom and running water	.25
Each bath tub	.50
Each toilet	.30
15. Building Works	
For mortar and to dampen brick, per 1000 brick	.35
For cement work, each barrel	.15

IRRIGATION WATER

Full flow of pump in good repair per hour

1.00

IT IS HEREBY FURTHER ORDERED, that Garden Grove City Water Company file with this Commission within twenty (20) days from the date of this order, rules and regulations to govern its relations with its consumers.

Dated at San Francisco, California, this 10<sup>th</sup>  
day of November, 1921.

H. B. Brundage

George Martin  
Robert J. ...  
J. J. ...  
Commissioners.