

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)	
of ANTON J. RONSEBILMER for author-)	Application
ity to increase rates for water at)	No. 7304.
Penngrove, California.)	

F. A. Meyer, for Applicant.

BY THE COMMISSION:

O P I N I O N

A public hearing was held by Examiner Westover at Penngrove, Sonoma County, upon above application for authority to increase rates for domestic water served in and about Penngrove, of which hearing all of applicant's consumers were notified and a number of whom appeared and testified.

It appears from the testimony that applicant purchased an eighty acre ranch about 1904 and laid out upon it the townsite of Penngrove. Upon the ranch at the time it was purchased was the well from which applicant obtains his water supply. The water in it was originally impregnated with iron, sulphur and magnesia to such a degree that it was not suitable for domestic use. It was therefore drilled 49 feet deeper through a thick strata of rock to its present depth of 116 feet and the surface water cased off; with the result that an artesian flow of excellent water was obtained. The well no longer flows, but an ample supply of water is obtained by pumping for the 39 services now connected to the system which consists of pump, 3 h.p. motor, 2 storage tanks of 8000 and 5000 gallons capacity respectively and distribution mains.

Applicant has no books of account or records containing the cost of the system and except for one or two items was unable to state the cost from memory. He presented no engineering testimony, but relied upon the testimony of witnesses to present value of real estate and cost of material and labor. The consumers presented testimony upon the value of used and useful real estate and upon service conditions, from which it appears that at times they are without water during periods of greatest use in the morning and evening hours.

Mr. John Spencer, one of the Commission's assistant hydraulic engineers, made an investigation, inventory and appraisal of the system, showing the estimated original cost, plus overhead, to have been \$3969., annuity for replacements \$62.58 and estimated ^{annual}/maintenance and operation expense \$433.00, allowing the usual operating costs for systems of this type in the absence of records showing actual operating cost. The present rate is \$1.50 per month for each consumer. This rate was recently increased without authority to \$2.00 per month, but applicant is now refunding the overcharge after having learned that rates cannot legally be increased without authority of the Commission. The revenue earned during 1920 at the \$1.50 rate was \$584. and \$505. for ten months in 1921. It is apparent that applicant is not earning an adequate return upon his investment. New rates should provide for removing discriminations which exist by reason of uniform charge being made, whether consumers are served with much or little water.

Apparently about one-third of his power bill, which averages about \$145. per year, can be saved by metering system and a considerable saving in labor can be made by installing automatic device for starting and stopping the motor.

Applicant claimed a value of \$2500. for the right to take underground water from his well. It does not appear from his testimony that he invested any definite amount in water right. The testimony shows that the value of the water for the purposes for which it is now used was made by drilling the well 49 feet deeper, and the cost of this improvement is included in Mr. Spencer's estimate. It also appears that other wells equally favorably located can be purchased upon such terms that we could not justify adding to Mr. Spencer's estimates anything for water right. His estimate of cost of the system is based upon costs of labor and materials at the times they were installed, while those of other witnesses for various items are based upon present costs. He has assigned to the pipe a shorter life than do applicant's witnesses, who recently uncovered and examined the pipe, with the result that his allowance for annual depreciation is larger than applicant's, but it is based on long experience and much broader data. We therefore use his estimates, above referred to, for rate base and annual charges.

As the annual charges, above referred to, including return upon investment, total \$813.58, and the estimated revenue at present authorized rates is about \$600.00 per year, it is apparent that the revenue should be increased. It is estimated that the rates found in the order will produce the required revenue, and more equitably distribute the burden between the consumers.

ORDER

A public hearing having been held upon the above entitled application, the matter being submitted and now ready for decision,

THE RAILROAD COMMISSION HEREBY FINDS that the rates at present charged by applicant are inadequate, but that the

rates hereinafter set forth are adequate, just and reasonable rates to be charged by above applicant.

By this order upon the above finding and upon all of the findings of facts contained in the preceding opinion,

IT IS HEREBY ORDERED that Anton J. Ronsheimer be and he is hereby authorized to file with the Commission within twenty (20) days from date, and to thereafter charge and collect for water served in and about Penngrove, the following schedule of rates:

Monthly Metered Rates

For the first 500 cu. ft., or less,	\$1.50
For the next 500 cu. ft. to 1000 cu. ft., per 100 cu. ft.,	.25
For all above 1000 cu. ft. per 100 cu. ft.,	.20

Monthly Flat Rates

For each dwelling, business, or other service, \$2.00

IT IS HEREBY FURTHER ORDERED that applicant shall file with the Railroad Commission rules and regulations governing service of water upon his said system, such rules and regulations to be subject to the approval of the Commission.

IT IS HEREBY FURTHER ORDERED that water meters may be installed at the cost of applicant upon any service at his option, and that water meters may be installed upon any service at the option of any consumer upon the advance by said consumer to the utility of the total actual cost of the meter installed, such cost to be refunded to the consumer at the rate of half of such consumer's monthly water bills.

Dated at San Francisco, California, this 29th day of December, 1921.

W. J. Ronsheimer
H. J. Ronsheimer
Charles H. Powell
J. J. Ronsheimer
Commissioners.