

Decision No. 9953

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application)  
of JAMES O. STROING, HARRY L. )  
STROING, ROSA E. STROING, and )  
HENRY STROING, doing business )  
under the name and style of Las )  
Flores Water Works, for change )  
of water rates. )

Application No. 7178.

W. A. Fish, for applicant.  
F. C. Pugh, for certain consumers.

BY THE COMMISSION.

O P I N I O N

Applicants herein allege that the present rate schedule does not produce sufficient revenue to provide for operating expense, depreciation and a reasonable return upon a fair value of the property.

A public hearing was held before Examiner Westover at Las Flores, of which all interested parties were notified and given an opportunity to appear and to be heard.

This water system supplies 43 consumers located in Las Flores, Tehama County, and consists of a 12-inch well having a total depth of 238 feet, a centrifugal pump in a concrete lined pit, a 5 horse-power electric motor, a redwood tank of 11,000 gallons capacity on a 30-foot tower, and approximately 3500 feet of distribution pipes of 2 and 4-inch diameter.

The present rates charged by the utility are as follows:

Residences and tenements, per month.....\$1.25  
 Water for irrigation of lots of not  
 more than 40 by 130 feet in size, per  
 month..... 0.50

Applicants introduced testimony to the effect that the original cost of the system was approximately \$4,000.

Mr. C. H. Monett, one of the Commission's hydraulic engineers, presented a report which showed the estimated original cost of the water system to be \$4,351, and a depreciation annuity computed by the sinking fund method amounting to \$117. Mr. Monett's estimate of reasonable annual maintenance and operating expense was \$780, of which \$600 was allowed for the services of an operator at \$50 per month.

This item was the subject of vigorous protest by consumers who claimed that a competent person could be secured at a lower cost. A careful consideration of the evidence on this point leads to the conclusion that an allowance of \$560 per year will reasonably cover maintenance and operating expense.

The annual charges based upon the foregoing items are then as follows:

Return at 8% upon \$4,351.....	\$	348
Depreciation annuity.....		117
Maintenance and Operating Expense.....		<u>660</u>
Total.....	\$	1,125

Revenues for the year 1921 are estimated as \$533 and it is apparent that applicants are entitled to an increase in rates. Testimony shows, however, that the water system is still in its development stage and it is clear that rates sufficiently high to return the full annual charges set out above would place too heavy a burden upon the consumers. The rate schedule set out in the accompanying order is therefore designed to do substantial justice to both the utility and the consumers.

Testimony shows that some seven consumers on the system are served through a single 3/4-inch pipe extension, and that the

supply to these persons is frequently inadequate. Applicants stated that this condition would be remedied in the near future.

### O R D E R

Application having been made as entitled above, a public hearing having been held and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that the rates now charged by Las Flores Water Works, for water supplied to consumers in Las Flores, 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 the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that James O. Stroing, Harry L. Stroing, Rosa E. Stroing and Henry Stroing, doing business under the name and style of Las Flores Water Works, be and they are hereby authorized and directed to file with this Commission, within twenty (20) days from the date of this order, the following schedule of rates to be charged for water delivered to consumers in Las Flores, Tehama County, such rates to become effective for all water delivered subsequent to January 31, 1922.

### RATE SCHEDULE

#### Flat Rates:

Residences of not more than 5 rooms without bath tub or toilet,.....	\$ 1.25
For each toilet,.....	0.25
For each bath tub,.....	0.25
For each additional room,.....	0.10
For each private barn, not more than two horses or cows..	0.50
For each additional horse or cow,.....	0.20
Private boarding houses, for each boarder in addition to the family,.....	0.10
Irrigation of lawns, shrubbery, gardens, etc., payable each month in the year, per 100 sq. ft.,.....	0.03

Flat Rates (Cont'd):

Stores and Shops according to the use of water, per month.....	\$1.00 to \$5.00
Barber shops for single chair.....	1.25
For each additional chair.....	0.25
For each garage when automobiles are washed on the premises.....	0.25

IT IS HEREBY FURTHER ORDERED that applicants herein file with this Commission within thirty (30) days from the date of this order rules and regulations governing relation with consumers, such rules and regulations to become effective upon their acceptance by this Commission.

Dated at San Francisco, California, this 30<sup>d</sup> day of December, 1921.

H. B. Brundage  
A. D. Ballard

W. F. Benedict  
Commissioners