

Decision No. 29707

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

MRS. J. M. LONG,

Complainant,

vs.

OCEANO BEACH WATER COMPANY,
W. J. CLARK

Defendant.

Case No. 4183

ORIGINAL

In the Matter of the Investiga-
tion upon the Commission's own
motion into the rates, rules,
regulations, charges, classifica-
tions, practices, contracts, op-
erations, and service, or any of
them, of OCEANO BEACH WATER
COMPANY and/or W. J. CLARK, Owner,
rendering domestic water service
in and in the vicinity of Oceano,
San Luis Obispo County,
California.

Case No. 4199

Mrs. J. M. Long, in propria persona.

W. J. Clark, in propria persona.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceeding, Mrs. J. M. Long, owner of a resort pavilion located at Oceano Beach, San Luis Obispo County, alleges that the Oceano Beach Water Company, operated by W. J. Clark, is charging rates for water service to her premises

that are not in accordance with regularly established rates now in effect as authorized by the Railroad Commission in its Decision No. 10384, dated April 19, 1922. The Commission is asked to fix a proper and just rate for complainant's premises. The Commission instituted Case No. 4199 on its own motion to inquire into all phases of the operations of this utility.

Public hearings in these matters were held before Examiner W. R. Williams at Oceano Beach.

From the evidence, it appears that the Oceano Beach Water Company was incorporated in 1922 with a capital stock of 1,000 shares at ten dollars (\$10.00) each. It is not clear from the record how many shares of stock, in addition to qualifying shares, have been issued. W. J. Clark is one of the incorporators and one of the parties defendant herein. No other stockholders appeared. In 1933, the corporation was suspended by the Secretary of State for failure to pay franchise taxes. W. J. Clark appeared in behalf of the defunct corporation and for himself individually as in possession and control of the utility property.

The rates established by the Railroad Commission for this utility in its Decision No. 10384 are as follows:

16-2/3¢ per 100 cubic feet, with
a minimum monthly charge
of not exceeding \$2.00
per month.

Meters have not been installed and no meter rate has been charged for water service in accordance with the above rate. In general, a flat rate of two dollars (\$2.00) per month has been in effect with some variation.

By reason of sand which was carried in suspension in the

water and the additional expense under such conditions, meters were not installed. At one time, J. M. Long, deceased husband of complainant herein, operated the system and billed the pavilion, now owned by his widow Mrs. Long since relinquishing possession and operation of the water works, at four dollars (\$4.00) per month, based upon two minimum monthly charges. This pavilion is a large structure originally built as a dance hall and cafe with various concession facilities for bathers and, in addition, has living quarters for the various operators of the plant. While Long was in charge of the water works, he himself established the flat rate of four dollars (\$4.00) per month for service to the pavilion. After complainant leased the pavilion properties, she refused to pay more than the filed monthly minimum charge under metered service based upon the filed tariff. The rates established by the Commission in 1922 did not consider this type of special service but only residential use. The community is small and the water service originally was provided only as a matter of accommodation from a private well until some other source of supply could be made available.

The investment in the water properties devoted to the public use now amounts to six thousand dollars (\$6,000) with an annual depreciation fund of one hundred thirteen dollars (\$113) based upon the five per cent sinking fund method. The reasonably necessary operating expenses are estimated to be five hundred eighty-five dollars (\$585) per annum. Upon the flat rates charged the revenues have averaged six hundred sixty dollars (\$660) over a period of three years, indicating a net loss of thirty-eight dollars (\$38.00) per year, interest upon invested capital excluded.

Giving due consideration to the summer-resort character of the area supplied by defendant, the schedule of rates established in the following Order should provide reasonably for the type of service furnished by the utility.

O R D E R

Complaint as above entitled in Case No. 4183 having been filed with the Railroad Commission and the Commission having instituted an investigation upon its own motion as entitled in Case No. 4199, public hearings having been held thereon, the matters having been submitted and the Commission being now fully advised in the premises,

It is hereby found as a fact that the present rates of the Oceano Beach Water Company, a corporation, and/or W. J. Clark, in effect at Oceano Beach, San Luis Obispo County, in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates to be charged by said utility for the service rendered, and

Basing this Order upon the foregoing finding of fact and on the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that Oceano Beach Water Company and/or W. J. Clark be and they are hereby authorized and directed to file with the Railroad Commission of the State of California, within thirty (30) days from and after the date of this Order, the following schedule of rates to be charged their consumers for all water delivered subsequent to the 30th day of April, 1937:

MONTHLY FLAT RATES

1. Residence, boarding house, apartments, lodging
houses, tenements and flats of five rooms or
less, including one toilet and one bath-----\$2.00
For each additional room----- .10
For each additional bath, toilet or urinal----- .20
For each tent, trailer house or cottage of three
rooms or less on same lot----- .50
2. Sprinkling or irrigation of lawns, shrubbery,
trees, garden, etc., per square yard actually
under irrigation and payable each month of
the year----- .005
3. Stores, shops or offices----- 2.00
4. Drug stores, bakeries and confectioneries----- 3.00
Additional for soda fountain service----- 1.00
5. Barber shop, one chair----- 2.00
Each additional chair----- .50
6. Restaurants and eating houses, base rate----- 4.00
Additional for soda fountain service----- 1.00
7. Pavilion cafe, dance hall and residence----- 4.00
Additional for bar or soda fountain----- 1.00
8. Public auto courts or camps, base rate----- 3.00
For each apartment or room with running water
or bath----- .25
For each other apartment or room----- .10
For each public toilet----- .50
For each public laundry----- .50
For each public kitchen----- .50
For each public bathtub or shower----- 1.00
9. Service stations, base rate----- 3.00
Additional for each toilet----- .25
Additional for wash rack----- 1.00
10. Garage, base rate----- 3.00
Additional for each toilet----- .25
Additional for each wash rack----- 1.00
11. Schools:
For each 100 pupils or less----- 4.00

METER RATES

Meters may be installed at the option of the utility or the consumer. If installed at the option of the utility, it must bear all cost of the installation. If installed at the option of a consumer, the entire cost of installation shall be deposited with the utility, to be refunded in water at the rate of 25% of the monthly bill, until the entire deposit has been refunded.

Monthly Minimum Charges:

5/8 x 3/4-inch meter-----	\$2.00
3/4-inch meter-----	2.50
1-inch meter-----	4.00
2-inch meter-----	6.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following Monthly Quantity Rates.

Monthly Quantity Rates:

For 400 cubic feet or less-----	\$2.00
From 400 to 2,000 cubic feet, per 100 cubic feet-----	.20
All over 2,000 cubic feet, per 100 cubic feet-----	.15

Special Conditions

Applicant shall be required to pay in advance, as a minimum guarantee for six months' continuous use of service, an amount equal to six months' minimum charges applicable to such service, as specified in the above schedule of rates. Consumers will not be required to make further payment of bills until such advance has been absorbed, at which time, if service is continued, the regular monthly rate shall apply and continue until such time as service is ordered discontinued.

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IT IS HEREBY FURTHER ORDERED that Oceano Beach Water Company and/or W. J. Clark be and they are hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from and after the date of this Order, rules and regulations governing the distribution of water to their consumers, said rules and regulations to become effective

upon their acceptance for filing by this Commission.

IT IS HEREBY FURTHER ORDERED that Case No. 4183 be and it is hereby dismissed.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 26th day of April, 1937.

Walter H. Hays
Leon Anthony
John R. Hays
Ralph W. Hays
Carl L. Hays
Commissioners