

Decision No. 36810

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Point Reyes Water System
For Authority to Increase Rates.

ORIGINAL

Application No. 24901

Mr. J. Harold Weise, for Applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding Josephine S. Burdell, executrix of the Last Will and Testament of James B. Burdell, deceased, and operating under the fictitious firm name and style of Point Reyes Water System, asks for authority to increase the rates for domestic and commercial water service rendered in and in the vicinity of the unincorporated town of Point Reyes Station in Marin County.

A public hearing on this matter was held before Examiner M. R. MacKall at Point Reyes Station.

The rates at present in effect are ten per cent lower than the rates established by the Commission in its Decision No. 13731, dated June 20, 1924. The reduced rates were made effective on July 1, 1933, in response to a request from the Commission to all water utilities that wherever possible lower rates be made available to consumers during the depression period. These rates were to remain in effect until October 31, 1934. The Point Reyes Water System did not withdraw the reduced rates and they have been effective since the date of filing. The Commission is asked to authorize the restoration of the rates established in said Decision No. 13731 in order to meet the increased costs of labor and materials.

The rates requested herein and heretofore established by the Commission are as follows:

<u>Monthly Flat Rates:</u>	<u>Per Month</u>
House - - - - -	\$2.00
Small Cottage - - - - -	1.50

<u>Monthly Metered Rates:</u>	
From 0 to 700 cubic feet, per 100 cubic feet -	\$0.30
From 700 to 2,000 cubic feet, per 100 cubic feet -	.225
From 2,000 to 4,000 cubic feet, per 100 cubic feet -	.1875
Over 4,000 cubic feet, per 100 cubic feet -	.15

<u>Monthly Minimum Rates:</u>	
5/8 inch meter - - - - -	\$1.50
3/4 inch meter - - - - -	2.50
1 inch meter - - - - -	4.00
1 1/2 inch meter - - - - -	8.00
2 inch meter - - - - -	12.00

Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that minimum will purchase at the "Monthly Meter Rates" set out above.

The principal source of water supply for the system is a group of springs located on a ranch owned personally by Mrs. Josephine S. Burdell. An annual rental of \$650 is charged for the water supplied from the springs. The ranch is situated approximately two miles in an easterly direction from the town of Point Reyes Station. When necessary the spring supply may be augmented from a well on the bank of Paper Mill Creek, about one mile east of the town. A 4-inch transmission line, 10,604 feet long, conveys the water from the springs by gravity to two 20,000-gallon redwood tanks located in the town. A portion of the water from these tanks is lifted to a 5,000-gallon elevated wooden tank from which water is supplied to consumers residing at an elevation above the town area. The distribution system consists of 19,013 feet of pipe, varying from 1 1/4 to 2 inches in diameter. There are 100 consumers being supplied with water and all on a measured basis.

Mr. James Burdell, Jr., manager, testified that the costs of labor and materials used in the maintenance and operation of the system have increased

approximately 15 per cent within the last several years, and the restoration of the original rate would materially aid in maintaining the property and providing adequate service.

Mr. V. R. Muth, one of the Commission's Hydraulic Engineers, presented a report containing an appraisal of the water system and an analysis of the operating accounts. The estimated original cost, as of August 11, 1942, was shown to be \$19,524. The annual depreciation allowance computed by the sinking fund method at 5 per cent, totaled \$305. The annual maintenance and operating expense, under present conditions and including an allowance for depreciation, was estimated to total \$2,500. Mr. Muth estimated the annual revenue from 1942 operations at the requested rates to be \$3,219. The results of operation, based upon the above estimated revenues and expenses, show a net revenue of \$719 and produce a return of 3.7% on the fixed capital of \$19,524.

It is apparent that a restoration of the schedule established by the Commission in its Decision No. 13731 will not produce an excessive return, and that the request to restore it should be granted.

O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted, and the Commission now being fully advised in the premises,

It Is Hereby Found as a Fact that the rates now being charged by Josephine S. Burdell, executrix of the Last Will and Testament of James B. Burdell, deceased, doing business under the fictitious firm name and style of Point Reyes Water System, for water delivered to its consumers in and adjacent to the unincorporated town of Point Reyes Station, are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein are just and reasonable rates to be charged for the services rendered and, basing its Order upon the foregoing findings of fact and upon the statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that Josephine S. Burdell, executrix of the Last Will and Testament of James B. Burdell, deceased, doing business under the fictitious firm name and style of Point Reyes Water System be and she is hereby authorized and directed to file in quadruplicate with the Railroad Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all water delivered to her consumers on and after the first day of February, 1944:

Schedule No. 1

GENERAL FLAT RATES

Applicability:

Applicable to all water service rendered on a flat rate basis.

Territory:

In and in the vicinity of the unincorporated town of Point Reyes Station, Marin County.

Rates:

Per Month

House	\$2.00
Small Cottage	1.50

Schedule No. 2

GENERAL METERED SERVICE

Applicability:

Applicable to all water service rendered on a metered basis.

Territory:

In and in the vicinity of the unincorporated town of Point Reyes Station, Marin County.

Schedule No. 2 - Continued

GENERAL METERED SERVICE

Rates:

<u>Quantity Charge:</u>	<u>Per Meter Per Month</u>
From 0 to 700 cubic feet, per 100 cu. ft.	\$0.30
From 700 to 2,000 cubic feet, per 100 cu. ft.	.225
From 2,000 to 4,000 cubic feet, per 100 cu. ft.	.1875
Over 4,000 cubic feet, per 100 cu. ft.	.15

Minimum Charge:

For 5/8 inch meter	\$1.50
For 3/4 inch meter	2.50
For 1 inch meter	4.00
For 1 1/2 inch meter	8.00
For 2 inch meter	12.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days from the date of this Order, Josephine S. Burdell, executrix of the Last Will and Testament of James B. Burdell, deceased, doing business under the fictitious firm name and style of Point Reyes Water System, be and she is hereby authorized and directed to submit to this Commission for its approval, rules and regulations, in quadruplicate, governing relations with her consumers, each set of which shall contain a suitable map or sketch, drawn to scale upon a sheet approximately 8 1/2 x 11 inches in size, delineating thereupon in distinctive markings the authorized service area and showing definitely the location of said area with reference to the adjacent territory.

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 11th day
of January, 1944.

[Signature]
[Signature]

Francis D. Havenner
Frank W. Owsen
Commissioners.