

Decision No. 40015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MELVIN HENRY STRONG and LEONA MAY
STRONG, for authority to increase
rates.

Application No. 27695

ORIGINAL

Harry W. Falk, for Applicants.

O P I N I O N

Melvin Henry Strong and Leona May Strong, his wife, doing business under the fictitious firm name and style of Rohnerville Water Works, furnish water for domestic and other purposes in the unincorporated Town of Rohnerville, in Humboldt County, and ask the Commission to authorize a schedule of increased rates. In this application it is alleged that a considerable capital expenditure will be required to develop more water and install larger mains and that the existing springs, pipe lines, and tanks require cleaning and repairing to such an extent that the rates now in effect do not produce sufficient revenues to meet the increased costs of operation and yield no return on the investment. The proposed schedule of rates provides for a basic monthly flat rate charge of \$2.00 for a residence of five rooms or less, and additional charges for use of water on the same premises and for other establishments. The proposed meter rates provide for a minimum monthly charge of \$2.00, with an allowance of 600 cubic feet of water; for use over that amount the rates are reduced to 25 cents per 100 cubic feet up to 1,800 cubic feet per month and 20 cents per 100 cubic feet for quantities over 1,800 cubic feet per month.

A public hearing in this matter was held before Examiner M. R. MacKall in Rohnerville.

The Rohnerville Water Works was acquired by the present owners through purchase from William and Olive L. Jessen and was authorized by the Commission in its Decision No. 38510, dated December 14, 1945. The principal water supply of the utility is obtained from several groups of springs located above and east of the main section of Rohnerville on land owned by applicants. Another group of springs known as the Wissman Springs is located southeasterly of the town and is rented from the owners on a yearly basis for a term of eight years. The yield of these several springs is sufficient to supply the customers' demands during the winter months only. It is necessary to augment this supply during the summer and fall months by pumping from a dug well 26 feet in depth. Water from the well and springs is conveyed through 11,000 feet of transmission mains and delivered into two 20,000-gallon redwood storage tanks. From the tanks the water is distributed by gravity to the customers through 14,500 feet of mains, varying in diameter from 3/4 to 4 inches.

The rates at present in effect were established by the Commission in its Decision No. 19124, dated December 16, 1927. The flat rates provide for a basic monthly charge of \$1.25 for a 5-room house and additional charges depending on water use facilities installed on the premises. The metered rates provide for a minimum monthly charge of \$1.50, with an allowance of 600 cubic feet of water. For use over that amount the rate is 20 cents per 100 cubic feet for the next 600 cubic feet of water per month, and 15 cents per 100 cubic feet for quantities over 1,800 cubic feet per month.

Mr. Strong has installed some 800 feet of new pipe lines replacing inadequate and worn out mains. He has cleaned 3,000 feet of badly clogged and rusted small diameter pipe in certain sections of the town to afford some temporary relief from the poor service conditions, until such time as the pipe can be replaced with larger mains. The system improvements have cost a total of \$3,850, improvements to capital being \$3,100, -the balance of \$750 being chargeable to maintenance and operating expenses. The so-called mains have long since out-lived

their usefulness. Most of the distribution system is of $3/4$ " , 1" and $1\frac{1}{2}$ " pipe badly rusted and filled with sediment. All of this pipe must be replaced with larger pipe before any fair water service can be furnished. In addition to this unfortunate situation, there is but a very limited supply of spring water in this area and little chance of obtaining sufficient water from wells except several miles distant, at a cost prohibitive to this community. Mr. Strong plans to replace all small diameter pipe as soon as financial conditions will permit, and in the meantime he intends to develop to the fullest extent possible the local water supply by deepening the present well, or drilling a new one, and, if possible, by the purchase of additional springs. Applicants intend to meter the system in order to conserve water by eliminating its wasteful use.

Mr. C. F. Norris, one of the Commission's engineers, submitted a report covering an appraisal and investigation of the operations of the system in which the original cost of the property was estimated to be \$16,718, as of November 14, 1946, with a corresponding depreciation annuity of \$339, computed by the 5% sinking fund method. The annual operating expenses for the immediate future, including taxes and depreciation, were estimated to be \$1,803 under present operating practices. Annual revenues for the same period were estimated to total \$1,638 at the present rates in effect, and \$2,400 at the requested rates. The results of operation under the present rates show a loss of 1%, and under the requested rates show a net gain of 3.6% on the above estimated original cost.

The consumers who testified at the hearing agreed that an increase in rates is justified, and expressed a willingness to pay increased charges provided improved and adequate service is furnished. The service is very poor in a considerable section of the town which is supplied only by mains $3/4$ " and 1" in diameter.

Applicants have seriously endeavored to rehabilitate this badly run-down and depreciated water plant, a fact which the citizens fully appreciate. In view of the small number of consumers, one hundred, and the scant expectation of new water users, complete rehabilitation of the system will require some considerable

time. Additional water is the most vital problem at present. The following schedule of rates will provide increased revenues and should encourage applicants to improve the system. It is suggested that when proper service has been restored, the rate structure again be presented to this Commission for adjustment, if the conditions so require.

O R D E R

Application as entitled above having been filed with the Public Utilities Commission of the State of California, 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 charged by Melvin Henry Strong and Leona May Strong, his wife, doing business as Rohnerville Water Works, for water delivered to their customers in and in the vicinity of the unincorporated Town of Rohnerville, in the County of Humboldt, 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 the service rendered; and basing its Order upon the foregoing finding of fact, and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that said Melvin Henry Strong and Leona May Strong be and they are hereby authorized and directed to file with the Public Utilities Commission of the State of California, within thirty (30) days from the date of this Order, the following schedule of rates to become effective for all water service rendered on and after the first day of April, 1947:

Schedule No. 1
METER RATES

Applicability:

For all water service rendered on a metered basis.

Territory:

In and in the vicinity of the town of Rohnerville, Humboldt County.

Rates:

<u>Monthly Quantity Rate:</u>	<u>Per Meter</u> <u>Per Month</u>
0 to 500 cubic feet, or less.....	\$1.75
Next 1,500 cubic feet, per 100 cubic feet.....	.25
Over 2,000 cubic feet, per 100 cubic feet.....	.20
 <u>Monthly Minimum Charges:</u>	
5/8 x 3/4-inch meter.....	1.75
3/4-inch meter.....	3.00
1-inch meter.....	4.25

Any monthly minimum charge will entitle the consumer to the quantity of water which that Monthly Minimum Charge will purchase at the Monthly Quantity Rate.

Special Conditions:

A meter may be installed on any service at the option of the customer or of the utility.

Schedule No. 2
FLAT RATES

Applicability:

For all water service rendered on a flat rate basis.

Territory:

In and in the vicinity of the town of Rohnerville, Humboldt County.

Rates:

	<u>Per Month</u>
1. Residences, boarding houses, flats, lodging houses, apartments, etc.,.....	\$2.00
2. Restaurants, cafes, etc.,.....	\$2.50 to \$6.00
3. Small stores or shops,.....	1.25
Additional for family living therein on same floor,.....	1.00
Large stores and warehouses, according to use of water,.....	2.00 to 5.00
Doctors' or dentists' offices, not exceeding 2 rooms, with water tap,.....	1.25
Rooms in second or third stories occupied for offices, for each room with water,.....	.50

Schedule No. 2 (Cont'd)

FLAT RATES

Rates (Cont'd):

- 4. Ice cream parlors, soft drink establishments, drug stores, billiard or pool parlors, etc., either alone or in connection with other businesses, according to use of water,.....\$2.00 to \$5.00
- 5. Barber shops, for single chair,..... 1.50
For each additional chair,..... .75
For each bathtub,..... 1.50
- 6. Blacksmith shop, wagon shop, etc.,..... 1.25 to 3.50
- 7. Public halls, churches, clubs or lodge rooms, etc..... 1.25
- 8. Public water closets, single closet,..... 1.25
For each additional closet,..... 1.00
- 9. Irrigation: For irrigation of lawns and gardens in connection with domestic use, for each square yard actually irrigated,..... 1/4 Cent
For irrigation not in connection with domestic use, per square yard of surface actually irrigated,..... 1/2 Cent
- 10. Miscellaneous: Water for slacking lime, per barrel of lime,..... .20
For dampening brick per 1000 bricks,..... .10
For cement work, per barrel of cement,..... .15
- 11. For Public Use: For schools, street sprinkling, etc., by special arrangement with minimum charge,..... 1.25

Special Conditions:

Charges for flat rate service are payable in advance.

IT IS HEREBY FURTHER ORDERED as follows:

- (a) That Melvin Henry Strong and Leona May Strong, within sixty (60) days from the date of this Order, shall submit to this Commission for its approval four sets of rules and regulations governing relations with their consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8 1/2 x 11 inches in size, delineating thereupon in distinctive markings the boundaries of their present service area and the location thereof with reference to the immediate surrounding territory: provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

- (b) That Melvin Henry Strong and Leona May Strong, within sixty (60) days from the date of this Order, shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently to be served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

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 4th day of March

1947.

Harold Hule
Justin J. Casner
James H. Russell
A. J. ...
Samuel L. ...
 Commissioners.