

ORIGINAL

Decision No. 47191

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Del Rio Woods Home Owners Association,)
c/o D. E. Fuller, Apt. 604 Complainant,)
1112 Larkin Street)
San Francisco, California)

vs.)

Del Rio Water Company,)
P. O. Box 24,)
Healdsburg, California,)
Defendant.)

Case No. 5324

Del Rio Home Owners Association, complainants,
by Donovan E. Fuller and Joseph A. Amori;
A. A. Schwarz for Del Rio Water Company,
defendant; C. F. Norris, for the Commission
staff.

OPINION AND ORDER

In this proceeding 26 customers of the Del Rio Water Company, through the Del Rio Home Owners Association, charge that the water rates in effect on the utility system are unjust. The basic flat rates are not contested, however, and complainant therefore challenges the reasonableness of only the meter rates. Defendant, in his answer to the complaint, offered to lower the meter rate but alleged that in order to meet gross revenue requirements, it would be necessary to increase the flat rates and the annual meter minimum charge.

A public hearing was held before Examiner Emerson at San Francisco on April 16, 1952, when the matter was submitted. Five witnesses were heard on behalf of complainant, one Commission staff witness testified with respect to factual information and

defendant called one witness. Defendant was called as a witness by complainant.

Defendant's system was installed in 1917 and was acquired by him in 1935. The rates presently in effect were authorized by this Commission's Decision No. 43114 in Application No. 30034, issued July 12, 1949.

The system's source of water supply is a 40-foot well installed in a sump adjacent to the bank of the Russian River. Water is pumped into the system by means of 3-hp electric motor-driven turbine pumps during the summer months and by a 5-hp displacement type pump during the winter months. The pumps are used alternately depending upon the level of the river. After chlorination the water is delivered into about 19,000 feet of mains, with storage facilities aggregating 22,200-gallon capacity floating on the lines. Defendant's investment in the fixed assets of the water system approximated \$10,400 as of December 31, 1951. As of the same date the system had 127 connections served at flat rates and 24 at meter rates.

Complainant requested a specific meter rate be placed in effect, as shown in the following tabulation wherein it is compared with the present rate on a billing basis:

Item	: Bill under : Presently : Effective Rate:	: Bill under : Complainant's : Proposed Rate:
Monthly Minimum Charge	\$1.80	\$1.80
Monthly Quantity Charge for:		
300 Cubic Feet, or Less	\$1.80	\$1.80
900 Cubic Feet	4.20	1.80
1,000 Cubic Feet	4.60	2.00
2,500 Cubic Feet	9.10	5.00

In support of its rate proposal and its allegation as to the unreasonableness of present rates, complainant relied

upon broad generalizations and comparisons unsupported by evidence. Complainant presented the results of a poll of its members, said poll when tabulated indicating that of 136 persons solicited 10 were in favor of accepting defendant's offer and that 81 rejected such offer.

The differential between defendant's rates and those charged by other utilities was emphasized by complainant and it was urged that such differential constituted unreasonableness. Such position was unsupported by any showing to the effect that the utilities, facilities, operations, customers or other characteristics were in any way comparable.

Complainant alleged that the average family served by defendant's system uses in excess of 1,000 cubic feet of water per month for normal household use, exclusive of watering gardens and that the rate blocking of present rates is therefore unreasonable. Evidence presented by an engineer of the Commission's staff conclusively shows that over 76% of all metered consumers used a total of less than 500 cubic feet of water per month during 1951 and, further, that over 92% used less than 1,000 cubic feet per month. Only four consumers used in excess of 1,000 cubic feet in any one month during 1951. On a consumer-month basis over 61% of the usage was less than 300 cubic feet. We find that complainant's allegations in this respect are contrary to the evidence and that the present rate blocking is not unreasonable.

Complainant alleged that permanent residents (40% of the consumers) are charged approximately \$60 per year and that families using 3,750 cubic feet of water during three summer months would be charged \$32 for the year. The evidence presented in this proceeding shows that, in 1951, no consumer exceeded a

usage of 2,400 cubic feet in any one month and that only three consumers had a total billing for the year which exceeded \$32. The highest total bill for 1951 water service was \$47.58.

Throughout the hearing in this proceeding, complainant and its witnesses repeatedly stated that defendant was entitled to and should receive a fair return. The evidence shows that defendant's operations produced a loss of \$202.94 in 1949, a loss of \$49.31 in 1950 and a net profit of \$35.91 in 1951. Operations in 1951 yielded a return of about $\frac{34}{100}$ of 1% on the original cost of fixed capital. Under such circumstances the rate reduction which complainant seeks hardly is feasible.

The majority of complainant's members are summer season or week-end residents. They undoubtedly feel that, for the relatively few days that they use water service during a year, the cost of water is high. They should be aware, however, that the water system must be kept in operation continuously. The water facilities must be adequate during the heavily used summer period as well as during the lesser used remainder of the year. Stretching the facilities for three months and shrinking them for nine months is impossible. The costs of making water available for the demands of all consumers must equitably be spread through rates. Nothing presented in this proceeding indicates to us that the present rates or the application of such rates is unreasonable to the consumers or in any way discriminatory.

It is our conclusion, and we hereby find, that complainant has failed to show itself entitled to the relief sought. Accordingly, the complaint will be dismissed.

A public hearing having been held in the above-entitled proceeding, the matter having been duly submitted and the Commission being now fully advised,

IT IS ORDERED that the complaint in Case No. 5324 be, and it is hereby, dismissed.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 27th day of May, 1952.

R. Z. Morrison
President.

Justus F. Cassen

Harold P. Kula

Herbert P. Potter

Robert E. Mitchell
Commissioners.