

Decision No. 13925

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
PETERS-RHOADES COMPANY, INC.,)
Order authorizing establishment)
of water rates on Lot 18 of Sec-)
tion 31, Township 3 North, Range)
14 West, S.B.B.M., as per supple-)
mental plat of said section filed)
in the U.S. Land Office at Los An-)
geles, California, on May 1, 1916,)
also the West one half of the)
Southwest quarter of Section 32,)
Township 3 North, Range 14 West,)
S.B.B.M., Los Angeles County,)
State of California, and being)
subdivided into some 491 lots.)

ORIGINAL

Application No. 10156,

D. L. Peters for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Peters-Rhoades Company, incorporated, asks for a certificate of public convenience and necessity covering the operation of a water system in a subdivision located in Kagel Canyon, Los Angeles County, and generally known as "El Merrie Dell". The Commission is also asked to establish rates to be charged for water supplied for domestic purposes to the property owners of the subdivision.

A public hearing in this matter was held at Los Angeles before Examiner Williams, after all interested parties had been duly notified and given an opportunity to be present and be heard.

The testimony shows that the Peters-Rhoades Company has subdivided approximately 40 acres of land and in order to assist in the sale of lots has installed a water system, and now desires to operate the same as a public utility. Water is at present supplied free of charge to the few consumers who are located on the subdivision.

At the hearing M. I. Reed, one of the Commission's hydraulic engineers, submitted a report in which it was shown that a reasonable cost of the system which has recently been constructed was \$3,485, with a depreciation annuity, computed by the 6 per cent. sinking fund method, of \$95. This report also recommended the sum of \$1,200 per annum as a reasonable maintenance and operation expense.

The evidence shows that the lots in this subdivision will be utilized almost entirely for the construction of summer resort cabins, together with a hotel and other structures which may be necessary. At the present time approximately 35 services are in actual use, and it is apparent that for some time to come the proprietors of the system cannot reasonably expect a return upon the investment.

No other utility is supplying water service in this general vicinity, and it is apparent that applicant should be granted a certificate of public convenience and necessity. The rates set out in the accompanying order are designed to yield the applicant a reasonable revenue for the service rendered. In establishing these rates the Commission has given full consideration to the cost of the system, probable operating expense, and the character of the business.

O R D E R

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

and the Commission being now fully informed in the matter,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY
DECLARES that public convenience and necessity require and will
require that Peters-Rhoades Company, incorporated, operate a pub-
lic utility water system to supply domestic service to consumers
upon a subdivision located in Zagol Canyon, Los Angeles County,
generally known as "El Merrie Dell" and more particularly described
in the application herein; and

IT IS HEREBY ORDERED that Peters-Rhoades Company, incor-
porated, be and the same is hereby authorized to file with this Com-
mission within twenty (20) days from the date of this order, and
thereafter charge, the following schedule of rates for water deliv-
ered to consumers in "El Merrie Dell":

MONTHLY FLAT RATES

For residences \$2.00 per month when occupied.

All other service to be charged for at the following
monthly meter rates.

MONTHLY METER RATES

Monthly Minimum Charges

For 5/8 by 3/4 inch meter	\$1.50
For 3/4 inch meter.	2.50
For 1 inch meter.	4.00
For 1 1/2 inch meter	7.00
For 2 inch meter.	12.00

Each of the foregoing monthly minimum
charges will entitle the consumer to the
quantity of water which that monthly min-
imum charge will purchase at the follow-
ing "monthly meter rates."

Monthly Meter Rates

From 0 to 500 cubic feet, per 100 cu.ft.	\$0.30
From 500 to 3000 " " " 100 "	.25
Over 3000 " " " 100 "	.20

IT IS HEREBY FURTHER ORDERED that Peters-Rhoades Company,

Incorporated, be and the same is hereby directed to file with this Commission within thirty (30) days of the date of this order, rules and regulations to govern relations with consumers, such rules and regulations to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 16th day of August, 1924.

C. Leary
H. B. Burdick
Dwight Martin
Egerton Shore
J. P. Whittney
Commissioners.