

Decision No. 14146.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
EL MODENA DOMESTIC WATER COMPANY, ) Application No. 10372.  
a corporation, for an order authoriz- )  
ing increase in rates. )

E. L. Dearing for applicant.

Clyde A. Payne for certain consumers.

BY THE COMMISSION:

O P I N I O N

In this application the El Modena Domestic Water Company, a corporation, asks permission to establish a schedule of rates which are higher than those at present in effect.

A public hearing in this matter was held before Examiner Williams at Orange after due notice thereof had been given so that all interested parties might appear and be heard.

The water supply of this system is obtained from a well owned and operated by W. E. Flippen, and El Modena Domestic Water Company is charged at the rate of 70 cents per hour of operation for the service rendered. The company also owns ten shares of stock in the John T. Carpenter Water Company, a mutual concern, and makes use of the supply derived thereby in times of heavy draught or in case of failure of the Flippen plant.

The water system consists of a concrete reservoir and approximately 18,000 feet of distribution pipe ranging in size from

1 to 10 inches in diameter. Domestic water is served to approximately 100 consumers, 35 of whom are metered.

The applicant submits the sum of \$10,162 as the cost of the present system, but no detailed inventory of the plant was submitted and it is not known whether all of the costs of the properties have been included in the total presented. M. I. Reed, one of the Commission's assistant hydraulic engineers, made an investigation and submitted a report at the hearing, in which it was found that the reasonable estimated original cost of the property was \$11,236, as of July 31, 1924. A depreciation annuity, computed by the 6% sinking fund method, was given as \$181. An estimate of future maintenance and operating expenses, not including depreciation, was shown to be \$1,352.

The rates in effect at the present time are as follows:

Monthly Flat Rates:

For each connection, per month . . . . .	\$1.00
For each head of stock watered, additional . . . . .	.15
For each lawn or garden watered. . . . .	.25

Monthly Metered Rates:

(Established by this Commission's Decision No. 6943)

400 cubic feet or less, per month. . . . .	\$1.00
For use over 400 cubic feet per month, per 100 cubic feet . . . . .	.20

The applicant proposes a schedule of rates as follows:

Meter Rates:

For the first 400 cubic feet or less, per month.	\$1.25
For use over 400 cubic feet per month, per 100 cubic feet . . . . .	0.30

Flat Rates:

Per month. . . . .	\$1.25
For each head of stock watered, additional . . . . .	.15
For each garden watered. . . . .	.25 to \$1.00 mo.
For each lawn watered. . . . .	.25 to 1.00 "

The assessed charge in each case of each lawn or garden to be within the discretion of applicant and depending upon the size of the lawn or garden and depending upon the season of the year. Flat rates to cease automatically whenever a metered rate is installed.

The testimony shows that there are two water systems operating in the vicinity of El Modena, namely, the Bond and Jones Water Company and the El Modena Domestic Water Company. Some of the pipe lines of these companies are parallel and this condition necessitates duplication of pipe lines and increased capital investment per consumer on each of the systems. Undoubtedly as long as this state of affairs continues, the consumers will either have to pay an abnormally high rate for water service or the utility will be burdened with the serving of water at a very low return upon its investment. However, this condition can be remedied by the consolidation of the two systems, in which case the consumers will pay a reasonable rate, obtain better service and the owners of the utility can obtain a more adequate return upon the investment.

A careful consideration of the testimony given at the hearing indicates that this utility is earning neither a reasonable operating expense nor any return upon its investment and that, owing to the fact that business is competitive, the rates of this utility must of necessity be similar to those of its competitor, the Bond and Jones Water Company, or this utility will lose a great deal of its business on streets where both companies have installed mains.

#### O R D E R

The El Modena Domestic Water Company, a corporation, having made application as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission now being fully informed thereon,

It Is Hereby Found as a Fact that the rates now charged by the El Modena Domestic Water Company for water delivered to the consumers in and in the vicinity of El Modena, Orange County, 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 for such service.

Basing the order upon the foregoing finding of fact and

upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that the El Modena Domestic Water Company, a corporation, be and the same is hereby authorized to file with this Commission within twenty (20) days from the date of this order the following schedule of rates to be charged for water delivered to its consumers subsequent to October 31, 1924:

METERED RATES

Monthly Minimum Charges:

5/8" meter . . . . .	\$1.25
3/4" meter . . . . .	2.00
1" meter . . . . .	3.00

Each of the foregoing monthly minimum charges will entitle the consumer to the quantity of water which that amount of money will purchase at the following monthly metered rates:

Monthly Meter Rates:

0 to 500 cubic feet, per 100 cubic feet. .	\$0.25
All over 500 cubic feet, per 100 cu.ft.. .	.20

Meters will be installed either at the option of the consumer or the utility. If installed at the option of the utility, the entire cost shall be borne outright by the utility. If installed at the option of the consumer, the cost of the meter shall be advanced by the consumer to the utility and the amount so deposited shall be returned to the consumer as credits on the monthly bills for water consumed at the rate of 1/3 of such monthly bills until the entire amount deposited shall have been returned.

FLAT RATES

For each connection. . . . .	\$1.50	per month.
For each head of stock, additional . . . . .	.15	" "
For each private garage, additional. . . . .	.25	" "
For the irrigating of lawns and gardens, per square yard. . . . .	.005	" "

The effective date of this order is hereby fixed as October 31, 1924.

Dated at San Francisco, California, this 7<sup>th</sup> day of October, 1924.

O. L. Seaver  
H. B. Brundage  
Erving Martin  
J. T. Whittaker  
Commissioners.