

Decision No. 14687.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
EASTMONT WATER COMPANY,)
a corporation, for a permit to charge a) Application No. 10725.
flat rate of \$1.50 to the consumers for)
the use of water.)

Jerome E. Kann for applicant.

SEAVEY, Commissioner:

O P I N I O N

In this proceeding the Eastmont Water Company, a corporation, engaged in the public utility business of supplying water for domestic purposes to consumers in and in the vicinity of Eastmont Tract, Los Angeles County, asks for authority to increase its rates.

The application alleges in effect that the company has gone to considerable expense in installing a new 100,000 gallon steel storage tank and in enlarging and relocating its water mains with the result that service conditions have been materially improved; that applicant has heretofore on December 4, 1923, been authorized by the Railroad Commission to charge a flat rate of \$1.50 per month for water service, but actually put into effect a lower rate of \$1.00 per month, and that this present rate does not yield sufficient revenues to pay operating and maintenance expenses. The Commission is therefore requested to restore the flat rate of \$1.50 per month formerly

authorized.

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

The water supply for this system is obtained from two deep wells located in separate parts of the tract. Water is pumped into a new steel tank of 100,000 gallons capacity and distributed by gravity to approximately 400 consumers.

On December 4, 1923, the Railroad Commission in its Decision No. 12900 authorized this company to charge a schedule of rates which is in part as follows:

Monthly Meter Rates

0 to 500 cubic feet, per 100 cubic feet. . .	\$.20
500 to 1000 cubic feet, per 100 cubic feet. . .	.15
1000 to 5000 cubic feet, per 100 cubic feet. . .	.12
Over 5000 cubic feet, per 100 cubic feet. . .	.06

Monthly Minimum Payments

For service 3/4 inch diameter or less.	\$1.00
For service 1 inch diameter.	1.25
For service 1 1/2 inch diameter.	1.75
For service 2 inch diameter.	2.25

Monthly Flat Rates

For residence of five rooms or less.	\$1.00
For each additional room10
For each bath tub.25
For each toilet.25
For each garage and one automobile25
For each additional automobile15
Sprinkling or irrigation of lawns or gardens, for each month for which water is used, per 100 square feet irrigated.05
Monthly minimum flat rate.	1.50

The rates authorized by the Commission were never placed in effect by the company, which proceeded to charge only a flat rate of \$1.00 per month for all service rendered.

The Eastmont Water Company desires the Commission to re-establish the former schedule of rates authorized, substituting for the flat rates the following:

Monthly flat rate, per consumer. \$1.50
Monthly irrigation rate for water used on a lot
not occupied by consumer, per hundred square feet. 0.05

The evidence indicates that this company's maintenance and operating costs for the past year have amounted to \$6,200 exclusive of depreciation and general office expenses, and that the revenues receivable during the same period were \$4,547, reflecting an operating loss in excess of \$1,653.

The applicant at this time does not desire to receive any return by way of interest on its investment, which it claims now exceeds the sum of \$52,000, but feels that it should derive sufficient revenues to meet the reasonable and necessary operating expenses and depreciation.

In the past there has been considerable complaint about the poor quality of water served and the unsatisfactory pressures which existed on the system. However, the erection of the new steel tank and the replacing of many of the old pipe lines has enabled the company to improve the quality of the water, increase the pressure, and to render reasonably good service at all times.

The evidence shows that certain consumers, cooperating with the Eastmont Chamber of Commerce, made a house to house canvass in the territory served, to determine the public sentiment regarding the proposed increase in water rates. This investigation revealed the fact that a great majority of the consumers favored the granting of the application.

It is apparent that the present rates do not yield the Eastmont Water Company sufficient revenues to meet the bare costs of maintenance and operation, and that the company is entitled to the relief prayed for.

The following form of order is submitted:

O R D E R

Eastmont Water Company, a corporation, having applied to this Commission for permission to revise its rate schedule, a public hearing having been held thereon, the matter having been submitted, and the Commission being fully informed in the matter,

It Is Hereby Found as a Fact that the rates now charged by Eastmont Water Company, a corporation, for water delivered to its consumers, 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 further statements of fact set out in the preceding opinion,

IT IS HEREBY ORDERED that Eastmont Water Company, a corporation, be and it 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 all consumers in and in the vicinity of Eastmont, Los Angeles County, for all water delivered subsequent to March 31, 1925:

METERED SERVICE

Monthly Meter Rates

0 to 500 cubic feet, per 100 cubic feet.	\$0.20
500 to 1000 cubic feet, per 100 cubic feet.15
1000 to 5000 cubic feet, per 100 cubic feet.12
Over 5000 cubic feet, per 100 cubic feet.06

Minimum Monthly Payments

5/8 or 3/4 inch meter.	\$1.00
1 inch meter	1.25
1 1/2 inch meter	1.75
2 inch meter	2.25

NOTE: Each of the foregoing "minimum monthly payments" will entitle the consumer to that quantity of water which the minimum monthly payment will purchase at the foregoing "monthly meter rates."

Public Use

For street sprinkling or sewer flushing, per 100 cubic feet \$0.06
Meters may be installed at the option of the consumer or the utility. When installed at the option of the utility the entire cost of the meter and installation shall be borne by the utility. When installed at the option of the consumer a deposit may be required, such deposit to be returned to the consumer as a credit on monthly bills for water consumed at the rate of 1/20 of the deposit. The following deposits may be required:

5/8 inch meter	\$15.00
3/4 inch meter	20.00
1 inch meter	25.00
1 1/2 inch meter	45.00
2 inch meter	70.00

MONTHLY FLAT RATES

Per consumer	\$1.50
Irrigation use on lot not occupied by a consumer, per 100 square feet irrigated . . .	0.05

IT IS HEREBY FURTHER ORDERED that Eastmont Water Company, a corporation, be and it is hereby directed to file within thirty (30) days from the date of this order, rules and regulations governing relations with its consumers, said rules and regulations to become effective upon their acceptance for filing by the Commission.

For all other purposes, the effective date of this order shall be twenty (20) days from and after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 13th day of March, 1925.

H. B. Blanding

C. Cleary

Egerton Shore

Frederick J. [Signature]

5. COMMISSIONERS.