

Decision No. 14 981.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
H. REDMOND)
for permission to serve and collect) Application No. 10570.
for water served for domestic use.)

Gerald W. Myers, for applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled application E. Redmond asks for a certificate of public convenience and necessity to operate a public utility water system for domestic purposes in Tract No. 6990 in Los Angeles County and for the establishment of reasonable charges for the service to be rendered.

Public hearings were held in this matter before Examiner Williams at Los Angeles, after due notice thereof had been given so that all interested parties might appear and be heard.

The testimony indicates that one Johnson originally installed this water system to aid in the sale of lots in Tract No. 6990, located within the city limits of Long Beach, and after operating for a short time transferred the entire system to Mr. Redmond, who now desires to operate the plant as a public utility and charge for the water delivered.

The consumers objected to the granting of the application on the ground that they preferred service from the municipal

system of the City of Long Beach. Mr. Redmond offered no objection to this plan provided he be reimbursed for the costs of pumping and repairs and for the time required to look after the general operation of the system until such time as the duty of serving the present consumers be assumed by the City of Long Beach or some other agency. Applicant also offered to turn the entire plant over to the consumers, free of charge, to operate upon a mutual basis if they so desired, the hearings in this matter having been postponed several times for the purpose of giving applicant and the consumers ample opportunity to work out an acceptable solution of this proposition, which however was not accomplished.

The testimony shows that the system originally cost approximately \$2,000 and that the maintenance and operation expenses average \$6.00 per month exclusive of time and labor spent by the owner in operating the plant and collecting the bills, which he expressed a willingness to do for \$25.00 per month.

At the present time there are only fourteen consumers receiving water from this system. A rate which would produce a full return upon the investment over and above the operating costs and depreciation allowance would be prohibitive. However, the applicant is reasonably entitled to receive by way of revenues an amount which will cover the actual cost of operating and maintaining the system, with proper allowance to cover replacement annuity. The rate which will be established in the order below will, under the existing circumstances, reasonably provide for the conditions under which this system must operate.

There is no other public utility serving water in the immediate vicinity. The possibility of the future extension of the municipal water system of the City of Long Beach into the territory now served by Redmond at the present time is more or less vague and indefinite. It is apparent therefore that this application should be granted.

O R D E R

Application having been made as entitled above, a public hearing having been held thereon, the matter having been duly submitted and being now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require that E. Redmond construct and operate a water system for the purpose of supplying water for domestic purposes in Tract No. 6990, Los Angeles County; and

IT IS HEREBY ORDERED that E. Redmond be and he is hereby authorized and directed to file with the Railroad Commission of the State of California within twenty (20) days from the date of this order the following schedule of rates to be charged for all service rendered subsequent to May 31, 1925:

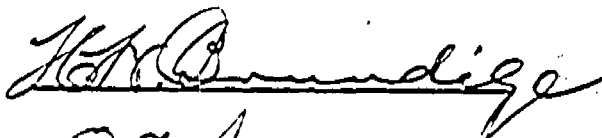
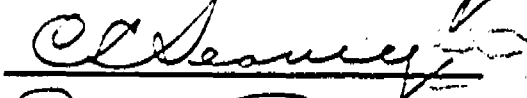
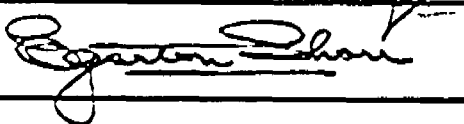
MONTHLY FLAT RATE

For each house and lot \$2.00

IT IS HEREBY FURTHER ORDERED that E. Redmond be and he is hereby directed to file with the Railroad Commission within thirty (30) days from the date of this order, rules and regulations governing the distribution of water to consumers, said rules to become effective upon their approval by the Commission.

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 28th day of May, 1925.

Commissioners.