

Decision No. 15746.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
on the Commission's own motion into
the reasonableness of the rates,
charges, practices, contracts, rules,
regulations, schedules and conditions
of service, or any of them, of PETERS-
RHOADES COMPANY, a corporation, oper-
ating a public utility water system in
that portion of Los Angeles County
more particularly known as "El Merrie
Dell."

ORIGINAL

Case No. 2166.

D. L. Peters for respondent, Peters-Rhoades Company.

F. A. Waters for J. E. Banks, et al., consumers.

BY THE COMMISSION:

O P I N I O N

This is an investigation on the Commission's own motion into the reasonableness of the rates, charges, practices, contracts, rules, regulations, schedules and conditions of service, or any of them, of Peters-Rhoades Company, a corporation engaged in the business of supplying water for domestic purposes to residents of that tract of land in Los Angeles County known more particularly as El Merrie Dell.

This water system was installed to aid in the sale of lots in the El Merrie Dell tract. On the 16th day of August, 1924, the Commission in Decision No. 13925 granted Peters-Rhoades Company, a corporation, a certificate of public convenience and necessity to operate the water system serving this property.

A public hearing in this matter was held before Examiner

the sale of lots installed a water system and supplied water for some time free of charge. Apparently the consumers did not know that a schedule of water rates had been established by the Commission until July, 1925, when the Peters-Rhoades Company presented each consumer with a bill for water service covering a six months' period from January first to July first, 1925, based on a flat rate charge of \$1.50 per month.

The schedule of rates of this utility provides for a monthly flat rate of \$2.00, and the rules and regulations accepted for filing by the Commission provide for the collection of this rate on a monthly basis. They further provide for the signing of an application for service and establishment of credit before service is rendered to a consumer. This was not done, and the consumers who had received free water for some time were not given an opportunity to say whether or not they desired water service under the rates established by the Commission.

Where the rates and rules of a water utility are based upon monthly payments for service, it is the duty of such a utility to render each consumer a monthly bill. Where the system operates a flat rate schedule this bill should be rendered not later than the first day of any billing period. Obviously in the case of metered rates this can not be done until after the meter has been read. In cases where the rates are payable monthly as distinguished from annually, the Commission in fairness can not permit the consumers to be charged for services rendered at various times in the past prior to the time such consumers received notice of the intention of the utility to charge for water service which for the purpose of promoting real estate sales had heretofore been furnished free. Such notice was first given the consumers on this system on or about the first of July, 1925. Therefore this company may not charge for any service rendered prior to July 1, 1925, but may charge its consumers for all service rendered on and after this date according to its legal

rates, which in the case of metered service is at a monthly minimum of \$1.50, and for flat rate service \$2.00 and not \$1.50 as actually charged in the bills rendered for flat rate service. All moneys if any collected from the consumers prior to July 1, 1925, shall be refunded to those entitled thereto, either by cash or by credit upon the water bills for service rendered subsequent to the above date.

In general the testimony indicated that the service rendered by this utility has been very poor and intermittent. Apparently more consideration has been given to providing water for the swimming pool located upon the tract than in taking proper care of the sanitary and domestic requirements and convenience of the public. This utility should understand that the domestic service to the consumers must take precedence over all other water use, and where the water supply is inadequate to take care of this domestic service and the demands for such use as may be required for the operation of a swimming tank, the latter must be abandoned until such time as a proper supply may be obtained. In case of further complaint from this source in the future it may be necessary for the Commission to order the discontinuance of service to this swimming pool, which however it hopes may be unnecessary.

This company should take steps to improve the storage and water supply facilities of its system at an early date in order that the inadequate service conditions existing during the past summer months may not again occur next season.

O R D E R

The Railroad Commission of the State of California having instituted an investigation on its own motion into the reasonableness of the rates, charges, practices, contracts, rules, regulations, schedules and conditions of service, or any of them, of Peters-Rhoades Company, a public hearing having been held thereon

and the Commission being fully advised in the matter,

IT IS HEREBY ORDERED THAT:

1. Peters-Rhoades Company, a corporation, be and it is hereby directed to refund to each and every consumer all amounts, if any, collected from any such consumer for water service rendered prior to July 1, 1925.
2. All refunds directed to be made herein shall be made commencing with water bills for metered service rendered for the month of December, 1925, and flat rate service for the month of January, 1926, and upon the basis of a credit to the extent of the total amount of the monthly water bills of such consumers entitled thereto, continuing thereafter until the full amount of the refunds shall have been made; provided however that no refund shall exceed the total amount of the refund to which any particular consumer is entitled; and provided further that in cases where consumers who are entitled to refunds are no longer consumers of the Peters-Rhoades Company, the full amount of such refunds shall be paid to such consumers in cash within thirty (30) days from and after the date of this order.
3. Within thirty (30) days from the date of this order Peters-Rhoades Company shall file with this Commission a complete list setting forth the names and addresses of all consumers entitled to refunds under the terms of this order, and the amounts of such refunds due. Thereafter said company shall submit to this Commission a monthly statement showing the amounts refunded to each of the consumers entitled thereto until such time as all refunds

shall have been completed.

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 11th day of December, 1925.

H. B. Brundage

Chase

George D. Squires

Commissioners.