

ITEM

Decision No. 16089.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FRED A. MOSES  
for permission to issue a note, exe- } Application No. 12425  
cute a mortgage to secure the payment }  
of such note, and increase rates. }

Fred A. Moses, in propria persona.

BY THE COMMISSION:

O P I N I O N

Fred A. Moses engaged in the business of furnishing water for domestic consumption in the Town of Newark, Alameda County, asks permission to issue a one year six percent note for \$1500., execute a mortgage to secure the payment of such note, and increase water rates.

Applicant did not submit a detailed appraisal of his properties but represents the cost thereof at \$2,470.00. D.E. Harroon, assistant engineer for the Commission, in the Commission's Exhibit No. 1, reports the estimated historical cost of applicant's properties at \$2,741.00, and finds that the depreciation annuity on a five percent sinking fund basis, amounts to \$62.66 per annum. The properties consist of a lot 50 x 200 ft., a well, a pump, a 4,000 gallon redwood tank on a 24 ft. tower, 35 services and 4520 ft. of pipe consisting of 2,560 ft. of 2-inch pipe, 1360 ft. of 1/2 inch pipe, and 600 ft. of one inch pipe. Applicant proposes to install a new pump and about 600 ft. of 3-inch pipe, in order to improve his service.

Fred A. Moses now charges his consumers a flat rate of either \$1.50 or \$1.25 per month. He asks permission to put into effect a meter rate similar to that of the East Bay Water Company and the following schedule of flat rates;-

Minimum rate . . . . .	\$1.50 per month
Additional charge for toilet . .	.75 per month
Additional charge for lawns or gardens . . . . .	.50 per month
Additional charge for vegetable gardens . . . . .	.50 per month.

He estimates his revenue under the new flat rates at \$909. compared with an actual revenue of \$500. during 1925.

A number of applicant's consumers appeared at the hearing and called the Commission's attention to the fact that at times they have been unable to get any water for several hours or for the greater part of a day, that no notice is being given when the pump or pipe line is being repaired, and that the shutdown of the service or the failure to deliver water, has resulted in consumer's appliances, particularly hot water heaters, being destroyed. Some consumers objected to a rate increase, others take the position that no increase should be granted unless they are assured a continuous and adequate water supply. Applicant admitted that his water service was not satisfactory but expects to improve the same by the installation of a new pump and pipe.

These improvements should be made forthwith. When the improvements are installed and the service improved we will in a supplemental opinion and/or order consider the matter of a rate increase.

Applicant has filed a copy of his proposed mortgage which we find to be in satisfactory form.

#### ORDER

Fred A. Moses, having applied to the Railroad Commission for permission to issue a \$1500. note, execute a mortgage to secure

the payment of such note, and to increase rates, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the note, is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income, and that the matter of an increase in rates should be considered in a supplemental opinion and/or order.

IT IS HEREBY ORDERED that Fred A. Moses be, and he is hereby, authorized to issue a \$1,500. one-year six percent note, and execute a deed of trust to secure the payment of such note, said deed of trust and note to be substantially in the same form as the deed of trust and note filed with the Railroad Commission on March 2, 1926, provided that the authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said mortgage as to such other legal requirements to which said mortgage may be subject.

IT IS HEREBY FURTHER ORDERED that Fred A. Moses shall use the proceeds obtained from the issue and sale of the note to refund a \$1,250. note now payable to the Bank of Italy and to pay in part the cost of the new pump and pipe referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to issue a note will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is \$25.00. Applicant shall file

with the Railroad Commission reports as required by the Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 8th day of March, 1926.

H. B. Brown

O. J. Brown

Leon Whitell

Commissioners.