

Decision No. 16498.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

O. A. BLETHEN, PRESTON DAVIS,  
E. H. STENINGER, G. A. MOORE et al.,  
Complainants,

vs.

THE SHERMAN WATER COMPANY,  
Defendant.

Case No. 2194.

O. A. Blethen for complainants.

Ed Fletcher for defendant.

BY THE COMMISSION:

O P I N I O N

This is a complaint filed by more than twenty-five consumers against the Sherman Water Company, a corporation, a public utility serving water for domestic and commercial purposes in and near the town of Sherman, Los Angeles County. The complaint alleges in effect that the rates charged by defendant water company are exorbitant and that the so-called sliding scale of rates is intended to deceive all of defendant's customers; that defendant turns off the water from its mains at the wells late in the evening and thereby allows the water to syphon out of said mains for the express purpose of filling said mains with air so that when the water is turned on in the early morning the air in said mains will and does cause the water meters to register very rapidly before water reaches the faucets, thereby causing consumers to pay large sums of money for which no value is received. It is further

alleged that in many streets the defendant's water mains are too small, have in many cases rusted out, and that there are many dead ends on the system that have not been provided with hydrants for flushing out the mains; and that in many of the streets the pressure is not sufficient to sprinkle lawns to any advantage. In addition to the above matters complained of it is further alleged that defendant grants special prices to some consumers and has practically no uniform rates or prices for water.

By way of answer defendant enters a general denial of the essential allegations set out in the complaint herein, except that it admits that the pipe line in Harratt Street is inadequate in size and that the water pressure at the upper end of the Hammond Street main is unsatisfactory in the summer months during the hours of maximum demand. By way of defense it is alleged that the rates charged by the company were fixed by the Railroad Commission and have not been altered in any way; that the only time water is ever shut off on the system is for emergency repairs, which did not occur more than three times during the past year in that section of the town of Sherman wherein complainants reside. It is further alleged that it is the intention of defendant company to continue the replacement of such of its older water mains as are inadequate with larger pipe as rapidly as the finances of the company will permit.

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

The rates now in effect on this system were fixed by this Commission in its Decision No. 9435, dated August 30, 1921, as a result of an application filed by one P. T. Durfy, then the owner of the company, and are as follows:

MONTHLY FLAT RATE . . . . . \$1.25

MONTHLY METER RATE

Service Charge for each meter in use:

5/8 inch and 3/4 inch meters . . . . .	\$0.50
1 inch meter. . . . .	.75
1 1/2 " " . . . . .	1.00
2 " " . . . . .	1.25
3 " " . . . . .	1.50
4 " " . . . . .	2.50

Unit Price for Water Used:

0 to 400 cubic feet, per 100 cubic feet. . . . .	\$0.20
400 to 10000 cubic feet, per 100 cubic feet. . . . .	.13
Over 10000 " " " " " " . . . . .	.12

The present owner of the controlling interest in the Sherman Water Company, a corporation, is Mr. Ed Fletcher, who purchased a portion of the system from W. P. Cunningham and F.B.R. Cunningham, authorized by the Commission in its Decision No.12805, dated November 8, 1923. Later, Mr. Fletcher, doing business under the firm name and style of Sherman Water Company, was authorized in Decision No. 14565, dated February 14, 1925, to transfer to the Sherman Water Company, a corporation, the public utility property described in his application, No. 10614.

An investigation of conditions existing on this system was made by F. H. Van Hoesen, one of the Commission's hydraulic engineers, who presented a report indicating that service conditions were unsatisfactory on certain portions of the system. An analysis of the operating and maintenance expenses, taken in conjunction with the capital invested as set out in this report, indicates that while the defendant company is on a sound financial basis it is not earning from its present rates an unreasonable or unfair return. As a matter of fact the testimony of the complainants and other consumers present at the hearing showed that there was not so much objection to the rates, which are lower than those

charged by many other utilities operating in the general vicinity, as dissatisfaction with the water service, especially in higher portions of the system. While this company has made considerable improvements in the system since it acquired control thereof, yet the evidence is conclusive that certain sections of the system do not deliver the standard of uninterrupted and continuous water service to which the consumers are entitled, both day and night, throughout the entire year.

Although defendant contends that by reason of certain proposed sewer projects and street paving improvements it has been delayed and placed at a disadvantage in installing larger mains in the districts where service conditions are poor, nevertheless the Commission is of the opinion that immediate steps should be taken by defendant to remedy the poor and inadequate service conditions which exist on certain portions of its system. In order that the consumers may be assured proper service during the coming summer, these improvements should be completed on or before the thirty-first of May, 1926.

There was no evidence introduced which would substantiate the allegations in the complaint that the company has charged any rates for water service rendered other than those rates fixed by the Commission, or that there has been any unfair discrimination shown in charging said rates or in the adjustment of disputed bills. In this connection it might be well to note that in the settlement of disputes arising over the correctness of water bills, slight differences in facts and conditions not always apparent at first sight frequently alter to a considerable extent the final adjustment.

The service charge type of structure as in effect on this system, although more modern and scientific as well as more fair and equitable to the average water user than the standard monthly minimum form of rate generally used, frequently causes

misunderstandings to arise among consumers not familiar with its application. For this reason extra effort should be made by a utility having this form of rate structure to explain its methods of functioning to any of its consumers who desire such information.

As to the other matters alleged in the complaint, no evidence was presented which would warrant a finding therein, and as to such matters the complaint herein should be dismissed.

O R D E R

Complaint having been made against Sherman Water Company as entitled above, a public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully informed thereon,

IT IS HEREBY ORDERED that Sherman Water Company, a corporation, be and it is hereby directed to file within twenty (20) days from the date of this order, with this Commission, for its approval, detailed plans for the installation of such improvements to its distribution system as will enable said company to provide an adequate water supply at reasonable pressures to all of its consumers throughout the entire year, such improvements to be completed and in proper operation on or before the thirty-first (31st) day of May, 1926.

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 16th day of April, 1926.

H. H. Bunnage  
C. Deane  
Ernest West  
Leon Whitell  
Commissioners.