

ORIGINAL

Decision No. 21988

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
MEICHAEL REICHEAL for an order auth-
orizing and validating purchase of
public utilities.

Application No. 16040.

In the Matter of the Application of
MEICHAEL REICHEAL for a certificate of
public convenience and necessity, to
operate a water works and water system
in the Town of Rivera, County of Los
Angeles and State of California.

Application No. 16041.

In the Matter of the Application of
MEICHAEL REICHEAL for an order in-
creasing water rates.

Application No. 16042.

Bigby & Boone, by A.D. Boone,
for Applicant.

BY THE COMMISSION:

O P I N I O N

Meichael Reicheal, supplying water to residents in the
Town of Rivera, Los Angeles County, has petitioned the Railroad
Commission for an order authorizing the transfer to him of a
public utility water system, also for a certificate of public
convenience and necessity to operate said system and for a
schedule of increased rates for water service. Applicant alleges
that the present rates do not produce sufficient revenue to pro-

vide a reasonable return on the investment.

A public hearing on these applications was held before Examiner Cannon at Los Angeles, at which time it was stipulated that the above entitled matters be consolidated for hearing and decision.

The water system involved in this proceeding was installed by one Vernon C. Hanna about the year 1921 to aid in the sale of lots. A regular charge was made for all water service delivered to the consumers. However, rates, rules and regulations were not filed with the Railroad Commission nor had any certificate ever been applied for or granted authorizing operation as a public utility. In November, 1925, said Hanna transferred the water system, together with two lots and houses, to Michael Reicheal in exchange for certain property in Shasta County, but failed to secure the authority of the Commission to make such transfer. To remove the existing cloud upon the title to the water works and render the operation thereof regular and in accordance with the law, applicant now asks the Railroad Commission to authorize the transfer and to grant him a certificate of public convenience and necessity to operate the water system.

The present charge for water is a flat rate of one dollar per month. The water is obtained from a deep well and is pumped into a storage tank from which it is distributed by gravity to eighty-two consumers through approximately 5,655 feet of main varying from one to four inches in diameter.

The evidence indicates that the sum of \$5,500. is a reasonable rate base for the purpose of this proceeding and that a fair allowance for annual maintenance and operation expense for the immediate future, including depreciation, is \$1,400. The revenues are approximately \$984. per year which results in a

deficit of \$416. under existing charges. It is evident therefore that applicant is entitled to an adjustment in the present rate schedule. Due allowance will be made for the annual increase in business resulting from the growth of the territory.

Two consumers appeared and protested the granting of an increase in rates on the ground that the service heretofore rendered was poor and unsatisfactory. However, the testimony shows that a new tank has been recently installed and the improved service resulting therefrom has largely eliminated the former inadequate water service.

O R D E R

Meichael Reicheal having made application to this Commission as entitled above, a public hearing having been held thereon, the matters having been duly submitted and the Commission being now fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require that Meichael Reicheal operate a water system for the purpose of supplying water for domestic and other purposes in the Town of Rivera, Los Angeles County.

It is hereby found as a fact that the rates and charges of Meichael Reicheal for water delivered to his 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 to be charged for the service rendered, and

Basing this order upon the foregoing findings of fact and upon the further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Meichael Reicheal be and he

is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the following schedule of rates to be charged for all service rendered subsequent to the 3rd day of January, 1930.

MONTHLY FLAT RATES

For house of five rooms, or less-----\$1.50
 For each additional room----- .10
 For sprinkling lawns, gardens or shrubbery,
 per 100 square feet----- .02

METER RATES

Monthly Minimum Charges:

For 5/8-inch meter-----\$1.50
 For 3/4-inch meter----- 2.00
 For 1-inch meter----- 2.75
 For 1 1/2-inch meter----- 3.75
 For 2-inch meter----- 5.50

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates".

Monthly Quantity Rates:

From 0 to 600 cubic feet, per 100 cubic feet-----\$0.25
 From 600 to 3,000 cubic feet, per 100 cubic feet----- .20
 All over 3,000 cubic feet, per 100 cubic feet----- .12

IT IS HEREBY FURTHER ORDERED that Michael Reicheal be and he is hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from the date of this order, rules and regulations governing his relations with his consumers, said rules and regulations to become effective upon their acceptance for filing by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that Michael Reicheal be and he is hereby authorized to purchase the water system supplying water to the Town of Rivera, Los Angeles County, from Vernon C.

Hanna, in accordance with the terms and provisions contained in that certain grant deed entered into by and between Vernon C. Hanna and Michael Reicheal dated November 18, 1925, a copy of which is filed and designated as Exhibit "A" in Application No. 16040 herein.

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 7th day of January, 1930.

Thomas D. Latta

W. C. Leavitt

Samuel J. Scott

Leon Whitell

W. J. Carr
Commissioners.