

ORIGINALDecision No. 23142

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 WHITTIER WATER COMPANY, a corporation,
 and GENERAL PETROLEUM CORPORATION OF
 CALIFORNIA, a corporation,

Applicants,

Application No. 16905.

- a. To approve contract for extension of service and application of cost of pipe line to service charges.
- b. To approve industrial rate for water where consumer advances cost of pipe line.

Finlayson, Bennett & Morrow, by Clarence M. Heublein,
 for Applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding Whittier Water Company, a corporation operating a public utility water system in and in the vicinity of the City of Whittier, Los Angeles County, asks approval of a contract entered into under date of September 16, 1930, by and between said company and General Petroleum Corporation of California, a corporation, whereby said corporation agrees to advance a sum not to exceed \$26,325 to Whittier Water Company for the installation or construction of a pipe line from said company's main ditch north of Whittier Boulevard to a meter location on the Los Nietos Road near the intersection thereof with Painter Road. This contract provides, among other things, for

the refunding to the corporation of the moneys advanced upon the basis of fifty per cent of the monthly bills for water consumed during a period of ten years and also establishes the rate of \$.0031 per barrel of forty-two gallons with a monthly minimum charge of \$25.00 to be paid for the water service to be rendered.

The above rate is the same as now charged by this utility for regular irrigation service with the exception of the 25-dollar monthly minimum charge. The company apparently has ample water supply available or which may be developed to take care of this proposed new service without endangering the needs of existing consumers and, as the terms of the above agreement with a few minor exceptions are in keeping with the general rules and regulations approved by this Commission covering the extension of mains, it will be authorized, subject to the conditions set out in the following Order.

The provisions in the above mentioned contract relating to the deposit and refunds are rather vague and uncertain. These provisions should be clarified by requiring the deposit of the estimated reasonable cost of the proposed extension not exceeding the agreed amount and providing for the adjustment of the amount deposited, should any substantial differences be found to exist between the estimated cost and the actual reasonable cost as determined upon completion.

The Commission also is asked to authorize the company to file the same rate as set out in the above agreement to cover all transportation and delivery of water to other consumers who in the future may demand a similar class of service, to render which likewise will require the extension of mains. The rate itself for general industrial service is not objectionable. How-

ever, no evidence was presented which would justify the minimum monthly charge of twenty-five dollars (\$25.00). There is no relationship whatsoever between a monthly minimum charge for service and the fact that an extension of facilities might be necessary to provide the consumer with water. Upon principle, the rate should be the same irrespective of the necessity of extending mains. The monthly minimum charge primarily should be based upon the size of service connection required or requested and, of course, to some extent upon the quantity of water to be used. The requested rate will be approved but the company should take care of the minimum charge by filing with this Commission, subject to its approval, monthly minimum charges for industrial and similar service based upon the various sizes of service connections taken off the main, and should also file a rule and regulation establishing uniform practice for main extensions. This will eliminate the seeking of formal approval for each individual case of extension which may arise in the future.

O R D E R

Application as above entitled having been filed with this Commission, a public hearing having been held thereon before Examiner Gannon, the matter having been submitted and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that Whittier Water Company, a corporation, be and it is hereby authorized to enter into an agreement with General Petroleum Corporation of California, a corporation, for the construction of a pipe line for the transportation and delivery of water to the latter corporation at the rates and under substantially the same terms and conditions as set out in

the agreement attached to the application herein as amended, subject to the following terms and conditions:

1. Said contract shall be modified to provide for the deposit by General Petroleum Corporation of California of the reasonable estimated cost of the proposed pipe line installation not to exceed a fixed sum, either as said sum is now or may hereafter be agreed upon, and further providing for the adjustment of the amount of said deposit upon completion of the extension to conform to the reasonable actual cost thereof, in the event any substantial difference should arise between said reasonable actual cost and the estimated cost.
2. A certified copy of the final agreement shall be filed with this Commission by Whittier Water Company within ten (10) days after its execution.
3. Within thirty (30) days after completion of the above proposed pipe line installation, Whittier Water Company shall file with this Commission a full and complete, itemized statement setting forth the actual costs of the various elements entering into the construction of said pipe line installation.

IT IS HEREBY FURTHER ORDERED that Whittier Water Company be and it is hereby authorized to file with this Commission, within thirty (30) days from the date of this Order, a rate of \$0031 per barrel of forty-two gallons for water to be furnished for special industrial and similar service where delivery is made by gravity from said company's main transmission line.

IT IS HEREBY FURTHER ORDERED that Whittier Water Company be and it is authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, a rule and/or regulation providing for the method of making deposits and for the refunds thereof governing those cases where extensions of mains are or will be required to provide service for special industrial and other similar classes of service.

IT IS HEREBY FURTHER ORDERED that Whittier Water Com-
pany file, within thirty (30) days from the date of this Order,
monthly minimum charges for special industrial and other similar
uses based upon and varying with the size and diameter of the
service connections supplying such service.

For all other purposes, the effective date of this Or-
der shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 4th day
of December, 1930.

C. L. Seaver

Thos. B. Lott

W. J. Lee

Commissioners.