

Decision No. 10270.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application)
of LAWNDALE LAND & WATER COMPANY)
to increase its service rates.)

Application No. 6851.

Charles P. Ward, for applicant.

Thomas H. Fillmore, Chairman of
Protestants' Committee, for
protestants.

BY THE COMMISSION.

O P I N I O N

Lawndale Land and Water Company asks for authority to increase rates for water delivered to consumers in and in the vicinity of Lawndale, Los Angeles County, alleging in effect that its present revenues are not sufficient to provide for maintenance and operating expense, depreciation, and a reasonable return upon its investment.

A public hearing in this matter was held at Los Angeles, before Examiner Williams, of which all interested parties were notified and given an opportunity to be present and to be heard.

This system supplies water for domestic and irrigation purposes to approximately 405 consumers. The system consists of a 12 inch well with a total depth of 542 feet, a vertical centrifugal pump driven by a 50 horse power electric motor, a horizontal centrifugal pump actuated by a 15 horse power electric mo-

tor, three storage tanks of a combined capacity of 250,000 gallons, and approximately 118,000 feet of distribution pipe lines ranging in size from one and one-half to six inches in diameter. The system is practically all metered.

The present rates charged by the utility are as follows:

DOMESTIC RATES

Minimum monthly rate, which entitles consumer
to 750 cubic feet \$1.25

For all water use in excess of 750 cubic feet
per month, per 100 cubic feet 0.10

SPECIAL RATE NO. 1

Minimum monthly rate, which entitles consumer
to 2333 cubic feet \$2.00

For all water use in excess of 2333 cubic feet
per month, per 100 cubic feet 0.075

SPECIAL RATE NO. 2

Minimum monthly rate, which entitles consumer
to 4000 cubic feet \$3.00

For all water use in excess of 4000 cubic feet
per month, per 100 cubic feet 0.075

A few consumers are supplied at a flat rate of \$1.50 per month.

The application in this matter shows a book value of the plant amounting to \$103,345; maintenance and operating expense for 1920 was indicated as \$5,002; and depreciation, computed by the straight line method, was given as \$1,866. Applicant did not, however, at the hearing, urge the use of these sums for rate fixing purposes.

Mr. F. H. Van Hoesen, one of the Commission's hydraulic engineers, submitted a report, based upon an investigation of the system, which sets forth an estimated original cost of the used and useful portions of the property amounting to \$70,606; a depreciation annuity computed by the sinking fund method of

\$1,252; and an estimate of reasonable maintenance and operating expense for the future in the sum of \$4,506. These estimates were not questioned at the hearing and as they appear reasonable they will be used for the purpose of this proceeding.

A summary of the annual charges as indicated above is as follows:

Return at 8% on \$70,606	\$5,648
Depreciation Annuity	1,252
Maintenance and Operating Expense.	4,506
Total	\$11,406

The operating revenue for 1920 was \$5,585, and for the first nine months of 1921 amounted to \$5,435. Although a substantial growth in business is thus indicated it is apparent that the utility is entitled to some increase in rates. However, the testimony shows that the system is somewhat overbuilt, and the establishment of a rate which would result in revenues equal to the full amount of the foregoing annual charges would, therefore, be an undue burden upon the present consumers. The schedule of rates set out in the accompanying order is designed to yield sufficient revenue to cover maintenance and operating expense, depreciation annuity, and some return upon the investment.

O R D E R

Lawndale Land and Water Company having made application as entitled above, a public hearing having been held thereon, and the matter having been submitted,

It Is Hereby Found as a Fact that the rates now charged by Lawndale Land and Water Company for water delivered to consumers in Lawndale and vicinity 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 such service;

And basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Lawndale Land and Water Company be and the same is hereby authorized and directed to file with this Commission within twenty (20) days from the date of this order, the following schedule of rates to be charged for water delivered to its consumers in Lawndale and vicinity, effective for all water delivered subsequent to February 28, 1922:

METER RATE SCHEDULE

Monthly Minimum Charges;

5/8 inch meter	\$1.25
3/4 " "	1.50
1 " "	2.00
1 1/2 " "	2.50
2 " "	3.00
3 " "	5.00

Monthly Rates for Water Consumed:

From 0 to 500 cubic feet, per 100 cubic feet. . .	\$0.25
" 500 to 1000 " " " " " " " " . . .	0.20
" 1000 to 5000 " " " " " " " " . . .	0.15
Over 5000 " " " " " " " " . . .	0.12

MONTHLY FLAT RATE SCHEDULE

Residences of not over 5 rooms, including bath and toilet, occupied by a single family.	\$1.50
For each additional room	0.10
For each horse or cow.	0.20
For each private garage, not more than one automobile	0.25
For each additional automobile	0.15
Sprinkling or irrigation of lawns, shrubbery or garden, for each square yard of surface actually irrigated	0.005
All other uses to be charged for at the meter rates.	
Meters will be installed at the option of either the consumer or the utility.	

IT IS HEREBY FURTHER ORDERED that Lawndale Land and Water

Company be and the same is hereby directed to file with this Commission, within thirty (30) days from the date of this order, rules and regulations to govern relations with consumers, such rules and regulations to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 8th day of February, 1922.

H. H. Brundage
H. D. Loveland
Charles H. Brown
J. H. Peterson
Commissioners.