

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
the LOOKOUT MOUNTAIN PARK LAND AND)
WATER COMPANY, for increase and ad-) Application No. 8112.
justment of rates and rules for wa-)
ter service upon their subdivision)
in Los Angeles County, California.)

Hunsaker, Britt & Cosgrove, by T. B. Cosgrove,
for applicant.

BY THE COMMISSION:

O P I N I O N.

Lookout Mountain Park Land and Water Company, applicant herein, is a public utility engaged in the business of supplying water for domestic purposes to its consumers in the tract known as Lookout Mountain Park, in Los Angeles County. In this proceeding applicant asks authority to increase its rates, alleging in effect that the revenue received from the sale of water under the present rate schedule is inadequate to meet even the current expenses connected with the operation of the system; also that the conditions under which applicant's water system is operated are quite similar to those of the Laurel Canyon Land Company, which adjoins Lookout Mountain Park on the east, and that applicant would be satisfied with the rate schedule established for the water service rendered by the Laurel Canyon Land Company. The latter rate schedule was established by this Commission's Decision No. 10072, decided February 8, 1922.

In addition to an adjustment of the rate schedule applicant asks permission to file rules and regulations governing the supply of water to its consumers similar to those of the Laurel Canyon Land Company, which have been accepted for filing by the Commission.

A public hearing was held in this matter before Examiner Williams at Los Angeles, of which applicant's consumers were duly notified and given an opportunity to appear and be heard.

The evidence shows that the Lookout Mountain Park Land and Water Company's water system was installed in 1909 and 1910, primarily to aid in the sale of its real estate. The water supply for the system is obtained from a pit in the canyon at the lower end of the tract. From the pit it is pumped directly into the distribution system, consisting principally of two-inch main lines, terminating in storage reservoirs, of which there are two with a combined capacity of 65,000 gallons.

The district served is in the foot-hill region. Considerable difference in elevation exists between the various service connections on the system, the upper reservoir being 550 feet above the pumping station.

There are some 24 consumers being supplied by applicant at the present time, at a flat rate of \$1.50 per month, although the Commission was advised by letter from applicant under date of June 19, 1912, that the rate in effect at that time was as follows: a minimum charge for each dwelling \$1.50 per month, which allows the consumer 6000 gallons; for all use over 6000 gallons, at the rate of 15 cents per 1000 gallons.

Mr. J. G. Hunter, one of the Commission's hydraulic engineers, submitted an estimate of the original investment in applicant's operative property. This estimate shows the original cost of the system to be \$7,722. Depreciation annuity, computed by

the sinking fund method, was given as \$138, and the annual reasonable maintenance and operating expenses as \$750.

The operating revenues were shown to be as follows:

1918	\$174.17
1919	169.55
1920	165.20
1921	235.50

The evidence shows an installation at the present time of more than 12,000 feet of pipe in the distribution system, which is equivalent to over 500 feet for each consumer. It is evident from the foregoing that applicant's business is still in the development stage and it would be unreasonable to require the present consumer to pay a rate for water service that would yield to the utility a full return on its investment.

One of applicant's consumers testified that the service and quality of the water is very unsatisfactory, and that this condition has existed for some time. It was explained that the pressure at times was excessive, causing considerable inconvenience and expense, due to breaks in the plumbing within the consumers' houses; that at other times there was no water available; that the water was unfit for domestic purposes due to pollution from small animals and debris getting in the reservoirs.

It is evident from the testimony that applicant should be required to make the necessary improvements to reduce the pressure at the services on the lower levels to a reasonable amount; also that the tops of the reservoirs should be kept in repair to protect the quality of the water. Recently the utility has replaced the gas engine, which operated the pump, with an electric motor. This should improve the service by eliminating the difficulty experienced in operating the engine. The establishment

of an equitable metered rate should also improve the service in that it will tend to prevent wasteful and unnecessary use of water.

After considering the evidence it appears reasonable that this applicant be granted the same rate schedule for water service as was granted the Laurel Canyon Land Company. This schedule should produce a slightly greater revenue than the one now in effect, and should reduce the operating expenses by eliminating wasteful uses of water, and put the charges on an equitable basis, but will leave little if any funds applicable as return upon the investment.

O R D E R

Lookout Mountain Park Land and Water Company, a corporation, having made application to this Commission for an increase and adjustment of the rates charged for water to consumers in the subdivision known as Lookout Mountain Park, in the vicinity of Los Angeles, and for the establishment of rules governing such service, a public hearing having been held on said application and the matter now standing submitted,

It Is Hereby Found as a Fact that the rates now charged by said Lookout Mountain Park Land and Water Company for service rendered to its 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 for such service.

It Is Hereby Further Found as a Fact that the service heretofore rendered by said applicant has been unsatisfactory and insufficient at times.

And basing its order on the foregoing findings of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the Lookout Mountain Park Land and Water Company be and it is hereby authorized and directed to file with this Commission the schedule of rates hereinafter designated, such rates to become effective as directed in a supplemental order of this Commission to be issued after satisfactory compliance with the following conditions:

1. Lookout Mountain Park Land and Water Company shall within twenty (20) days of the date of this order submit to the Railroad Commission for its approval plans for the improvement of its water service, said plans to contemplate the reduction of excessive pressures to those of its consumers on the lower portion of its system, and such repairs to its reservoirs as will make safe from outside pollution the quality of the water stored in its reservoirs.

2. Upon receiving approval from this Commission of the plans submitted, applicant shall forthwith proceed to make such improvements. Upon completion of the improvements applicant shall notify the Commission to that effect, and file the following schedule of rates:

METER RATES

Monthly Minimum Charges:

5/8 inch meter	\$1.50
3/4 inch meter	1.75
1 inch meter	2.00
1 1/2 inch meter	2.50
2 inch meter	3.00
3 inch meter	4.00

Monthly Meter Rates:

From 0 to 400 cubic feet, per 100 cubic feet .	\$0.375
From 400 to 1000 cubic feet, per 100 cubic feet .	.30

From 1000 to 5000 cubic feet, per 100 cubic feet . \$0.25
 Over 5000 cubic feet, per 100 cubic feet20

MONTHLY FEAT RATES

Residences of 5 rooms or less, occupied by a
 single family. \$1.25
 For each bath tub.25
 For each toilet.25
 For each additional room15
 Sprinkling or irrigation of lawns, shrubbery, etc.,
 for each square yard actually irrigated.005
 Meters may be installed at the option of either
 the consumers or the utility.

IT IS HEREBY FURTHER ORDERED that Lookout Mountain Park
 Land and Water Company be and the same is hereby directed to
 file with this Commission within thirty (30) days of the date
 of this order a schedule of rules and regulations to govern its
 relations with its consumers, such rules and regulations to be-
 come effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 24 day
 of September, 1922.

H. B. Rindge
Waring Martin
J. P. Penner
 Commissioners.