

Decision No. 11047

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

P. Clifton Homer, et al.,)
Complainants,)

vs.)

A. P. Baldwin,)
Defendant)

Case No. 1769

P. Clifton Homer, for Complainants
R. M. Fulton, for Defendant

BY THE COMMISSION:

O P I N I O N

This Complaint is made by P. Clifton Homer and seventy-seven other consumers against the rates and practices of A. P. Baldwin and E. Rosalie Baldwin who operate a public utility water system in Bowen's Main, Moneta and Figueroa Tract in Los Angeles County.

The complaint alleges in effect that some of the consumers are supplied at flat rates and some at meter rates and that this procedure results in discrimination against the metered consumers. It is also alleged that the rates charged by defendant are exorbitant and considerably in excess of those charged on adjacent tracts.

It is further alleged that applicants for service are compelled to pay \$9.00 for service connections and that meter readings should be made on the first day of each month instead of the last day of the month as is the present custom.

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

This water system consists of two eight inch wells,

one 120 feet deep and equipped with a four inch deep well cylinder and pump head; the other well has a depth of 240 feet and is operated by air lift. A fifteen horse power electric motor is so located that it can be belt connected to either well. Storage is provided by a 20,000 gallon wood stave tank on a forty foot tower, and by two 5,000 gallon wood stave tanks on twenty-five foot towers.

The distribution pipe system consists of approximately 12,500 feet of two inch screw pipe to which 128 services are connected. Meters have been installed on twenty-eight services.

The distribution pipe system is owned by J. Frank Bowen who subdivided this tract, and has permitted the proprietors of the water system to utilize the pipe lines without charge. The service pipes have been installed at the expense of the individual consumers who have been charged \$9.00 for each service connection.

At the hearing in this matter, Mr. F. M. Faude, one of the Commission's hydraulic engineers, presented a report prepared after an investigation of the matters complained of and of the revenues and expense from operation of the system. The statements and recommendations contained in this report were accepted by the complainants, and, with some exceptions as to the adequacy of allowances for maintenance and operating expense, by the defendants. In as much as the allowances recommended by the Commission's engineer for maintenance and operation indicate that the present revenues received by the utility do not yield an exorbitant return upon the investment, further discussion of the objections of defendant is unnecessary.

This report shows that a reasonable maintenance and operating expense is \$2,365 per year and that a fair allowance for depreciation annuity is \$198. Revenues for the year 1922 were estimated at \$2,550, or slightly less than the sum of estimated maintenance and operating expense and depreciation annuity. It is therefore apparent that the utility is receiving no return whatever upon the money actually invested in the system. The allega-

tion of complainants that the present rates are exorbitant seems, therefore, without foundation.

It is apparent, however, that the present flat rate schedule of charges is poorly designed and results in discrimination against consumers who are supplied through meters. The most satisfactory solution of the difficulty would be through the metering of all services but the plan has the disadvantage of requiring the expenditure of a large sum of money by the owners of the system. This additional investment, on top of a recent expenditure of several thousand dollars for a new well, tank and pumping equipment, would at this time result in a serious financial burden.

The establishment of an equitable graduated schedule of flat rates together with the gradual metering of the remaining services will go far toward removing discrimination and improving service.

The flat rate schedule established in the accompanying order is designed to yield approximately the same revenues as are earned under the present schedule of rates.

On the higher ground at the southeast corner of this tract the service to consumers has, at times in the past, been inadequate. The recent installation of a high tank has, however, improved service in this area. Waste of water by some of the flat rate consumers has also been a contributing cause of poor service and it is suggested that those consumers who habitually waste water be provided with meters as rapidly as possible.

Applicants for service have in the past been compelled to pay \$9.00 each for service connections and all services on the system have been installed in accordance with this procedure.

Such action is contrary to the Commission's orders and the money so paid by consumers should be refunded. In order that an embarrassing financial burden upon the owners of the system may be avoided the accompanying order will provide that such refunds may be made as credits upon the monthly bills for water consumed at the rate of ten per cent. of the total amount of such bills.

Complainants ask that the utility be compelled to read meters on the first day of the month ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~. As no good reasons appear to justify the desired change such an order will not be required.

O R D E R

P. Clifton Homer and others having made complaint in the above entitled proceeding, 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 A. P. Baldwin and E. Rosalie Baldwin 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 water delivered to consumers,

IT IS HEREBY FURTHER FOUND AS A FACT that certain practices of A. P. Baldwin and E. Rosalie Baldwin in the conduct of their public utility water system are unjust and unreasonable and should be discontinued,

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 A. P. Baldwin and E. Rosalie Baldwin be and they are hereby 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 consumers in Bowen's Main, Moneta and Figueroa Tract in Los Angeles County, such rates to be charged for water service rendered subsequent to October 31, 1922:

MONTHLY FLAT RATES

For residences of five rooms or less	\$1.00
For each additional room over five10
For each bath tub25
For each toilet25
For each garage and one automobile25
For each additional automobile15
For each barn with not more than one horse or cow25
For each additional horse or cow15
Sprinkling or irrigating lawns or gardens for each month during which water is used, per 100 sq. feet of surface irrigated05
Stores or shops	1.50
Soda Fountains either alone or in connection with other business ..	1.50

All other use to be charged for at
meter rates.

Meters may be installed upon any service at the option of either the utility or the consumer. If installed at the option of the utility the entire cost shall be borne by the utility. If installed at the request of the consumer the cost of meter and installation shall be advanced by the consumer to the utility and the moneys so advanced shall be refunded to the depositor as credits on monthly bills for water furnished at the rate of ten per cent. of the total amount of monthly bills.

MONTHLY METER RATES

The monthly minimum charge of \$1.50 entitles the consumer to 800 cubic feet of water. All water used in excess of 800 cubic feet is to be charged for at the rate of 8¢ per 100 cubic feet.

IT IS HEREBY FURTHER ORDERED that upon presentation of proper evidence of payment by consumers for service connections for which the consumers have not received proper reimbursement, in cash or in water consumed, A. P. Baldwin and E. Rosalie Baldwin be and they are hereby directed to make refund of such payments in monthly credits on bills for water consumed at the rate of one-tenth of the total amount of such bills, and to continue these

monthly credits until such time as the entire amount of payments by consumers shall have been refunded.

IT IS HEREBY FURTHER ORDERED that A. P. Baldwin and E. Rosalie Baldwin be and they are hereby directed to install service connections free of charge upon receipt of proper application for service and upon satisfactory assurance that use of water will commence immediately after the completion of the service connection and thereafter will be reasonably continuous.

IT IS HEREBY FURTHER ORDERED that A. P. Baldwin and E. Rosalie Baldwin be and they are hereby directed to file with this Commission, within thirty (30) days from the date of this order, rules and regulations to govern relations with their consumers, such rules and regulations to become effective upon their acceptance by the Commission.

IT IS HEREBY FURTHER ORDERED that in all other respects the above entitled complaint be and the same is hereby dismissed,

Dated at San Francisco, California, this 2nd day of October, 1922.

H. B. Brundage
Waring Martin

J. F. Penick

Commissioners.