

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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W. H. MULL, et al.,
Complainants,
vs.
LEWIS A. & PRUDENCE TURNER,
or The Turner Water System,
Defendants.

ORIGINAL

CASE NO. 1591

BY THE COMMISSION:

OPINION ON REHEARING

This is a proceeding brought by W. H. Mull and sixteen other residents of what is known as the Clutter and Long Tract, near Bell, Los Angeles County, against Lewis A. Turner and Prudence Turner, owners of a small public utility water system.

A public hearing of this case was held in Los Angeles on November 26, 1921, before Examiner Williams, and the Commission issued its opinion and order No. 10103 on February 17, 1922, in which opinion and order the Commission found as a fact that the defendants had not rendered adequate or satisfactory service to consumers on "South King Street"; that a larger main should there be installed, and that the public interest demanded that meters be installed free of charge to the consumers. The order directed the defendants to file with the Commission detailed plans and specifications of such improvements as would be necessary to provide for adequate service, and, on approval thereof, to install such improvements. The order also directed defendants to install meters free of charge to consumers, and to refund any payments

made by complainants for the installation of meters, at the rate of 10% of the monthly water bill each month until entirely refunded. Further details covering the allegations of the parties and the findings of the Commission are to be found in said opinion and order. Application for rehearing was filed by defendants on the ground of newly discovered documentary evidence, and also on the ground that defendants' water supply had never been dedicated to public use. The said application was granted by the Commission, and a public hearing was held thereon in Los Angeles on September 26th, 1922, before Examiner Williams. The evidence adduced at this rehearing showed that the Turners had not themselves purchased or supplied any meters, but that the same had in all instances been supplied by the landowner or the consumer. It was also made evident that whatever interest the owners of the Clutter and Long tract possessed in the distributing system in that tract, including any meters originally purchased by them, could be obtained by defendants for a mere nominal sum, and that the consumers who had furnished their own meters would be willing to turn the same over to the defendants if certain improvements in the service were made. Such a plan accords with the settled policy of the Commission to provide, as nearly as possible, for the ownership by a single person or company of all the agencies of production and distribution of a public utility service, rather than to have the ownership spread over a number of persons.

Defendants urged that, owing to the precarious financial condition of their plant, it would be impossible for them to install a four inch pipe on King Street and at the same time furnish all new meters. It was suggested by defendants, however, that if new consumers would advance the cost of such meters and service installation, they would refund such advances in monthly installments of 33-1/3% of the minimum monthly charge of \$1.50, or 50¢ per month, until fully refunded. For convenience, it was

agreed that the sum of \$20.00 would be a reasonable amount for such advance, if the Commission should consider the same advisable.

While it is the settled policy of this Commission not to place upon the consumers of public utilities the burden of making advances of sums properly to be charged to capital amount, nevertheless, there have been instances where, because of special circumstances, the rule has been relaxed, if the consumer could be assured of a refund of such advance within a reasonable time. This latter practice has only been allowed in cases where extenuating circumstances were present, and, only where public interest demanded an exception to the general policy.

In the present case, because of financial conditions, the owners of this small public utility appear to be unable at the present time to install certain necessary improvements through which adequate service may be had, and at the same time to carry the initial cost of meters for new consumers. It is our opinion that the public interest therefore requires in this particular instance a relaxation of the general principle above mentioned, although this should not be taken as an approval of this method, as a general practice, nor as a permanent policy for this particular water system.

O R D E R

Defendants in the above entitled matter having applied for a rehearing after decision by the Commission, and a public hearing having been held thereon, and the matter having been submitted,

IT IS HEREBY ORDERED that the order of the Commission heretofore made in this matter (Decision No. 10103) be and the same is hereby vacated and annulled and the following order is hereby made, to wit:

(1) Defendants are hereby directed to proceed diligently to procure from those persons now holding title to the same

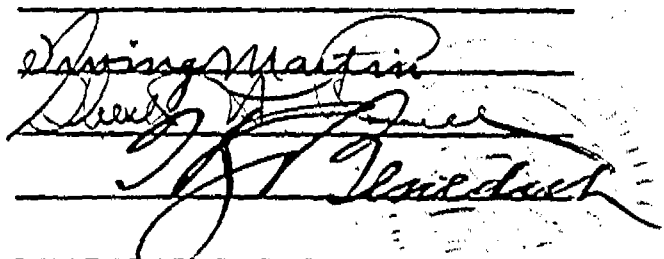
the title to all the agencies used in the distribution of the water of their public utility water system, including all meters and service connections;

(2) Defendants are also hereby directed to file with this Commission within thirty (30) days after the date of this order detailed plans and specifications for such improvements as are necessary to make possible adequate water service to consumers, including a 4 inch pipe on South King Street to replace the 1½ inch pipe now used, and an adequate provision for flushing the same at its "dead end";

(3) Upon the approval by the Commission of said plans and specifications defendants shall begin at once and proceed diligently with the work of installing said improvements, reporting progress to the Commission in writing at intervals of ten (10) days until completion;

(4) Defendants are further directed to file forthwith with this Commission a revised schedule of rules and regulations to include a regulation that each new consumer shall advance the sum of \$20.00 prior to receiving service to cover cost of meter and service installation, the same to be refunded in monthly installments of fifty cents (\$.50) each as a credit upon monthly bills, until the full sum is refunded.

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


Commissioners.