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In the Matter of the Application of
Anne Dell Segno, for investigation
of the value of applicant's plant,
and establishing just and reasonable
rates to be charged for water in
Ocean Park Heights District.

ORIGINAL

Application No. 1374.

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George W. Bush, representing Applicant,
N. B. Keys, representing Consumers.

EDGERTON, Commissioner,

O P I N I O N.

The applicant herein recites that subsequent to a complaint being filed by W. S. Van Sciever on May 14th, 1914 and a public hearing before the Commission, the said applicant in compliance with her promise made during the hearing, has constructed a new pumping plant and well upon her Ocean Heights property at great expense, and is now supplying an adequate and sufficient amount of potable water to all consumers on her public utility water system in Ocean Park Heights District.

A public hearing in this matter was conducted in Los Angeles on October 27th, 1914, and subsequently an inspection of the water system was made by the Hydraulic Engineer of the Commission. According to testimony in the case, this water system was acquired by the present owner through the purchase of the remaining lots of various subdivisions of land and without separate payment for the water utility property. However, it is established that a considerable improvement of the system was made at the behest of this Commission, and the expenditures appear to me to have been as follows:

Lot at new plant, (Ex.#1),.....	\$ 750
Account of R. B. Carse,.....	331
Bills for materials, labor, etc. during summer of 1914 (Ex. #2),.....	1905
Motor, (Exhibit #1),.....	270
	<u>\$3256</u>

Aside from the additions to the plant in the above tabulation, the only construction made at the expense of Anna Dell Segno consists of services to new consumers. These have been paid for by the applicants for service at \$19.50. These services have been installed in alleys and consist of connection to the main, an average of ten feet of service pipe and a meter.

According to all records before the Commission \$19.50 exceeds the actual cost to the utility by about \$5.00.

The annual cost of maintenance and operation, judging by exhibits presented by the company, may reasonably be as follows:

Power for operating compressors and pumps,.....	\$ 510
Superintendence and labor,.....	720
Office employees,.....	300
General supplies and repairs,.....	100
Taxes,.....	50
Transformer rental,.....	50
	<u>\$1730</u>

Allowing interest on recent improvements, \$3385 at 6% would be \$205, depreciation of the entire plant, I will assume at \$500, making in all for the annual charges to be received \$2433.

There are at present 69 services and the company received for water delivered during the first ten months of 1914, \$1353.51, and for a full year will probably receive about \$1600. This has been the result during a year of unsatisfactory water supply which apparently will not recur.

The present rates are \$1.50 per month minimum for 1000 cubic feet and excess water at 15¢ per 100 cubic feet. A lower minimum rate for water at a higher unit price will probably allow a greater number of months use without increasing the number of connections. There is evidence that a gradual increase of the number of consumers will continue in this locality. By comparison with other districts near, the unit rate is low, and I will recommend changes in the rate accordingly.

There was considerable objection to the quality of the water that has been received by consumers during the period immediately

before the hearing in this matter. However, a new pumping plant and connecting main had been installed at the instigation of this Commission, and during the priming of this portion of the system there was unavoidably some admixture of fine particles of soil with the water. Immediately after the hearing an expert of the Commission found that no silt was being pumped and that by flushing dead ends of the system, cleaning the reservoir and raising the outlet from the reservoir, conditions should be made entirely satisfactory. These improvements, it is reported, have been made.

I submit herewith the following form of order:

O R D E R.

Anna Dell Segno having made application for an investigation of the value of applicant's plant and establishing just and reasonable rates to be charged for water in Ocean Park Heights District, and a public hearing having been held and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates hereinafter established are just and reasonable rates to be charged by Anna Dell Segno to consumers from the water system in her ownership and control in Ocean Park Heights District, and basing its order on the foregoing finding of fact and the further findings of fact set out in the Opinion preceding this order,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the rates to be charged by Anna Dell Segno in the Ocean Park Heights District shall be as follows: to-wit:

Minimum per month for use, entitling consumer to 500 cu. ft.,.....	\$1.25
Amounts between 500 cu. ft. and 2000 cu. ft. per month,.....	.20 per 100 cu.ft.
Amounts in excess of 2000 cu. ft. per month,.....	.15 per 100 cu. ft.

The foregoing rates shall become effective on and after February 1st, 1915.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of

the State of California.

Dated at San Francisco, California, this 13th day of January, 1915.

Max Thelen

Edwin C. Edgerton

Francis P. O'Brien

Commissioners.