

# ORIGINAL

Decision No. 2908

Decision No.        ✓

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
 John T. Gaffey to increase rates for )  
 water service in Palo Verdes Ranch, ) Application No. 1650  
 Los Angeles County. )

John T. Gaffey in propria persona  
 A. W. Redman for Harbor View Land Company.

EDGERTON, Commissioner.

### O P I N I O N

This is an application for permission to increase rates charged for water.

Applicant owns and operates a water distributing system in the territory known as Palo Verdes Ranch, Los Angeles County, just outside the incorporated limits of the City of Los Angeles at San Pedro. There are 58 consumers supplied by this system, three of whom have measured service.

The schedule of rates in effect are those fixed by ordinance No. 38 of the City of San Pedro. A resume of these follows:

For every tenement or dwelling house occupied by a single family of five persons or less, including water for sprinkling lawn, not exceeding 25 x 50 feet in size, per month . . . . . \$1.50  
 Same with family of 6 persons or more, per month . . . . . 2.00

Meter Rates:

1000 cu. ft. or less, per month . . . . .	1.50
Next 2000 cu. ft. per 100 cu. ft. . . . .	.15
" 1000 " " " " " " " . . . . .	.14
" 1000 " " " " " " " . . . . .	.12
Above 5000 " " " " " " " . . . . .	.10

As Palo Verdes Ranch and Harbor View Land Company's Tract are sparsely settled communities with a water system extending over the entire tracts, it becomes necessary to determine what part of this plant shall be charged against present consumers, for it cannot be held that the burden of an entire utility system should be borne by existing consumers without regard to the fact that such system may be largely overbuilt.

Here we find that these tracts were laid out by the Harbor View Land Company and Gaffey and the water system installed as an aid for their real estate venture. From time to time people purchased lots and built houses thereon and became consumers of this water system, so that at the present time a relatively small part of the system is used.

Purchasers have been allowed to select lots in any portion of the tracts with the result that the lots occupied are widely scattered. This situation was brought about by Gaffey, who subdivided the land and put in this water system and now owns the same, and I think that a considerable portion of the burden should be borne by him.

The gross revenue for 1914 was \$1,556.00. Additional consumers have been added and the Commission's engineers estimate \$1,775.00 as the income for the present year. The rates set out in the order following this opinion are estimated to produce approximately \$1,900.00 per annum.

This will result in an increased revenue to applicant which I think is justified, but I do not think the increase of 75% asked for should be allowed.

The meter rates set out in the subjoined order are such

as the Commission has established for many small water plants in Southern California operating under conditions similar to the one here being considered. The meter rates recommended are those set out in Ordinance No. 58 of the City of San Pedro.

I submit herewith the following form of Order:

O R D E R.

Application having been made by John T. Gaffey for permission to increase the rates charged by him to consumers for water, and a public hearing having been had, and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT by the Railroad Commission of the State of California that the present rates being charged by John T. Gaffey for water delivered to consumers in what are known as Palo Verde Ranch and Harbor View Land Company Tract in so far as they differ from the schedule of rates herein found reasonable, are unreasonable, and that the rates set out in the following order are just and reasonable rates to be charged for water delivered to consumers,

Basing its order upon 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 John T. Gaffey is hereby authorized to put into effect within thirty days from the date of this order, the following schedule of rates to be charged for water in what are known as Palo Verdes Ranch and Harbor View Land Company Tract:

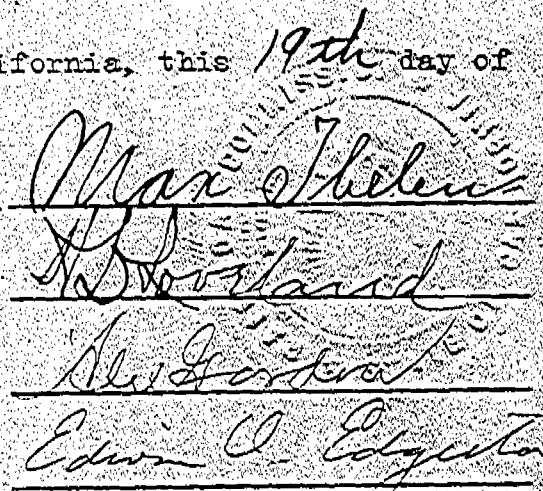
Flat rates set out in Ordinance No. 38 of the City of San Pedro.

Meter rates.

Minimum	600	cu. ft.	. . . . .	\$1.25	per month
Next	400	" "	. . . . .	.20	per 100 cu.ft.
"	2000	" "	. . . . .	.15	" " " "
Above	3000	" "	. . . . .	.10	" " " "

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 19th day of November, 1915.



Max Heiler  
H. Boardman  
W. Gorkov  
Edwin O. Edgerton

Commissioners.