

ORIGINAL

Decision No. 3456

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of )  
J. A. GRAVES ) ( Application No. 2336.  
for authority to increase water rates. )

O'Melveny, Stevens & Millikin,  
by Sayre Macneil for applicant.

BY THE COMMISSION:

O P I N I O N.

Applicant seeks authority to increase rates for water served in South Pasadena, San Marino and Alhambra, all in Los Angeles County. About 95% of his consumers have signed written consent to the establishment of the rate requested. Several have not been communicated with. None have objected.

Applicant owns a half interest in a tract of land in South Pasadena and in the water tunnels, wells and pumping plants located thereon from which he serves water through 129 service connections, three of which are for irrigation use and the remainder for domestic use. He began serving in 1900. His investment to date is stated as \$80,000 and his estimate of the value of his interest is \$125,000. This is composed very largely,

however, of real estate not used or useful in the service of the public, which was segregated from the public utility property by decision No. 3256, March 14, 1916. The tract consists of 49 lots, 4 of which and a fraction of a fifth are entirely devoted to the use of the utility. Rights of way for water tunnels affect 13 others. The right to underground water in the remaining lots is also reserved to the utility. The value of the easements, land and water rights referred to was not definitely shown herein and it does not appear to be necessary to exactly determine the fact. The real estate used is carried in applicant's annual reports for 1914 and 1915, at \$12,000, and the total fixed capital installed prior to December 31, 1915 is carried at \$76,535.03. No appraisal of applicant's property nor expert engineering testimony was offered at the hearing. A rough estimate of the value of applicant's utility property, based on the usual cost of laying pipe, building reservoirs and constructing tunnels, results in a considerably smaller figure.

Applicant's operating revenue for 1915 is reported as \$5541.12 and operating expenses, including taxes but not including depreciation, at \$2134, in which is included \$114.04 of worthless accounts charged off during the year. A calculation based upon the rough estimate referred to shows that the rate requested by applicant, which is set forth in the order herein, being the rate also set forth in each written consent referred to, is a moderate rate compared with other rates in force in the vicinity, and is probably not sufficient to afford applicant an adequate return upon his investment. It has not seemed to us under the circumstances presented in this case necessary to have a detailed valuation of this utility.

O R D E R.

J. A. GRAVES having applied to the Railroad Commission for authority to increase rates charged for the distribution of water, and a public hearing having been held thereon,

IT IS HEREBY FOUND AS A FACT that the rates now charged in so far as they differ from the rates herein found to be reasonable are unreasonable and unjust, and the rates hereinafter set out are found to be just and reasonable rates to be charged for the distribution of water by J. A. Graves to his consumers; and basing its order on the foregoing findings of fact and the further findings of fact set out in the opinion preceding this order,

IT IS HEREBY ORDERED that J. A. Graves be and he is hereby authorized and empowered to charge and collect from and after July 1, 1916 the schedule of rates shown below for the service of water to the inhabitants of South Pasadena, San Marino, Alhambra and vicinity, and he is hereby directed to file with this Commission within twenty (20) days from the date of this order his schedule of said rates with rules and regulations governing the service of water. Said rates are as follows, to-wit:

1,000 cubic feet or less.....	\$1.25 per month;
1,000 to 5,000 cubic feet.....	.10 per 100 cu. ft.
Over 5,000 cubic feet.....	.08 per 100 cu. ft.
Each fire hydrant.....	1.50 per month.

The authority hereby granted is upon the following condition and not otherwise:

The authority herein granted shall not be considered or treated in any proceeding before this Commission or any other tribunal as a finding by this Commission of value for any purpose other than that of the present application.

Dated at San Francisco, California, this 24th day of June, 1916.

Max Thelen  
H. H. ...  
W. Gordon  
Edwin O. Edgerton  
Commissioners.