

Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 3890

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of  
CONSERVATIVE INVESTMENT COMPANY, a  
corporation, for order authorizing  
discontinuance of water service at  
Neff Station Acres or for other  
relief.

} Application No. 2615.  
}  
}  
}

A. W. Ashburn for applicant.

BY THE COMMISSION:

O P I N I O N .

CONSERVATIVE INVESTMENT COMPANY seeks an order authorizing it to discontinue service of water upon Neff Station Acres, near Los Angeles, but if this be not granted that it be allowed to raise its rates to allow a fair return upon its investment. It also requests a determination whether it is a public utility.

The subdivision of Neff Station Acres consisting of eight blocks, was platted by T. Wiesendanger about twelve years ago and a small pumping plant installed to supply water for domestic and small irrigation use from which water was served by him to users on the tract only. Water has not been sold by him or by applicant to users other than those on the subdivision. Mr. Wiesendanger's interest in the subdivision was subsequently acquired by applicant, together with a large amount of other real estate. It continued the service, charging

\$1.00, \$1.50 and \$2.00 per month. The compensation is not by schedule, but is as agreed by consumer and the company, they estimating the average amount of water consumed.

Owing to previous damage to the well and pumping plant, applicant on February 26, 1914 applied to Inglewood Water Company for service at its usual monthly rates, and paid for installing a one inch connection to applicant's system. Since that date Inglewood Water Company has supplied water to applicant at its usual rates, and applicant has sold said water to its patrons at the flat rates above described. On September 7, 1916, applicant notified Inglewood Water Company in writing that it would not be responsible for water furnished in the future to any of its patrons.

Applicant reports that its receipts from water sales for the 25 months ending September 30, 1916, amounted to \$291.45; and that it paid for water alone for the same period the sum of \$343.19. It is evident that applicant suffers a large loss of water through leakage in transmission and through repair and flat rates. The Commission's engineers report that the use of meters, repairing leaks, and applying the rates authorized in the order will probably produce an adequate return to applicant. It is probable that expenses can be reduced by employing some one on or near the tract to read meters, collect bills and make minor repairs.

Applicant's distributing system consisted of 2½ inch O.D. casing laid in three streets. That in Ocean Avenue applicant replaced about three years ago with 2 inch standard galvanized pipe. Twelve of its services have meters <sup>installed</sup> but they are out of order and not used. Its system, including mains,

services and meters, represents an original investment of \$665.80. One of the Commission's engineers, after uncovering and examining pipes in about a dozen places, reports the property as now worth approximately \$305. It is probable that much of the pipe will have to be lowered if and when streets are made. Whether the pipe will stand removal and relaying is doubtful.

At the hearing applicant offered to donate its distributing system with services and meters to Inglewood Water Company if the latter would assume the obligation to serve its patrons. Inglewood Water Company declined the offer with the system in its present condition, saying that much of the pipe was in poor condition and it felt it would not be justified in taking it over unless the old portions were replaced; especially in view of the fact that the soil is very wet and pipe in it is short lived. Patrons in attendance reported good service.

There are 18 houses on the tract, 6 of which are now vacant. One house is served by Inglewood Water Company from its main on Belleview Avenue, the north boundary of the tract, and one house is served by Hawthorne Water Company on Centinella Street, the south boundary of the tract. There are other houses facing on these streets which could also be served by those companies. It was shown that Inglewood Water Company's franchise authorizes it to serve from its main in Belleview Avenue. Hawthorne Water Company's franchise is not in evidence, but it probably covers Centinella Street.

It is apparent that applicant is serving water to the public within the territory occupied by its

system and that it is a public utility.

If applicant wishes to arrange with one or both of the other companies to assume and discharge the obligation now resting upon it to serve water in Neff Station Acres the Commission and its engineers will co-operate and render any reasonable assistance to all parties, if desired.

### O R D E R.

CONSERVATIVE INVESTMENT COMPANY having applied to the Railroad Commission for an order determining whether it is a public utility, and if it is, authorizing it to discontinue serving water to residents of Neff Station Acres, or if said relief be not granted that it be authorized to readjust and raise its charges for water served to said residents of Neff Station Acres, and a public hearing having been held thereon and the matter being now ready for determination,

The Railroad Commission hereby finds as a fact that Conservative Investment Company in serving water to residents of Neff Station Acres is a public utility; that the rates now charged and collected by Conservative Investment Company for service of water to residents of Neff Station Acres are unjust, unreasonable and discriminatory in so far as they differ from the rates herein established; that the rates hereinafter set out are hereby found to be reasonable rates to be charged by it for water served to its patrons residing upon Neff Station Acres and vicinity; and basing its order upon the foregoing findings 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 application of Conservative

Investment Company to discontinue service of water to residents of Neff Station Acres be and it is hereby denied; and that Conservative Investment Company be and it is hereby authorized to establish and to file with this Commission within twenty (20) days from the date of this order the following rates to be charged for service of water to the inhabitants of Neff Station Acres and vicinity:

Minimum per month for first 400 cubic feet, or less	\$11.00
For excess 400 cubic feet to 2,000 cubic feet, per 100 cubic feet	.13
For excess, over 2000 cubic feet, per 100 cubic feet	.08
Fire hydrants, \$5.00 per year per outlet.	

IT IS HEREBY FURTHER ORDERED that Conservative Investment Company within thirty days from date, meter all unmetered services.

Nothing herein contained shall be considered or treated in any proceeding before this Commission or any other tribunal as a finding by this Commission of value of said property for any purpose other than that of the present application.

Dated at San Francisco, California, this 21<sup>st</sup> day of November, 1916.

W. H. Overland  
W. E. G. G. G. G.  
Stan R. D. D. D.  
Commissioners.