

Decision No. _____

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 14042

In the matter of the application
of S. H. FINLEY for an order es-
tablishing water rates to consum-
ers.

)
) Application No. 2670.
)

Messrs. Blodget & Blodget by L. W. Blodget,
for applicant.

A. P. Nelson, City Attorney, for City of
Huntington Beach.

BY THE COMMISSION:

O P I N I O N.

A public hearing in this proceeding was
held at Huntington Beach on January 13, 1917, the testi-
mony being taken by Myron Westover, Examiner.

S. H. Finley, the applicant, distributes
water under the name of East Side Water Company, to about
100 consumers in what is known as Vista Del Mar Tract, in
Huntington Beach, Orange County, his supply being purchased
from Huntington Beach Company at their regular low rates
for large quantities.

The system was installed about 12½ years
ago. It consists of about 10,960 feet of 2 inch, 1270 feet
of 3 inch and 7010 feet of 4 inch standard screw pipe, with valves,
fittings, 135 services and 75 meters.

Applicant reports that he operated at a loss
for about 9 years, but that for the last 3½ years he has
received more than his ^{actual} operating expenses. It appears

that during the first nine years especially, the system was considerably overbuilt, as there even is now about 200 feet of main for each active service, instead of the average of about 125 feet. We therefore cannot allow anything in the valuation for development expense as requested. The receipts for the year ending June 30, 1916, are shown as \$1393 and the expenses for that period as \$1065.

Mr. H. F. Clark, one of the Commission's assistant hydraulic engineers, estimates the reproduction cost new of the system, including 135 services, at \$6783. The actual cost of the system as valued above is reported to be \$6560. The difference is accounted for by the fact that prior to 1908 patrons paid for services at \$4.00 each. Mr. Finley estimates that he collected between \$200 and \$250 from consumers for service connections. The real estate, well, and tank house are not used or useful. They are not included in either estimate.

The testimony of the Commission's engineer shows that the necessary revenue to provide maintenance and operation expense, an annuity for depreciation and 7% interest on the cost of system is approximately \$1659, and that the total average annual receipts fall about \$328 short of that amount. Heretofore applicant has received nothing for fire service through the 15 hydrants which the City of Huntington Beach paid for and attached to applicant's mains.

The schedule of rates established by the order herein is the same as that for water served in other portions of Huntington Beach by Huntington Beach Company as established by the Commission in Decision No. 1730 of

August 14, 1914. (See Opinions and Orders of the Railroad Commission of California, Vol. 5 p. 237). These rates, will probably increase applicant's income because of fire hydrant rentals about \$192 per year, and may result in a further increase because of higher minimum payments under flat rate for houses of four rooms or less. In these two particulars the rates fixed in the order herein differ from the present rates, which were established by city ordinance.

Any insufficiency in earnings or return which may result from applying the rates established by the order herein will be due to the fact that applicant's territory is not yet developed sufficiently to carry the full cost of his water system.

O R D E R.

S. H. FINLEY, doing business under the name of East Side Water Company, having applied to the Railroad Commission for authority to increase the rates charged by him for water served to the inhabitants of a portion of Huntington Beach, Orange County, and a public hearing having been held thereon,

IT IS HEREBY FOUND AS A FACT by the Railroad Commission of the State of California, that the rates charged by said applicant, insofar as they differ from the rates herein found to be reasonable, are unreason-

able and unjust; and that the rates hereinafter set forth are hereby found to be just and reasonable rates; 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 by the Railroad Commission of the State of California that S. H. Finley, doing business under the name of East Side Water Company, within 30 days file with the Commission and put into effect the following ^{monthly} rates:

1. For every dwelling house of 5 rooms or less, with bath and toilet, occupied by one family.	\$1.25
2. Each additional room . . . . .	.10
3. Each head of stock kept by family . . . . .	.25
4. Small stores and business offices	1.00
5. Stores and business offices employing four or more persons	1.25
6. Offices on upper floors . . . . .	.50
7. Stores using soda fountains, extra . . . . .	.50
8. Bakeries	2.00
9. Laundries	3.00
10. Butcher shops	2.00
11. Barber shops, not more than two chairs	1.50
12. Barber shops, each additional chair . . . . .	.50
13. Dentists' offices	1.50
14. Public horse watering trough	2.00
15. Public bath tubs	1.00
16. Wagon and blacksmith shops, not more than two forges	2.00

17.	For each additional forge: 1 . . . . .	.50
18.	Lodge or meeting rooms	1.50
19.	Livery, feed, and sale stables, for each horse kept . . . . .	.25
20.	Photograph studios	2.00
21.	Restaurants or coffee houses	2.50
22.	Packing-houses employing not more than ten persons	5.00
23.	For each additional person . . . . .	.25
24.	Hotels, lodging or boarding houses containing not over five rooms	2.00
25.	For each additional room over five . .	.10
26.	Fountains, not to be used over twelve hours per day, 1-16 inch jet	2.00
27.	Same, 1/8-inch jet.	6.00
28.	Fire hydrants- 2 inch and 2½-inch	1.00
	3-inch	1.50
29.	Building purposes, each 1,000 brick wet and laid. . . . .	.10
30.	Building purposes, each barrel of lime or cement slaked. . . . .	.10
31.	Each lumber yard or machine shop . .	1.50
32.	Steam engines, per horsepower . . . .	.25
33.	Gasoline engines, per horsepower . . .	.25
34.	Public garage not exceeding 5,000 square feet of floor area	3.00
35.	For each extra 1,000 square feet or fraction thereof. . . . .	.50
36.	Lawns, gardens, shade and ornamental plants under 3,000 square feet . . . .	.50
37.	Same; use in excess of 3,000 square feet per 1,000 square feet, or part thereof. .v. . . . .	.25
38.	Public closets, each urinal and stool and lavatory	1.00
39.	For use of hydrants for flushing streets and sewers each time hydrant is turned on. . . . .	.50

40. Meter rates:

Minimum payment for 500 cubic feet. .	1.00
Next 4,000 cubic feet per 100 cubic feet. . . . .	.10
All over 4,500 cubic feet per 100 cubic feet. . . . .	.06

The authority hereby granted shall not be taken in any proceeding before this Commission or any public body or tribunal as a finding of value of applicant's property for any purpose other than the purposes of this proceeding.

Dated at San Francisco, California, this *mn*
day of January, 1917.

Max Thelen
H. H. Loveland
Al. Gordon
Edwin O. Edgerton
Frank R. Holman
Commissioners.