

Decision No. 6632

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
 Title Guarantee and Trust Company,)
 Trustee for the Bondholders of the)
 Glendale Consolidated Water Company,) Application No. 4603.
 to increase rates charged to its)
 Consumers on its Water System located)
 in the City of South Pasadena.)

E. W. Sargent and W. G. Cooke
 by W. G. Cooke, for applicant.
 Arthur Keetch, for consumers.
 William Earlett, for City of South
 Pasadena.

BRUNDIGE, Commissioner:

O P I N I O N

The applicant herein, supplying water to about 110 consumers in South Pasadena, asks permission to increase rates.

A public hearing was held in Los Angeles, June 19, 1919.

The Title Guarantee and Trust Company is trustee for the bond holders of the Glendale Consolidated Water Company which formerly owned and operated a number of water systems in Los Angeles County. All of these water systems, except the South Pasadena plant, have been sold to the municipalities in which they are located. The South Pasadena system is now the only one owned and operated by applicant.

Applicant contends that the present value of its plant is \$24,843.18, which includes \$8,100.00 for so-called water right at the rate of \$1,000.00 per miners inch.

The necessary annual charges required to support the system are set forth by applicant as follows:

* Disbursements for year 1917-1918.	\$ 2295.99
# " " " " 1918-1919.	<u>2706.97</u>
Total - - - - -	\$ 5002.96
Average disbursements per year	\$ 2501.48
Depreciation, 10% on value of plant, less value of water	\$ 1674.38
Interest, 8% on value of plant	<u>\$ 1987.00</u>
Total Average Annual Charges - - - - -	\$ 6162.86

* April 1, 1917 to March 31, 1918.
April 1, 1918 to March 31, 1919.

Receipts from operation have been as follows:

April 1, 1917 to March 31, 1918. . .	\$ 1956.08
April 1, 1918 to March 31, 1919. . .	<u>\$ 1747.70</u>
Total for two years - - - - -	\$ 3703.78
Average per year - - - - -	\$ 1851.89

Applicant, therefore, claims that the average net loss per year from operation has been \$4,310.97 and asks the Commission to establish rates which will yield a revenue of \$6,162.86 per year.

The present rates charged by applicant are \$1.25 for 1300 cubic feet and 7 cents per 100 cubic feet for quantities used in excess of 1300 cubic feet.

The Commission's engineer testified that the estimated original cost of the system was \$21,820, but that the plant was largely overbuilt, having been originally constructed for some 600 consumers. He therefore concludes that \$16,051 is a fair estimate of original cost for a system capable of serving present consumers. His estimate of annual charges is as follows:

Interest at 8% on \$16,051.	\$ 1284.00
Depreciation annuity, computed upon 6% sinking fund basis.	\$ 252.00
Maintenance and operating expense.	<u>\$ 2924.76</u>
Total annual charges - - - -	\$ 4460.76

As the average annual receipts from the sale of water for the past two years have been \$1,851.89, it is at once apparent that consumers would be called upon to pay exorbitant and unreasonable rates for water if sufficient revenue were provided to meet either of the foregoing schedules of annual charges.

It has been stated before that the water plant serving South Pasadena is the one small remaining unit of a once extensive system and this Commission cannot be expected to fix rates which will place unreasonably burdens upon the few remaining consumers.

As some measure of the value of water service in the same vicinity the rates charged by the following public utilities will be of value:

San Gabriel Valley Water Company

600 cubic feet	\$1.00
600 to 5000 cubic feet	\$0.12 per 100 cu.ft.
5000 to 50,000 " "	\$0.10 " " " "
over 50,000 " "	\$0.05 " " " "

Van Nuys Water System

800 cubic feet	\$1.00
800-2000" "	0.125 per 100 cu.ft.
over 2000 cu.ft.	0.09 " " " "

California-Michigan Land and Water Company

500 cubic feet	\$1.00
500-2000 cu.ft.	\$0.20 per 100 cu.ft.
over 2000 cu.ft.	\$0.04 " " " "

Substantial justice will be secured for both the utility and consumers in the schedule of rates set out in the accompanying order.

A considerable amount of testimony was introduced by consumers to the effect that water had been entirely shut off at frequent intervals and that at times the water delivered contained both vegetable and animal matter and oil. It was contended that the vegetable matter frequently obstructed faucets and other fixtures and that the other conditions made the water undesirable for any other use than the irrigation of lawns.

An inspection and investigation of these conditions was made on July 5th by the Commission's engineers who found the water in the reservoirs quite low, not clean and containing a considerable quantity of algae. The cause of the oily condition could not be definitely determined. It is apparent that the reservoirs should be cleaned; that the covers and screens should be replaced to prevent the ingress of foreign matter; that the grounds around the pumping plant should be cleaned, and that the arrangement of outlet pipes in the reservoir should be changed so as to prevent drawing water from the lower portions of the reservoirs.

I submit herewith the following form of order:

O R D E R

Title Guarantee and Trust Company, trustee for the bondholders of the Glendale Consolidated Water Company, having made application to this Commission for permission to increase rates for water supplied to consumers in South Pasadena and vicinity, a public hearing having been held, and being fully advised in the matter.

It is hereby found as a fact that the rates now charged by applicant for water delivered to consumers, in so far as they differ from the rates set forth in this order are unjust and unreasonable, and that the rates so established by this order are just and reasonable rates to be charged for water supplied to consumers, and basing its order upon the foregoing finding of fact and upon the findings of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Title Guarantee and Trust Company, trustee for the bondholders of Glendale Consolidated Water Company, be and it is hereby authorized and directed to file with the Railroad Commission, within twenty days from the date of this order and thereafter charge, the following rates for water delivered to consumers in South Pasadena and vicinity:

METERED RATES

Monthly Minimum Charges:

5/8 inch and 3/4 inch meters	\$1.25	per month
1 inch meters	1.50	" "
1½ inch meters	2.00	" "
2 " "	3.00	" "
3 " " or larger.	4.00	" "

General Use:

From 0 to 700 cu.ft., per 100 cu.ft.	\$0.18
Over 700 cu.ft., per 100 cu.ft.	0.125

Flat Rates:

For each dwelling of 5 rooms or less, including bath and toilet, per mo.	\$1.25
For each additional room, per mo.	0.10
For each additional bath tub, per mo.	0.25
For each additional toilet, per mo.	0.25
For sprinkling of lawns, per square foot, per month	0.00 ½

IT IS HEREBY FURTHER ORDERED that applicant herein furnish to consumers an adequate supply of clear water, free from vegetable or animal matter or oil, and the collection of the foregoing rates is expressly conditioned upon the furnishing of such a supply to consumers.

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 30th day of August 1919.

Edwin O. Edgerton
J. S. Howard
Frank R. Herlihy
H. B. Bunnick
Living Martin
 Commissioners.