

Decision No. 7928

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Commission's)
Investigation into the Rates, Rules,)
Regulations, Service and Practises of) Case No. 1408
Conservative Investment Company)

C. Wesley Roberts, for Conservative Investment Company.

Martin, Commissioner

OPINION

Certain consumers of water receiving their supply from the Conservative Investment Company, a water utility serving the territory known as Neff Station Acres, Los Angeles County, having made informal complaint to the Railroad Commission relative to service conditions under this system, and it appearing that no adequate relief could be obtained in an informal way, the Commission instituted an investigation upon its own motion, and held a public hearing thereon.

The subdivision known as Neff Station Acres was placed upon the market by T. Wiesendanger and a small pumping plant and distributing pipe system installed to supply consumers on the tract. Subsequently Mr. Wiesendanger disposed of his interest in the tract to Conservative Investment Company, which has since supplied the consumers.

Some years ago, owing to damage to the pumping plant, a connection was made between the distribution system and the mains of the Inglewood Water Company. Conservative Investment

Company, however, continued to distribute water and make collections for the service.

In 1916 Conservative Water Company made application to the Commission to discontinue service or for other relief. The prayer for permission to discontinue was denied, but the rates were adjusted and the utility was ordered to place meters upon all unmetered services.

It appears that Conservative Investment Company has forfeited its charter through failure to pay license and corporation taxes, but that its affairs have been administered by its president C. Wesley Roberts, as trustee. Water bills were paid and collections made either under the name of Conservative Investment Company or Citizens Securities Company, of which Mr. Roberts is also president.

It also appears that in November, 1919, bills were sent out in the name of Citizens Securities Company increasing the minimum rate from \$1.00 per month, as established by the Commission, to \$2.00 per month. This action, without authority from the Commission and therefore in violation of the Public Utilities Act, resulted in the refusal of some of the consumers to pay, and the deposit, by other consumers, of the amounts claimed to be due, with the Commission for adjustment.

It appears that during the thirteen months ending January 27, 1920, there was delivered into the distribution system by Inglewood Water Company 300,400 cubic feet. There are 12 consumers and the indicated average monthly use is 23,100 cubic feet per consumer, which is unduly large but is explained by the fact that the meters are out of order, do not register, and consumers can take all the water they desire.

Inglewood Water Company has presented bills to Conservative Investment Company for water delivered, during the thirteen months ending January 27, 1920, amounting to \$288.47.

This is an average of \$1.85 per consumer per month.

Repair of the utility's meters, charging for water used at metered rates and the repair of leaky pipe lines will cut down the present extravagant water use, and reduce the bills for water supplied by Inglewood Water Company.

Complaints of inadequate service are apparently due largely to the fact that the connection between the mains of the Inglewood Water Company and the utility's distribution system is a pipe of only one inch diameter, while the pipes in the distribution system are two inches or more in diameter.

The present established rates for metered service are as follows. These have not been in effect owing to the fact that the utility has neglected to keep its meters in repair and has billed consumers at flat rates:

Minimum per month for the first 400 cubic feet or less	-	\$1.00
From 400 to 2000 cubic feet, per 100 cubic feet	- - -	0.13
Over 2000 cubic feet, per 100 cubic feet	- - -	0.08
Fire hydrants, per year per outlet	- - -	5.00

No record of maintenance and operation expense, other than the cost of water purchased for resale, has been kept and it is, therefore, impossible to determine with any accuracy the proper annual charges. It is apparent, however, that the present rates will not yield sufficient revenue to permit the utility to render adequate service.

The rates established in the accompanying order will, however, do substantial justice to both the consumers and the utility.

I submit the following form of order:

ORDER

The Railroad Commission having instituted an investigation upon its own motion in the above entitled proceeding, a public hearing having been held thereon, and being fully advised in the matter, IT IS HEREBY FOUND AS A FACT that the rates now

charged by Conservative Investment Company for water delivered to consumers in Neff Station Acres, Los Angeles County, are unjust and unreasonable in so far as they differ from the rates herein established and that the rates herein established are just and reasonable rates to be charged for such service and basing the order upon the foregoing finding of fact and upon the statements of fact contained in the opinion preceeding this order, IT IS HEREBY ORDERED that Conservative Investment Company be and it is hereby authorized and directed to file with the Railroad Commission within 20 days of the date of this order and thereafter charge the following rates for water delivered to consumers in Neff Station Acres:

METERED SERVICE

Minimum monthly payment, entitling consumer to 500 cubic feet	- - - - -	\$1.50
From 500 to 1000 cubic feet, per 100 cubic feet	- - - - -	0.20
Over 1000 cubic feet, per 100 cubic feet	- - - - -	0.15
Fire hydrants per year per outlet		12.00

AND IT IS HEREBY FURTHER ORDERED that Conservative Investment Company begin at once and proceed diligently to complete the following improvements to its utility property:

1. Repair leaks in the distribution pipe system.
2. Repair meters and place a meter upon each service.
3. Replace the present one inch pipe connecting the mains of Inglewood Water Company and the utility's distribution pipe system with a pipe of not less than two inches internal diameter.
4. Such other improvements or betterments as are necessary to furnish adequate service to consumers.

AND IT IS HEREBY FURTHER ORDERED that Conservative Investment Company file with the Railroad Commission within ten days of the date of this order detailed plans and specifications of the improvements ordered herein, and shall make written reports to the Commission at intervals of two weeks showing the progress of the work,

AND IT IS HEREBY FURTHER ORDERED that the collection of the rates herein established is expressly conditioned upon adequate service being furnished 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 29th day
of July 1920.

Edwin A. Edgerton

H. B. Loveland

Frank R. H. H. H.

Swiss Matter

Commissioners.