

Decision No. 8035

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of BREA TOWNSHIP COMPANY for) Application No. 4953
authority to establish rates.)

James S. Bennett, for the applicant.

Albert Launer, for the City of Brea.

BY THE COMMISSION:

O P I N I O N

The applicant in the above entitled proceeding, engaged in supplying water for domestic and industrial purposes in Brea and vicinity, alleges in effect that under its present flat rates water is wasted and that the installation of meters is necessary in order to conserve its supply. The Commission is therefore asked to establish a rate for water delivered through meters.

A public hearing was held in Whittier at which all interested parties were given an opportunity to be present and be heard.

Applicant's water system was installed originally for the purpose of aiding in the sale of real estate, and now serves approximately 220 consumers, practically all of whom are supplied at a flat rate of \$1.50 per month.

Water is obtained through the ownership of 106 shares of stock of La Habra Water Company and by purchase from the Whittier Water Company.

Testimony shows that the original cost of the system was \$36,259, and that the cost when fully metered will be \$40,527; that depreciation annuity, calculated upon the sinking fund method, amounts to \$397; that a reasonable allowance for maintenance and operation expense is \$3600 per year; and that total annual charges, based upon the foregoing figures, are \$7239.

Operating revenues for 1918 were \$6045 and for 1919 were \$5876.

This Commission has frequently expressed itself to the effect that delivery of water at metered rates is the only method whereby charges can be equitably distributed among consumers, waste be prevented and operating expenses be held to the minimum. There are no figures of water use available upon which to establish a schedule of meter rates for this utility, but it is believed that the schedule set out in the accompanying order will produce a fair and remunerative income.

O R D E R

Brea Townsite Company having made application in the above entitled proceeding, a public hearing having been held thereon and the Commission being fully informed in the matter,

It is hereby found as a fact, that the rates now charged by Brea Townsite Company for water delivered to its consumers, 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 its order upon the foregoing finding of fact and upon the findings contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Brea Townsite Company be and it is hereby authorized and directed to file with the Railroad Commission, within twenty (20) days from the date of this order, and

