

ORIGINAL

Decision No. 8891.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
FLORA WATER COMPANY for authority to )	
establish metered rates for water )	Application No. 6459.
service and for increase in rates. )	

Henry K. Elder, for Applicant.

A. R. Black, in propria persona.

BY THE COMMISSION.

O P I N I O N

Flora Water Company, applicant in the above entitled matter, is engaged in selling and distributing domestic and irrigation water to twenty consumers in the La Bresa Tract, Los Angeles County. Applicant asks for authority to increase rates for water service, and to establish meter rates, alleging in effect that the present rate does not produce an income sufficient to pay current operating expenses, and that there is an excessive waste of water due to the flat rates now in effect.

A hearing in the above entitled proceeding was held at Los Angeles before Examiner Westover, of which hearing applicant's consumers were duly notified and given an opportunity to appear and be heard.

Applicant acquired the water system from the Flora Water Company (incorporated), a mutual company, in April, 1920, by authority of the Commission granted in Decision No. 7351, in Application

No. 5399 entitled, In the Matter of the Application of the Flora Water Company, incorporated, to sell, and Elroy M. Johnson to purchase, the water system of the Flora Water Company located at Redondo Beach, California. At that time the present flat rate of \$1.25 per month for domestic service and 2 cents per inch per hour for irrigation service was agreed upon by applicant and the consumers, all of whom were stockholders in the mutual company.

Water is obtained from a 12-inch well about 300 feet deep and is pumped into a 10,000-gallon tank on a 30-foot tower, from which it is distributed to the consumers through 4-inch and 6-inch mains.

A field investigation and appraisal of the used and useful properties was made by F. E. Van Hoesen, one of the Commission's hydraulic engineers. The appraisal submitted shows the estimated original cost of the system to be \$6,612, and \$135 as the annuity for **replacement fund**, computed on the sinking fund basis. Maintenance and operating expense for 1921 was estimated at \$1,183. It appears that power bills have increased materially because of the heretofore faulty registration of the electric meter and a possible excessive use of water.

Applicant has no records of revenues, and because of disputes over bills has made no collections except those voluntarily offered. However, it is apparent that it would require a prohibitive rate to yield the above estimated annual charges from twenty consumers.

There are no records of water use by consumers of this system available upon which to base a schedule of meter rates for this utility, but it is believed that the rates set out in the following order, which are comparable to those of similar utilities similarly operated, will produce a reasonable income for the service rendered.

The Commission has repeatedly urged utilities operating under flat rates to install meters and deliver water on a measured basis. The benefits derived from a metered system are a conservation

of water, a distribution of charges according to use, and a saving in operation charges, which in this case would be pumping cost.

O R D E R

FLORA WATER COMPANY having made application to the Railroad Commission as entitled above, 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 Flora Water 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 statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Flora Water Company be and it is hereby authorized and directed to file with the Railroad Commission of the State of California within twenty (20) days from the date of this order, the following schedule of rates, said rates to be charged for all water delivered to consumers on and after May 1, 1921, and superseding all rate schedules theretofore in effect:

MONTHLY MINIMUM RATES

For 5/8-inch meter.....	\$ 1.00
For 3/4-inch meter.....	1.25
For 1 -inch meter.....	1.75
For 1 1/2 -inch meter.....	2.50
For 2 -inch meter.....	3.00
For 3 -inch meter.....	5.00

MONTHLY METER RATES

From 0 to 500 cubic feet, per 100 cubic feet.....	.25
From 500 to 1000 cubic feet, per 100 cubic feet....	.20
From 1000 to 2000 cubic feet, per 100 cubic feet...	.15
Over 2000 cubic feet, per 100 cubic feet.....	.05

IT IS HEREBY FURTHER ORDERED that the Flora Water Company be and it is hereby directed to file with the Railroad Commission for its approval, rules and regulations governing the distribution of water to its consumers, said rules and regulations to be filed with the Commission within thirty (30) days of the date of this order and to be and become effective within five (5) days of the date of their approval by this Commission.

Dated at San Francisco, California, this 20<sup>th</sup> day of April, 1921.

H. D. Loveland

H. B. Brundage

James Martin

Commissioners.