

Decision No. 2702.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

OTTO H. FETT, A. V. FOERSTER and
HENRY SHERIDAN,)

Complainants,)

vs.)

EMIL FIRTH and LOS ANGELES TRUST
AND SAVINGS BANK, a Corporation.)

Defendants.)

ORIGINAL

Case No. 1590.

In the Matter of the Application)
of EMIL FIRTH for an order author-)
izing an increase of water rates.)

Application No. 7106.

E. V. Rosenkranz, for defendants and applicant.

J. J. Denman, for complainants and certain protestants.

BENEDICT, Commissioner.

O P I N I O N

Complaint was filed by certain consumers of water on an Emil Firth subdivision of land, contiguous to the city limits of Los Angeles and generally known as Harbor Boulevard Gardens,

Tract 3064. It is alleged in effect that the defendants are a public utility; that as a prerequisite to service, contracts must be signed and service connections paid for by the consumers; that the system installed is of inferior material and that the water served is not potable and is unsanitary.

The application for an increase in rates was filed by Emil Firth and alleges that the present rates of \$1.00 per month for 1000 cubic feet of water or less, and 10 cents per 100 cubic feet for additional quantities, do not produce sufficient revenue to equal the operating charges.

The above proceedings were combined for hearing in Los Angeles, of which all consumers were notified and given an opportunity to be heard.

It appears from the testimony that this water system was installed by Emil Firth about the year 1920 to supply a tract of some 648 lots owned by the Los Angeles Trust and Savings Bank. The system consists of a well, electrically driven pumping plant, a 22,000 gallon reinforced concrete storage tank on a forty foot tower, and about 5.6 miles of mains. There are at present about 25 consumers, all of whom are metered.

It was shown that the utility had discontinued the signing of contracts as a prerequisite to service and that all moneys collected from the consumers for service connections and meters had been refunded. It appears that the utility is now conforming to the Commission's requirements in these practices, as set out in its Decision No. 2879.

A report which was prepared by the State Board of Health was submitted by defendant, showing the results of an examination of samples of water drawn from the system. This report

shows that the water is safe for drinking purposes, and thus disposes of the complaint regarding its quality. It appears that the odor complained of is due to stagnation of the water in the dead ends of mains, and may be prevented by frequent flushing of the mains.

Applicant asked that his rates be increased to \$1.50 per month for 800 cubic feet or less, and 20 cents per 100 cubic feet for additional amounts. This was amended at the hearing to any rate the Commission might establish.

An appraisal of the system was presented by Mr. John Spencer, one of the Commission's engineers, which shows the estimated original cost to be \$22,028, and estimates the replacement annuity as \$483, computed by the 6% sinking fund method. This report also recommended \$480 as a reasonable operating expense.

Mr. Firth testified that the plant had cost \$18,058 to install. This amount, however, did not include real estate and other property properly chargeable to the water system. The actual operating expenses for seventeen months amounted to \$783.45, or approximately \$46 per month. The revenues for twelve months amounted to \$261.

It was shown at the hearing that the tract is only partially settled and in its development stage, and that the investment cannot be used as a basis for establishing rates. Consideration must be given the value of the service and the ability of the consumers to pay. The rate established in the following order is comparable to the rates of other utilities operating in that vicinity, and is considered reasonable both to the consumers and the utility.

I submit the following form of order.

O R D E R

Otto H. Fott and others having made complaint in the above entitled proceeding and Emil Firth having made application for increased rates, public hearings having been held in both proceedings and the matters having been submitted,

It Is Hereby Found as a Fact that the rates charged by said Emil Firth 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 by Emil Firth for water delivered to consumers in Tract No. 3064, Harbor Boulevard Gardens, Los Angeles County.

It Is Hereby Further Found as a Fact that service conditions may be improved by providing further flushing facilities on the dead ends of mains.

And basing its order upon the foregoing findings of fact and upon the findings contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Emil Firth be and he is hereby authorized and directed to file with the Railroad Commission within twenty (20) days from the date of this order and thereafter charge the following rates for water supplied to residents of Tract 3064, Harbor Boulevard Gardens:

MONTHLY METER RATES:

| | |
|--|--------|
| 500 cubic feet or less | \$1.25 |
| 500 to 1000 cubic feet, per 100 cubic feet | .20 |
| All in excess of 1000 cubic feet, per 100 cubic feet | .15 |

MONTHLY MINIMUM CHARGE:

| | |
|----------------------------|--------|
| 5/8 inch meter | \$1.25 |
| 3/4 inch meter | 1.50 |
| 1 inch meter | 1.75 |
| 1 1/2 inch meter | 2.00 |

IT IS HEREBY FURTHER ORDERED that within thirty (30) days

from the date of this order applicant file with this Commission, subject to its acceptance, a set of rules and regulations governing the service to its consumers in said Tract 3064, Harbor Boulevard Gardens.

IT IS HEREBY FURTHER ORDERED that said defendants shall immediately install suitable valves at all dead ends of mains, in addition to present installation, and thereafter periodically flush out said mains. ^{That} in all other respects the complaint in Case 1590 be and the same is hereby dismissed.

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 4th day of November, 1921.

H. B. Bourdige
H. D. Loveland
Erving Martin
Paul Johnson
J. J. Pineda
Commissioners.