

Decision No. 9995.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of EUCLID AVENUE WATER COMPANY  
for permission to increase rates  
of water of said company.

ORIGINAL

Application No. 6990.

Theodore F. Taylor and J. E. Jardine, for applicant.

BY THE COMMISSION.

O P I N I O N

Euclid Avenue Water Company, owning and operating a water system supplying water for domestic and irrigation purposes to approximately 30 consumers located upon a tract of 160 acres in and in the vicinity of South Pasadena, Los Angeles County, asks permission to increase rates.

The application alleges in effect that the present irrigation rates of one cent per weir inch per hour, and the domestic rates of \$1.00 per month for 1000 cubic feet with all in excess thereof at the irrigation rate, do not produce sufficient revenue to cover the cost of maintaining and operating the system.

Applicant therefore asks permission to increase the present rates 25 per cent., and submitted a petition signed by all the consumers, signifying their willingness that such an increase

be granted.

A public hearing in the matter was held at Los Angeles before Examiner Williams, of which all consumers were notified and given an opportunity to be present and to be heard.

The system consists of two 18 inch wells, a 15 horse power electric motor connected to a No.10 Pomona pump, a 30 horse power electric motor directly connected to a Layne and Bowler pump, an asphalt lined earthen reservoir, and approximately 10,000 feet of distribution pipe ranging from 4 to 10 inches in diameter.

Mr. F. H. Van Hoesen, one of the Commission's hydraulic engineers, submitted a report based upon an investigation of the system, which shows an estimate of future maintenance and operating expense, amounting to \$3,630, and a depreciation annuity computed by the sinking fund method of \$479.

Mr. Van Hoesen's report and other testimony presented indicates an estimated original cost of the system of \$25,329.

The annual charges based upon the foregoing items are as follows: -

Return at 8% upon \$25,329 . . . . .	\$2,026
Depreciation Annuity . . . . .	479
Maintenance and Operating Expense . . . . .	3,630
Total Annual Charges . . . . .	<u>\$6,135</u>

The revenues from the sale of water for 1920 were \$3,945, and for 1921 are estimated at \$3,900. It is therefore evident that applicant is entitled to an increase in rates.

The consumers, with one or two exceptions, are stockholders in the company, and the testimony shows that a full return upon the investment is not desired. The increase of 25 per cent. desired by applicant appears reasonable and will produce sufficient revenue to cover maintenance and operating expense, depreciation annuity, and some return upon the investment. The proposed increase in rates, moreover, has the sanction of all consumers.

O R D E R

Euclid Avenue Water Company having made application for permission to increase rates, a public hearing having been held thereon, and the matter having been submitted,

It Is Hereby Found as a Fact that the present rates charged by Euclid Avenue Water Company for water delivered to consumers in and in the vicinity of South Pasadena, 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 for such service.

And basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that Euclid Avenue Water Company be and it is hereby authorized and directed to file with this Commission within twenty (20) days from the date of this order, the following schedule of rates to be charged for water delivered to its consumers, such rates to be effective for all water delivered subsequent to January 31, 1922:

IRRIGATION SERVICE

Per weir inch per hour, which is equivalent  
to 36 cubic feet . . . . . \$0.0125

DOMESTIC SERVICE

Monthly charge for 1000 cubic feet or less . \$1.25

All quantities in excess of 1000 cubic  
feet per month, per 100 cubic feet . . . 0.035

IT IS HEREBY FURTHER ORDERED that Euclid Avenue Water Company be and it is hereby directed to file with this Commission within thirty (30) days from the date of this order, rules and regulations governing relations with its consumers, such rules and regulations to become effective upon their acceptance by

this Commission.

Dated at San Francisco, California, this 17<sup>th</sup> day of  
January, 1922.

H. B. Boudig  
H. J. Lovland

J. P. Penner  
Commissioners.