

Decision No. 27532

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Claude F. Smith for permission to
operate water system.

ORIGINAL

Application No. 19444.

Claude F. Smith, in propria persona.

W.C. Woodward, for protestants.

Edward V. Rowe, protestant.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceeding, Claude F. Smith asks for a certificate of public convenience and necessity to supply domestic water to the inhabitants of Tract No. 5224, Los Angeles County. It is further requested that the following schedule of rates be established for the service rendered:

"EXHIBIT 'B'. Rates for water are to be:
Flat rate minimum of \$2.00 per month including irrigation of 500 square feet with additional charge of 10 cents per month for each additional 100 sq. ft.
Meter rate \$2.00 minimum for 5/8 meter. First 1000 ft. 20 cents per 100, next 3000 ft. 17 cents per hundred; all over 4000 feet 12 cents."

A public hearing in this matter was held before Examiner Gorman at Los Angeles.

The testimony shows that Tract No. 5224, Los Angeles County, which adjoins the City of Long Beach, was subdivided in 1926 by Kirkpatrick & Kirkpatrick of Long Beach. This firm in-

stalled a water system on the tract to aid in the sale of lots. They furnished free water service for five or six years until they became financially involved and then attempted to transfer the system to the residents of the tract. The consumers operated the system for some time on a mutual basis but, through lack of cooperation, this method was not successful and resulted in poor and undependable water service. In the meantime, the subdividers were declared bankrupt and the water plant was sold to satisfy a mortgage and thereafter was acquired by Claude F. Smith, applicant herein.

Water is developed from a well and delivered by means of an automatic pressure system into the mains which range from five and one-half inches to two inches in diameter. There are now thirty-one consumers.

The original cost of the water system, as shown by a construction contract, was four thousand seven hundred and ten dollars (\$4,710). There has been seven hundred eighty-eight dollars and thirty-six cents (\$788.36) expended in addition to the above sum which increases the original cost to five thousand four hundred ninety-eight dollars and thirty-six cents (\$5,498.36). Applicant testified that the plant was in poor condition when he took it over on April 1, 1934, and that since then he has expended two hundred eighty-eight dollars and thirty-six cents (\$288.36) in repairs and the installation of meters. He estimated that it will require approximately five hundred dollars (\$500) to place the system in first-class condition, which he proposes to do as soon as finances permit. Only four months' records of cost of operation were available but it was estimated that the proposed rates would produce sufficient revenue from the present consumers to cover op-

erating costs.

No county franchise is required by applicant at this time.

Several consumers appeared and complained of the service, the quality of the water being delivered, and the rates proposed. The evidence shows that the service rendered by applicant is better than it has been in the past and that the improvements contemplated should provide a much more satisfactory service. The quality of the water has been passed upon by the Los Angeles County Health Department which, in its letter of August 15, 1934, reported as follows:

"A sanitary survey of this water system has been made and the survey shows system to be in good condition; taste very good and no odors."

The proposed rates are less than those charged by the water works operated by the City of Long Beach for service to property outside the city limits and compare very favorably with the rates of other utilities supplying water in the general vicinity under similar conditions. While applicant frankly admits his financial inability to make all improvements immediately, nevertheless, he has purchased the property and has outlined a program which will result in satisfactory service and has already shown his good faith by repairing the pumping equipment and installing meters to curb the waste of water.

Under the conditions, applicant should be granted a certificate of public convenience and necessity.

O R D E R

Claude F. Smith having made application as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require that Claude F. Smith operate a public utility water system in the territory known as Tract No. 5224, Los Angeles County.

IT IS HEREBY ORDERED that Claude F. Smith be and he is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all service rendered consumers on said tract subsequent to the 30th day of November, 1934:

MONTHLY FLAT RATES

For each residence, including irrigation of not over 500 square feet-----	\$2.00
For each 100 square feet additional-----	.05

METER RATES

Monthly Minimum Charges:

5/8 x 3/4-inch meter-----	\$2.00
3/4-inch meter-----	2.50
1-inch meter-----	3.00
2-inch meter-----	5.00
3-inch meter-----	10.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates."

Monthly Quantity Rates:

From 0 to 1,000 cubic feet, per 100 cubic feet-----	\$.20
Next 3,000 cubic feet, per 100 cubic feet-----	.17
All over 4,000 cubic feet, per 100 cubic feet-----	.12

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IT IS HEREBY FURTHER ORDERED that Claude F. Smith be and

he is hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, rules and regulations governing relations with his consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 5th day of November, 1934.

Len D. White

W. J. Carr

M. B. Manning

William H. Moore

Frank R. Leiby

Commissioners.