

Decision No. 48144

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOUNTAIN PROPERTIES, INC., a California)
corporation, under Section 728 of the) Application No. 33791
Public Utilities Code, to increase its)
rates for Independence Square.)

. Moss, Lyon & Dunn, attorneys, by George C. Lyon,
for applicant; Margaret S. Valencia, Henry Edgink. Lupe
Ramirez, Mary Gonzales and Gregory Ramirez in propria
personae, protestants; R. E. Sutherland for the Commission
staff.

O P I N I O N

Mountain Properties, Inc., a corporation, by the above-entitled application filed October 7, 1952, seeks authority to increase its rates for water service in its Independence Square system by about \$926 per year. The application was amended at the hearing by the filing of a request to establish a rate for fire hydrant service.

A public hearing in this matter was held before Examiner Warner on December 10, 1952, in Los Angeles.

General Information

Applicant furnishes public utility water service in 19 localities in Los Angeles, Orange, San Bernardino and Kern Counties. Its headquarters are located in Los Angeles. A local collection office is maintained at 13344 Rosecrans Avenue for the convenience of consumers, and a general warehouse and maintenance headquarters is located near Santa Ana.

Operations in Independence Square System

Applicant furnishes domestic and commercial water service to 152 flat rate and 18 metered consumers in unincorporated territory situated in the vicinity of Rosecrans Avenue and Carmenita Road, Los Angeles County. Such water service has been furnished since 1938 at which time applicant's present rates were established by the Commission. The growth of the area is static and applicant's need for an increase in rates is based on its showing of operating losses in this system for the recorded year 1951 and the estimated year 1952.

Rates

The following tabulation is a summary of applicant's present and proposed flat rates:

MONTHLY FLAT RATESPresent

House, 5 rooms or less, on 25-foot lot	\$ 1.25
House, 5 rooms or less, on 50-foot lot	1.50
Extra house, 5 rooms or less, occupied by separate family on one lot	1.00
Each additional room10
Small store or shop	1.50
Large store or shop or meat market	1.75
Soft drink shop or bakery	2.00
Public hall or billiard parlor	1.50
Drug store with soda fountain	2.50
Barber shops	1.50
Water for irrigation, per square yard irrigated005

Proposed

For each residence, including one or two lots, not to exceed 50' x 135', where service connection does not exceed 3/4-inch	\$ 2.00
For each additional residence on one lot	1.00
For small business lots where the service connection is not larger than 3/4-inch in diameter	2.00
Water for irrigation not included in the above schedule, per 100 square feet irrigated02

No increase is requested in the monthly quantity meter rates but increases in the monthly minimum charges are shown as follows:

METER RATES

Minimum Charge:	Per Meter Per Month	
	Present	Proposed
For 5/8 x 3/4-inch meter	\$ 1.25	\$ 2.00
For 3/4-inch meter	1.75	-
For 1-inch meter	2.25	3.00
For 1 1/2-inch meter	4.00	4.00
For 2-inch meter	6.00	6.00
For 3-inch meter	-	20.00
For 4-inch meter	-	30.00

Earnings

Exhibits No. 1 and No. 4, submitted by applicant and by the Commission staff, respectively, contain earnings information for the recorded year 1951 and the estimated years 1952 and 1953. Such information is summarized as follows:

SUMMARY OF EARNINGS

Item	:Year 1951:		: Year 1953 :	
	:Recorded : Year 1952 Estimated :		: Estimated :	
	: Present Rates		: Proposed Rates:	
	: Per Co. :	: Per Co. :	: Per PUC :	: Per PUC :
	: Exh. #1 :	: Exh. #1 :	: Exh. #4 :	: Exh. #4 :
Operating Revenue	\$ 3,499	\$ 3,427	\$ 3,428	\$ 5,288
Operating Expenses	4,928	5,475	4,789	5,178
Net Revenue	(1,429)	(2,048)	(1,361)	110
Rate Base			14,278	16,985
Rate of Return			Nil	0.65%

(Red Figure)

The company's estimate of operating expenses for the year 1952 includes prorated amounts for general expenses based upon the ratio of the number of consumers in Independence Square system to the total consumers of the company. The Commission staff estimate for 1952 includes amounts prorated on a revenue

basis. The staff method of proration will be adopted for the purpose of this proceeding in this instance.

Conclusion

It is evident that applicant is in need of financial relief in its Independence Square system and the proposed rates, which are considered to be reasonable, will be authorized to be filed by the order which follows, except that the filing of a different schedule of minimum charges from those proposed by applicant will be authorized. The filing of monthly rates of \$1 for each single outlet fire hydrant and \$2 for each double outlet fire hydrant will also be authorized.

Service Complaints

All consumer appearances protested the granting of this application because of frequent interruptions to water service and sand and oil in their water service pipe lines. Applicant's president testified that during the summer of 1952 the one well, upon which the Independence Square system depended entirely for its source of water supply, had proved inadequate as to the quantity of water which could be pumped from it. Also, sand had started to appear during pumping operations. A new well was drilled, and a new pumping plant and pressure tank were installed late in the summer. Completion of the installation was effected in November, 1952. He testified that the new pumping plant installation has a production capacity of 1,000 gallons per minute which, together with the new pressure tank, should assure this system of ample water supplies at operating pressures of between 30 and 50 pounds per square inch. The cost of such installation was approximately \$5,000. He testified further that all service complaints in the future would be investigated immediately and that the improvements to the water system should eliminate all causes of past service complaints.

O R D E R

The above-entitled application having been filed, a public hearing having been held, the matter having been submitted, and the Commission being full advised in the premises,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified and that present rates in so far as they differ from those herein prescribed are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that applicant be, and it is, authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96, a schedule of rates shown in Exhibit A attached hereto, together with rules and regulations and four copies of a tariff service area map, and on not less than five (5) days' notice to the Commission and the public, to make such rates effective for services rendered on and after February 1, 1953.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco California, this 13th day of

January, 1953.

[Signature]
President.

[Signature]

[Signature]

[Signature]

Commissioners.

Commissioner Justus E. Craomer, being necessarily absent, did not participate in the disposition of this proceeding.

EXHIBIT A
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Schedule No. 1

FLAT RATE SERVICE

APPLICABILITY

Applicable to all unmeasured water service.

TERRITORY

Within the service area of Independence Square, located in unincorporated territory in the vicinity of Rosecrans Avenue and Carmenita Road, Los Angeles County.

RATES

	<u>Per Month</u>
For each residence or business establishment including premises not exceeding 6,750 square feet in area, and where service connection does not exceed 3/4 inch	\$ 2.00
For each additional 100 square feet of area of premises in excess of 6,750 square feet02
For each additional residence on premises served from the same service connection	1.00

SPECIAL CONDITIONS

1. All service not covered by the above classification will be furnished only on a metered basis.
2. Meters may be installed at option of utility or customer for above classifications in which event service thereafter will be rendered only on the basis of Schedule No. 2 - General Metered Service.

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Schedule No. 2

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Within the service area of Independence Square, located in unincorporated territory in the vicinity of Roscerans Avenue and Carmenita Road, Los Angeles County.

RATES

	<u>Per Meter Per Month</u>
Quantity Rates:	
First 800 cu.ft. or less	\$ 2.00
Next 200 cu.ft., per 100 cu.ft.25
Next 2,000 cu.ft., per 100 cu.ft.15
Next 3,000 cu.ft., per 100 cu.ft.12
Over 6,000 cu.ft., per 100 cu.ft.06
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 2.00
For 1-inch meter	4.00
For 1 1/2-inch meter	6.50
For 2-inch meter	10.00
For 3-inch meter	17.50
For 4-inch meter	30.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

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Schedule No. 3

FIRE HYDRANT RATE

APPLICABILITY

Applicable to fire hydrants throughout the system.

TERRITORY

Within the service area of Independence Square, located in unincorporated territory in the vicinity of Rosecrans Avenue and Carmenita Road, Los Angeles County.

RATES

Per Month

For each single outlet fire hydrant	\$ 1.00
For each double outlet fire hydrant	2.00