

ORIGINAL

Decision No. 14062.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of the Sycamore Canyon Water
Company, for an order authorizing
it to discontinue its service as
a public utility.

Application No. 10288

Wellborn, Wellborn & Wellborn, by
Olin Wellborn III for Applicant.
Owen C. Emery for Consumers.

BY THE COMMISSION:

O P I N I O N.

In the above entitled application the Sycamore Canyon Water Company of San Rafael, a corporation, which owns and operates a public utility supplying water for domestic purposes to a small territory lying along Sycamore Canyon Road, adjacent to the limits of the City of Glendale, Los Angeles County, asks permission to discontinue service as a public utility.

A public hearing in this matter was held in Los Angeles before Examiner Williams after all interested parties were duly notified and given an opportunity to be present and be heard.

The articles of incorporation show that this company was incorporated on February 11, 1887, for the following purposes: To acquire lands, water and water rights; to develop, pipe and store water; to sell land and water rights and to distribute water among the stockholders of the company.

In subsequent years water service was extended to other than stockholders, the company incurred a public utility obligation and became subject to the jurisdiction of the Railroad Commission.

The testimony indicates that the available water supply developed by the company's tunnels has gradually decreased and in consequence it has been necessary for the utility to purchase water from the City of Glendale, which has now extended its municipal system to supply water to all residents within the city limits, thus leaving approximately twenty-three consumers receiving water service from this utility.

The records show that this water system has been operated continuously at a loss; that the system is in a dilapidated condition and requires the expenditure of an excessive amount of money for maintenance and operation. The cost of water purchased from the City of Glendale amounts to approximately \$100.00 per month, while the revenue from twenty-three consumers will yield \$23.00 per month at the rates at present in effect.

Applicant contends that it cannot procure the money necessary for the replacement of its distribution pipe system and has offered to turn the entire plant over to its consumers, free of charge, or to anyone desiring to assume its obligations.

The City of Glendale is now supplying water to this utility for distribution among its consumers, and would undoubtedly take over and continue the supply under proper agreement, such as the city requires of other territory coming under its water system.

It is apparent that any rate which would return to the owners of the plant even the bare cost of operation and maintenance would be an undue burden upon the consumer and would also be more than the service is worth.

Evidence was submitted by consumers, who contend that water can be developed from the utility tunnels and a caved-in well, in sufficient quantities to supply the needs of the consumers at the present time, but the evidence submitted is not at all conclusive that such an amount of water can be developed.

A careful consideration of the evidence submitted leads to the conclusion that the continued operation of this utility can result

only in additional losses and that authority to discontinue service should be granted after consumers have been given a reasonable period of time in which to secure another source of supply.

O R D E R

Application having been made to this Commission as entitled above, a public hearing having been held thereon, the matter having been submitted, and the Commission being now fully informed thereon,

IT IS HEREBY ORDERED, for the reasons set out in the preceding opinion, that on November 1, 1924, Sycamore Canyon Water Company of San Rafael, a corporation, be, and the same is hereby relieved of such public utility obligation as may have heretofore existed regarding service of water to consumers in Sycamore Canyon and vicinity, provided that:

1. Within ten days of the date of this order each and every consumer be notified in writing of such intention to discontinue service, and a certified statement that consumers have been given such notification be furnished this Commission within fifteen days of the date of this order.

The effective date of this order is hereby fixed as November 1, 1924.

Dated at San Francisco, California, this 16th day of September, 1924.

C. L. Harvey
H. M. Brundage
Dwight Martin

Commissioners