

ORIGINAL

Decision No. 14098.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of the San Rafael Ranch Company,  
a Corporation, for permission to  
discontinue water service.

Application No. 10382.

Sheldon Borden, for applicant.  
George L. Hampton, for consumers.

BY THE COMMISSION:

O P I N I O N.

The San Rafael Ranch Company, a corporation, the owner of a certain water plant and water distributing system situated partly within the City of Los Angeles, State of California, asks authority to discontinue water service to those consumers in the territory lying within the City of Los Angeles between Avenue 64 and Garvanza Street.

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

The applicant alleges in effect that it has been serving water for domestic purposes to this territory for some time past, and that owing to the lowering of the water table the available supply is rapidly diminishing; that the distribution system which serves the area in question is old and must be replaced within a short time; and that it will be impossible to serve water to any additional consumers in this territory.

Applicant has entered into negotiations with the City of Los Angeles, which owns and operates a municipal water system, to take over these consumers and serve domestic water. The company has agreed

to reimburse the City of Los Angeles for the installation of the necessary pipe lines and for fire hydrant connections. At the present time the applicant does not have either a water supply or pipe line facilities for furnishing any fire protection service within this area.

The applicant presented a statement of revenues and expenses, which shows that for the year 1922 there was an operating loss of \$682.67; in the year 1923 \$1,014.96, and for the first six months of 1924 a loss of \$496.99. These figures do not take into consideration the fact that there has been no money available for an interest return upon the capital investment.

When water service was established in this territory, the consumers deposited with the applicant the cost of meters and services to the amount of \$25.00 for each connection. They are now willing and ready for the San Rafael Ranch Company to discontinue service under the arrangement which has been made with the City Water Department, but do not feel that they should be required to deposit any money with the City for meters and service connections. By agreement and stipulation, the company stated that all services and meters would be left in place so that the City of Los Angeles could connect these existing services and meters with the mains to be laid. In the event that the City refused to serve water through the existing services and meters, then the applicant would deposit any amount required for the installation of the necessary facilities. The City of Los Angeles, through its representative, Mr. Ed. B. Mayor, stated that the consumers on this area would receive water at a probable pressure of 40 to 60 pounds, and of equal or better quality for domestic purposes than that served by the applicant.

The discontinuance of water service by the applicant under the agreement as set forth in this matter would prove a benefit to the consumers in that they would be provided with adequate fire service and an ample supply of water at a cheaper rate than they are now paying.

O R D E R

San Rafael Ranch Company, a corporation, having made application 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 FOUND AS A FACT that public convenience and necessity do not require the continued operation by the San Rafael Ranch Company of its Public Utility water system within the city limits of Los Angeles.

AND basing the order upon the foregoing finding of fact and upon the statements of fact in the opinion which precedes this order,

IT IS HEREBY ORDERED that the San Rafael Ranch Company, a corporation, be and it is hereby authorized to discontinue the operation of that portion of its system which lies within the City limits of Los Angeles in the vicinity of Avenue 64 and Garvanza Street and thereafter be relieved of its obligations to render public utility service within the area covered by the application herein, if and when the Water Department of the City of Los Angeles has installed the facilities and has assumed the responsibility of serving the company's present consumers in accordance with applicant's Exhibit No. 4 filed herein, and, provided that applicant assume financial obligation for any additional expenditures which may be required for changes in meters and service connections.

IT IS HEREBY FURTHER ORDERED that the San Rafael Ranch Company, a corporation, be and the same is hereby directed to notify within twenty (20) days from the date of this order each of its consumers receiving water service within the city limits of Los Angeles in the vicinity of Avenue 64 and Garvanza Street, of its intention to discontinue public utility service in accordance with the terms and provisions of this order; and that within twenty (20) days after the obligation to serve all of the above consumers has been assumed by the City of Los Angeles, in accordance with the terms of the order

herein, an affidavit to that effect be filed with this Commission by the said San Rafael Ranch Company.

The effective date of this order is hereby fixed as September 30, 1924.

Dated at San Francisco, California, this 27<sup>th</sup> day of September, 1924.

Cl Seavey

Darius Martin

Egerton Shore

J. T. Whitting  
Commissioners