

Decision No. 14944.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
VENICE CONSUMERS WATER COMPANY  
for authority to purchase, and BEACH  
LAND WATER SYSTEM for authority to  
sell all of the properties of the  
said Beach Land Water System.

ORIGINAL

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) Application No. 10905.  
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)

McAdoo & Neblett, by W. H. Neblett,  
for Venice Consumers Water Company.

H. J. Nice, for Beach Land Water System.

SHORE, Commissioner:

O P I N I O N

H. F. Mackie, doing business under the fictitious name of Beach Land Water System, has applied to the Railroad Commission for permission to sell his public utility water system at Playa del Rey, Venice, California, to Venice Consumers Water Company, which has joined in the application.

A public hearing in this matter was held at Los Angeles after due notice thereof had been given so that all interested parties might appear and be heard.

The testimony shows that the entire water supply of the Beach Land Water System is purchased through a master meter from the above Venice Consumers Water Company.

The pipe lines in the distribution system are becoming worn out and inadequate and are now in need of replacement with new and larger sized mains. The evidence shows that the Venice Consumers Water Company is to be paid \$6300 in consideration for

taking over this system, which amount is to be applied toward the installation of proper distribution mains and facilities for rendering fire service.

The Venice Consumers Water Company charges a higher quantity rate for metered service but has a lower monthly minimum charge than the Beach Land Water System. It necessarily follows that the granting of this transfer and the substitution of the rates of the Venice Company for those now in effect will result in an increase in water bills to some consumers while in other cases it will result in a decrease. It is apparent that those consumers who use over the monthly minimum of 500 cubic feet of water will be required to pay more than in the past. However, the evidence indicates that the operations of this system have never resulted in producing income sufficient to meet the cost of purchasing water, together with the other operating expenses, depreciation annuity, and an interest return to the extent to which it is entitled upon the investment.

From the condition of the system it is apparent that the urgent necessity for extensive and general costly improvements would have resulted in the very near future in a request for an increase in rates. The better service conditions which will result from the improvements to be made in this system will without doubt more than offset the increased charges which some of the consumers will have to pay for water.

No one appeared to contest the granting of this application, and with the understanding that the Venice Consumers Water Company will take immediate measures to improve the service conditions as outlined above it appears that the public interest will be served best by the granting of this transfer.

The following form of order is submitted:

O R D E R

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

IT IS HEREBY ORDERED that H. F. Mackie, doing business under the fictitious name and style of Beach Land Water System, be and he is hereby authorized to transfer to Venice Consumers Water Company that certain public utility water plant commonly known as Beach Land Water System, located in Playa del Rey, in the City of Venice, California, subject to the terms and conditions as set forth in that certain agreement of sale attached to and made a part of the above application and designated as "Exhibit A", and upon the following conditions and not otherwise:

1. The authority herein granted shall apply only to such transfer as shall have been completed on or before August 31, 1925, and a certified copy of the final instrument of conveyance shall be filed with this Commission by H. F. Mackie within thirty (30) days from the date on which it is executed.
2. The consideration given for the transfer of this property shall not be urged before this Commission or any other public body as a finding of value for rate fixing purposes or for any purpose other than the transfer herein authorized.
3. Within ten (10) days from the date on which H. F. Mackie actually relinquishes control and possession of the property herein authorized to be transferred, he shall file with this Commission an affidavit indicating the date on which such control and possession was relinquished.

The authority herein granted shall become effective on the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 18<sup>th</sup> day of May, 1925.

*H. B. Brundage*  
*C. L. ...*  
*... Shore*  
*George D. Squires*  
*...*  
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