

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SKIDMORE BROS. CORPORATION )  
to withdraw from and discontinue ) Application No. 13213.  
supplying domestic water to a por- )  
tion of the territory now being )  
served. )

Clyde Bishop, for applicant.

BY THE COMMISSION:

O P I N I O N

This is an application to discontinue a part of the public utility service now being rendered by Skidmore Brothers Corporation, which, among other things, is engaged in the business of supplying water for domestic purposes under the fictitious name and style of Laguna Heights Water System, to consumers living in and in the vicinity of Laguna Heights in Orange County. The application alleges in effect that a county water district has been duly organized under the name of Laguna Beach County Water District of Orange County, California, and includes within its legally constituted boundaries a portion of the applicant's service area, and that said water district has acquired a water supply and is now engaged in the construction of a water distributing system which will furnish water to all residents within the boundaries of said district, including those consumers now served by applicant. The Commission

therefore is requested to authorize applicant to discontinue water service to all of its consumers residing within said district when said consumers are able to receive water service from the district's water system.

A public hearing in this matter was held before Examiner Williams in Laguna Beach after all interested parties had been duly notified and given an opportunity to appear and be heard.

From the evidence it appears that for several years last past there has been considerable difficulty experienced by applicant in securing an adequate water supply to meet the continuously increasing demands of the territory served. The water district was formed primarily for the purpose of making possible through this type of organization the development of an adequate water supply the costs of which were too great a burden to be undertaken by applicant herein. The district does not contemplate the purchase or acquisition of any of the mains or other facilities now used by applicant, but is at the present time installing a completely new distribution system and desires to extend service to the residents of the district progressively as the mains are installed. The discontinuance of service by applicant therefore will be gradual to consumers within the district until final completion of the system, which is estimated by representatives of the district to be on or about June 1, 1927.

Applicant supplies water to a considerable number of consumers who do not live within the water district and it desires to continue to operate as a public utility and furnish water to these consumers.

The schedule of rates as established by this Commission in its Decision 5793, dated September 26, 1918, provides

for a minimum annual payment for water service. In view of the fact that certain of the consumers may not have used all the water to which they are entitled under the above rate schedule at the time service will be discontinued by applicant, such consumers will be entitled to a refund, based upon the proportion of water used.

No protests were entered against the proposed discontinuance of service by applicant, and it therefore appears that the request should be granted.

### O R D E R

Skidmore Brothers Corporation, operating a public utility under the fictitious name and style of Laguna Heights Water System, having made application 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 that Skidmore Brothers Corporation be and it is hereby authorized to discontinue on the first day of June, 1927, water service to all of its consumers located within the exterior boundaries of the Laguna Beach County Water District of Orange County, California, and thereafter be relieved of all public utility obligations and liabilities heretofore incurred in connection with the service to said consumers, provided that service may be discontinued prior to the first day of June, 1927, to such of the above consumers as may be receiving water service from the distribution mains of the said water district before said date.

IT IS HEREBY FURTHER ORDERED that the authority to discontinue service granted herein shall be subject to the following terms and conditions:

1. That within thirty (30) days of the date of this order Skidmore Brothers Corporation shall notify in writing each of the consumers affected by the order herein of its intention to discontinue the service of water on the first day of June, 1927, and shall file with this Commission within thirty (30) days of the date of this order a certified statement that such notice has been duly given.
2. That Skidmore Brothers Corporation shall refund to all consumers within the exterior boundaries of said district all amounts, if any, due such consumers at the time of discontinuance of service in proportion to the amount of water used and the duration thereof, based upon the established schedule of rates effective on this system, such refunds to be due and payable the consumers entitled thereto within thirty (30) days of the time service is discontinued.
3. Skidmore Brothers Corporation shall file with this Commission a monthly statement setting forth the name and address of each consumer whose service has been discontinued under authority granted herein and also setting forth the amount and date of deposit paid by such consumer to the company; the date of discontinuance; the amount of refund made and the basis thereof: said monthly statements to

commence thirty (30) days after the first service discontinuance and to continue until June 1, 1927, or until such time as all water service within said water district has been discontinued by Skidmore Brothers Corporation as provided in the terms of the order herein.

IT IS HEREBY FURTHER ORDERED that Skidmore Brothers Corporation be and it is hereby authorized to limit its service area to that territory heretofore served exclusive of the lands included within the exterior boundaries of the Laguna Beach County Water District of Orange County, California, and including the tract of land known as Coast Royal, said service area being more particularly described in the application herein.

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 15<sup>th</sup> day of November, 1926.

H. B. Ross  
P. S. Shaw  
Ernest A. ...  
Leon Whitell  
Thos. ...  
Commissioners.