

ORIGINAL

Decision No. 23669

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN GABRIEL VALLEY WATER COMPANY, a corporation, for authority to establish its rules, regulations and rate schedules in a portion of the unincorporated area of Rosemead and to establish optional combination rates throughout the Rosemead Area.

Application No. 16975.

The Loveland Engineers, Inc., by M.I. Reed,
for Applicant.
A.E. Hart, for Rosemead Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

San Gabriel Valley Water Company, a corporation engaged in the business of selling and distributing water for domestic, commercial, irrigation and other purposes to residents of South Pasadena, San Marino and Rosemead, Los Angeles County, asks the Commission to authorize said company to place its regular rates, rules and regulations in effect in a certain portion of the Rosemead area now served by it through a water works recently purchased from one F.M. Guess. Applicant further asks the Commission to establish an optional combination irrigation and domestic rate throughout the entire Rosemead territory, said rate to remain in effect only to and including December 31, 1931.

Public hearings in this proceeding were held before Examiner Satterwhite at Alhambra and Rosemead.

The testimony shows that the water system formerly owned by said Guess and operated under the fictitious firm name and style of Rosemead Water Company was purchased by applicant herein under authority issued by this Commission in its Decision No. 22820, dated August 29, 1930. Applicant already supplies water to a very large territory practically surrounding the so-called Rosemead area. Upon acquisition of the Guess system, applicant discontinued the use of the local well and pumping plant and substituted therefor its own water supply and storage facilities so that the former Rosemead Water Company's plant is operated now as a single unit with the remainder of applicant's water property. Although the San Gabriel Valley Water Company has not expended a very large amount of money in capital improvements on the Rosemead Water Company's system, yet several connections have been made thereto with applicant's large transmission mains which vary in size from six to ten inches in diameter. These interconnections have resulted in assuring at all times an adequate supply of water for domestic and agricultural use and for fire protection purposes, and have resulted in the delivery of water at much greater pressures than heretofore obtained. At the present time this Rosemead water system supplies approximately three hundred consumers, of which two hundred and twenty are metered. Applicant at the present time is engaged in a program of meter installation which should result in all consumers being supplied under metered service in the near future.

The rates actually charged by Mr. Guess on the Rosemead system and now being charged by applicant herein differ somewhat from the rates actually on file with the Commission and are as

follows:

FLAT RATE

Domestic Service, per month-----\$1.50 to \$3.00

METER RATE

Monthly Minimum Charge:

600 cubic feet, or less-----\$1.00

Monthly Quantity Rate:

Per 100 cubic feet-----\$0.10

Other service, per hour run of pump-----\$2.00

Special use, per 100 cubic feet-----\$0.05 to 0.10

Cemetery service, per month-----30.00

The rates now in effect on the remainder of the San Gabriel Valley Water Company's system were established by the Commission in its Decision No. 17382, issued the 22nd day of September, 1926, and, as later modified, are as follows:

DOMESTIC USE

Monthly Minimum Charge:

For 5/8-inch meter-----\$1.25

For 3/4-inch meter-----1.75

For 1-inch meter-----2.50

For 1 1/2-inch meter-----4.50

For 2-inch meter-----6.00

For 3-inch meter-----12.00

For 4-inch meter-----20.00

For 6-inch meter-----35.00

Monthly Quantity Charge:

From 0 to 500 cubic feet, per 100 cubic feet-----\$0.25

From 500 to 5,000 cubic feet, per 100 cubic feet-----.15

All over 5,000 cubic feet, per 100 cubic feet-----.12

IRRIGATION USE

Monthly Minimum Charges:

Same as for Domestic Use.

Monthly Quantity Charge:

Per 100 cubic feet-----\$0.08

MUNICIPAL USE

Fire Service, per hydrant, per month-----\$2.00

An effort was made to determine the former costs of operation and maintenance of the Rosemead Water Company's system from F.M. Guess; however, his books, accounts and records were so incomplete and fragmentary that no reliable data was obtainable. Reports in connection with the value of the Rosemead system and the costs of operation and maintenance thereof, together with other data, were submitted by G.R. Kennedy, consulting engineer in behalf of the Rosemead Chamber of Commerce, by M.I. Reed, an engineer representing the applicant, and F.E. Van Hoesen, one of the Commission's hydraulic engineers. While none of these reports attempted to embrace the entire operations of the San Gabriel Valley Water Company's complete system, yet they do indicate that applicant has not received in excess of a fair return upon its reported historical investment for the year 1930, nor would it have done so had it charged on the present Rosemead system the regularly established rates charged by San Gabriel Valley Water Company throughout the remainder of its territory.

The following data as to the cost of the Rosemead or Guess water system, together with revenues and maintenance expenses, are taken from the above reports.

brought to the attention of the Commission at any time by appropriate procedure.

In connection with the request of applicant to place in effect in this so-called Rosemead Water Company's service area the regularly established San Gabriel Valley Water Company's rates, the testimony indicates that the present consumers residing therein are now receiving the same class of water service as their neighbors in adjoining territory at a much lesser rate, creating, as to the water users supplied by this utility outside of the Rosemead Water Company's service area, an unfair discrimination. In view of the fact that a consideration of the testimony submitted indicates that the request of applicant to establish its regular schedule of rates throughout its system will not create unreasonable rates as to its consumers residing in the so-called Rosemead territory, the authority asked for will be granted.

O R D E R

San Gabriel Valley Water Company, a corporation, having made application to this Commission as entitled above, public hearings having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises,

It is hereby found as a fact that the rates and charges of San Gabriel Valley Water Company, a corporation, for water delivered to its consumers in the so-called Rosemead District, in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered, and

Basing this Order upon the foregoing finding of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that San Gabriel Valley Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all service rendered consumers in the unincorporated area of Rosemead recently acquired from F.M. Guess, subsequent to the 20th day of May, 1931:

DOMESTIC USE

Monthly Minimum Charge:

For 5/8-inch meter-----	\$ 1.25
For 3/4-inch meter-----	1.75
For 1-inch meter-----	2.50
For 1 1/2-inch meter-----	4.50
For 2-inch meter-----	6.00
For 3-inch meter-----	12.00
For 4-inch meter-----	20.00
For 6-inch meter-----	35.00

Monthly Quantity Charge:

From 0 to 500 cubic feet, per 100 cubic feet-----	\$.25
From 500 to 5,000 cubic feet, per 100 cubic feet-----	.15
All over 5,000 cubic feet, per 100 cubic feet-----	.12

IRRIGATION USE

Monthly Minimum Charge:

Same as for Domestic Use.

Monthly Quantity Charge:

Per 100 cubic feet-----	\$.08
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MUNICIPAL USE

Fire Service, per hydrant, per month-----	\$2.00
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IT IS HEREBY FURTHER ORDERED that San Gabriel Valley Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following optional rate to be charged those consumers qualified to receive the same for all service rendered to the unincorporated area of Rosemead, including the territory recently acquired from Frank M. Guess, subsequent to the 20th day of May, 1931:

OPTIONAL COMBINATION DOMESTIC AND IRRIGATION RATE

Monthly Minimum Charge:

Same as Domestic Use.

Monthly Quantity Charge:

0 to 500 cubic feet, per 100 cubic feet-----	\$.25
500 to 2,000 cubic feet, per 100 cubic feet-----	.15
All over 2,000 cubic feet, per 100 cubic feet-----	.08

The above optional rate is only applicable to the consumers in the unincorporated district of Rosemead who use water for the irrigation of land for commercial purposes.

IT IS HEREBY FURTHER ORDERED that San Gabriel Valley Water Company, a corporation, be and it is hereby authorized to place in effect throughout the territory heretofore supplied by the system operated by one Frank M. Guess and known as the Rosemead Water Company the rules and regulations now effective throughout the remainder of the territory supplied by said

San Gabriel Valley Water Company.

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 11th day of May, 1931.

C. L. Sawyer

W. B. Harris

Fred G. Stewart

Commissioners.