

MRM/GEH

Decision No. 24152

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
AMERICAN STATES WATER SERVICE COMPANY  
OF CALIFORNIA, for an order establishing  
metered rates for water service rendered  
in a portion of its Highland System.

Application No. 17396.

W.C. Kennedy, for Applicant.

William Babel, for Consumers  
on Cull Tract.

**ORIGINAL**

BY THE COMMISSION:

O P I N I O N

American States Water Service Company of California, a corporation engaged in the business of selling and distributing water for domestic, commercial and other purposes to the residents of the unincorporated Town of Highland and vicinity, including what is known as the Cull Subdivision, in San Bernardino County, asks the Commission to authorize said company to place its regular rates, rules and regulations in effect in the above so-called Cull Subdivision now served by it through a water-works recently purchased from one W.H. Cull.

A public hearing in this proceeding was held before Examiner Satterwhite at Highland.

The evidence shows that the water system formerly owned by W.H. Cull was purchased by applicant herein under authority

issued by this Commission in its Decision No. 21453, dated August 13, 1929. Applicant already supplies water throughout a very large area adjacent to the Cull Tract and has now installed a new pumping plant in the Cull water system and interconnected it with the pipe lines of its main water-works which insures at all times an adequate water supply at dependable and satisfactory pressures.

The rates charged by the former owner, Mr. Cull, and now being charged by applicant herein are as follows:

MONTHLY FLAT RATE

For each residence and lot-----\$1.50

IRRIGATION FLAT RATE

75¢ per hour, per irrigation consumer.

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The company desires to eliminate the flat rate service and charge the following meter rates now effective throughout the adjacent Highland System:

METER RATES

Monthly Minimum Meter Charges:

5/8 or 3/4-inch meter-----	\$1.50
1-inch meter-----	2.25
1½-inch meter-----	3.00
2-inch meter-----	5.00

Each of the foregoing "Monthly Minimum Meter Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the "Monthly Quantity Rates" set out below.

Monthly Quantity Rates:

From	0 to	600 cubic feet, per 100 cubic feet-	\$0.25
From	600 to	2,000 cubic feet, per 100 cubic feet-	.20
From	2,000 to	3,500 cubic feet, per 100 cubic feet-	.15
All in excess of	3,500	cubic feet, per 100 cubic feet-	.10

Mr. William Babel, on behalf of the consumers of the Cull Tract, protested the Commission's jurisdiction to change or adjust the rates for water service upon the grounds that the consumers and lot owners actually owned the system through rights acquired at the time of lot purchases in the tract. However, the testimony of a number of the lot purchasers clearly indicates that none of their sales contracts or deeds granted them any interests or rights in and to the water system and no other evidence was presented which would substantiate this claim. The testimony does show, however, that at the time the lots were sold the purchasers were told by the agents selling the properties that there was a well on the tract from which they could obtain water at a certain rate, which is the rate now in effect. From its inception this water service was dedicated to the public use through sales to the public generally for compensation and is public utility in character and under the control and jurisdiction of this Commission irrespective of the fact that its originator and former owner had neglected to obtain from this Commission a certificate of public convenience and necessity. The motion of protestants for dismissal upon the grounds of lack of jurisdiction therefore must be denied.

Applicant stated that it does not at this time desire a full return upon the capital invested in this system or upon the present value thereof, which it estimates at \$6,298. The revenue for the past year amounted to \$679, while the actual cost of operation was \$1,679, including depreciation. It is estimated that the proposed schedule of rates on a metered basis will yield a

revenue in the neighborhood of \$1,100, an amount not equivalent to the out-of-pocket costs of operation, including depreciation. In this connection, the testimony indicates that the present consumers residing on the Cull Subdivision are now receiving under flat rate charges an improved service, the equivalent to that received by their neighbors in adjoining territory, and it does not therefore appear unreasonable that the rates throughout this part of the area supplied by applicant should be made uniform by being placed upon the same measured schedule of rates. The character of this community has changed with its development into a residential section and there is no longer a demand for the former flat rate irrigation service based upon the hourly run of the pumping plant. This rate therefore will be eliminated from the schedule.

#### O R D E R

American States Water Service Company of California, a corporation, having made application to this Commission as entitled above, a public hearing 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 American States Water Service Company of California, a corporation, for water delivered to its consumers on the Cull Subdivision, San Bernardino County, 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 American States Water Service Company of California, 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 said Cull Subdivision, subsequent to the 31st day of October, 1931.

DOMESTIC USE

METER RATES

Monthly Minimum Meter Charges:

5/8 or 3/4-inch meter-----	\$1.50
1-inch meter-----	2.25
1½-inch meter-----	3.00
2-inch meter-----	5.00

Each of the foregoing "Monthly Minimum Meter Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the "Monthly Quantity Rates" set out below.

Monthly Quantity Rates:

From 0 to 600 cubic feet, per 100 cubic feet-----	\$0.25
From 600 to 2,000 cubic feet, per 100 cubic feet-----	.20
From 2,000 to 3,500 cubic feet, per 100 cubic feet-----	.15
All in excess of 3,500 cubic feet, per 100 cubic feet-----	.10

FLAT RATES

Present flat rates to remain in effect unless and until meters are installed.

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IT IS HEREBY FURTHER ORDERED that American States Water

Service Company of California, a corporation, be and it is hereby authorized to place in effect throughout the territory known as the Cull Tract the rules and regulations now effective throughout the remainder of the territory supplied by said American States Water Service Company of California.

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 26<sup>th</sup> day of October, 1931.

Leon Whitely

M. J. Carr

W. B. Harris

Fred G. Stewart

Commissioners