

Decision No. 2958

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.  
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ORIGINAL

In the Matter of the Application of )  
SOUTHERN CALIFORNIA EDISON COMPANY, )  
a corporation, for an order authoriz- )  
ing an increase of rates for water sold )  
and delivered through its water system )  
operated by it in the City of San )  
Buena Ventura and adjacent territory. )

Application No. 5949.

H. F. Orr, Don C. Bowker and  
L. C. Drapeau, for protestants.

Robert M. Clarke and D.W. Cunningham,  
for applicant.

BY THE COMMISSION:

O P I N I O N

Southern California Edison Company, applicant herein, is a public utility corporation supplying water for domestic, industrial and municipal purposes in the City of San Buena Ventura, commonly known as the City of Ventura, Ventura County. The company also supplies water for irrigation purposes along Ventura Avenue between the City and the Company's dam on the Ventura River.

Applicant asks authority to increase its rates charged for water service, alleging in effect that the rates now charged do not yield sufficient revenue to pay the expenses of operating the system and afford no return to applicant upon its investment.

Public hearings were held in the above proceeding before

Examiner Satterwhite at Ventura, of which all interested parties were notified and given an opportunity to appear and to be heard. At these hearings five proceedings, Applications Nos. 5949 and 5104 and Cases Nos. 1455, 1461 and 1257, were consolidated and it was stipulated that the testimony introduced in any proceeding might be considered in the others. However, due to the diversity of the matters involved it has been considered advisable to render separate decisions.

In 1869 a franchise was granted for the right to serve the City of Ventura with water for a period of fifty years. In 1871 this franchise was assigned to Thomas R. Bard and W. S. Chaffee, who in turn assigned it in 1874 to the Santa Ana Water Company, which was incorporated in 1870. The Ventura Land and Water Company was incorporated to deal in the lands and water of the Santa Ana Water Company. These two companies continued in existence until their purchase in 1901 by Adams, Phillips and Brotherton who founded the Ventura Light and Power Company. The Adams, Phillips' interests were purchased by the Ventura County Power Company in 1906 and the Pacific Light and Power Company secured a controlling interest in the Ventura County Power Company in 1914. The holdings and interests of the Ventura County Power Company were transferred to Southern California Edison Company in 1917.

The water supply is obtained by pumping from a sump in the bed of the Ventura River, constructed against the upper side of the Casitas submerged dam. Water is pumped directly into the mains and a constant pressure is maintained through the use of three balancing reservoirs. Distribution mains tap the transmission line at various points between the Casitas dam and the City of Ventura. A booster unit is operated at the Poli Street plant for the purpose of increasing the pressure at high points in the eastern part of the city. A part of the water for irrigation use is pumped from the Ventura River

at the Gosnell Hill plant. The pumping equipment consists of electrically driven pumps. The utility supplies approximately 1280 domestic consumers and about 50 irrigation users.

Applicant presented an appraisal showing an estimated original cost of \$333,629, but waived any claim for rate fixing based upon this valuation and accepted the findings of the Commission's engineer as a rate base.

Protestants presented an appraisal showing an estimated original cost of \$140,435 and a proposed substitutional plant system at an estimated cost of \$37,155.

Protestants appraisals are not comparable with the appraisals of Southern California Edison Company and the Railroad Commission's engineer as they only include the property from and including Casitas dam to a point on Ventura Avenue opposite the Mill schoolhouse, and do not include the distribution system in the City of Ventura.

At the hearing Mr. D. E. Harroun, one of the Commission's hydraulic engineers, presented a report covering a field investigation and appraisal of the physical properties of the utility, together with a maintenance and operation study.

This report shows the estimated original cost of all utility property to be \$305,409, and recommends \$1,923 as a proper replacement annuity computed by the 6% sinking fund method. This report also recommends the sum of \$23,720 as a fair and reasonable estimate of the future operation and maintenance expenses. These estimates appear reasonable and will be used for the purpose of this proceeding.

The following is a summary of the annual charges as indicated above:

8% return upon \$305,409 . . . . .	\$24,433
Replacement Annuity, 6% Sinking Fund Method . . . . .	1,923
Maintenance and Operation Expense . . . . .	<u>23,720</u>
Total estimated annual charges . . . . .	\$50,076

The total revenue from the sale of water on this system for

the year 1919 was \$23,618, and averaged \$19,910 for the four preceding years. It does not appear that there is reason to expect any notable increase in business in the near future. It is evident, therefore, that authority to increase rates should be granted.

Service of water to a few consumers is at rates fixed in certain deeds conveying water and riparian rights and rights of way to the predecessors in interest of the applicant herein, and it is evident that the rates so established are in the nature of private rights rather than for a public service and that they must be maintained without change. Any increase in rates granted by this Commission can, therefore, only be applied to such water as is delivered to the public utility consumers, and the rates fixed must be so designed as to assess to these public service consumers payments for service which are in proper proportion to the annual charges. Obviously the most reasonable and simple method of achieving this result will be to establish what would be a fair rate if every consumer were a public user.

The schedule of rates established in the following order is reasonable and it is estimated that the utility would receive a return approximately equal to the annual charges set out above if the rates so established were applied to all the consumers on the system.

Domestic users are now supplied at flat rates ranging from \$1.00 per month upward. Irrigation rates are 25 cents per miner's inch day, or about 1½ cents per hundred cubic feet. It appears advisable to install meters, and a meter rate will therefore be established.

#### O R D E R

Southern California Edison Company, having applied to the Railroad Commission for authority to increase the rates charged by it for water service in the City of Ventura and adjacent territory, Ventura County, public hearings having been held and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that the rates and charges of the Southern California Edison Company, for water delivered consumers in the City of Ventura and vicinity, in so far as they differ from the

rates herein established, are unjust and unreasonable, and that the rates and charges herein established are just and reasonable rates to be charged for such service.

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

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Southern California Edison Company be and it is hereby authorized and directed to file with this Commission within twenty (20) days from the date of this order the following schedule of rates, such rates to be charged for all service rendered subsequent to January 31, 1922:

FLAT RATES

The schedule of flat rates will remain as at present in effect.

MEASURED RATES

Minimum Monthly Charges:

5/8-inch Meters.....	\$1.00
3/4-inch Meters.....	1.25
1 -inch Meters.....	1.75
1½-inch Meters.....	2.50
2 -inch Meters.....	3.00
3 -inch Meters.....	4.00
4 -inch Meters.....	5.00

Quantity Rates:

From 0 to 500 cu.ft. per month, per 100 cu.ft....	\$ .25
From 500 to 1,000 cu.ft. per month, per 100 cu.ft....	.20
From 1,000 to 3,000 cu.ft. per month, per 100 cu.ft....	.15
From 3,000 to 10,000 cu.ft. per month, per 100 cu.ft....	.10
From 10,000 to 30,000 cu.ft. per month, per 100 cu.ft....	.08
Over 30,000 cubic feet per month, per 100 cubic feet....	.05

For street sprinkling, per wagon per month, for each month when sprinkling is done.....	\$12.50
Fire Hydrants, per month, each.....	1.00

Irrigation rate on Ventura Avenue:

Irrigation Rate per miner's inch per 24 hours which is equivalent to 1728 cubic feet.....	.35
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Provided, however, the foregoing schedule shall not apply to service of water by the Southern California Edison Company to the grantors, and their successors in interest, of the following deeds in so far as such service is required by the terms of said deeds:

1. Deed from Walter S. Chaffee, et al., to the Santa Ana Water Company, dated March 2, 1874, Recorded in Book 1 of Deeds at Page 637.
2. Deed from V. Ustusanstigui, et al., to The Santa Ana Water Company dated March 6, 1874. Recorded in Book 1 of Deeds at Page 652.
3. Memorandum- As modified by memorandum dated March 17, 1910. Recorded in Book 123, Page 232 of Deeds of Ventura County.
4. Deed from I. C. Barron to The Santa Ana Water Company dated March 7, 1874. Recorded in Book 1 of Deeds, at Page 676 et seq.
5. Deed from J. Willett, et al., to Santa Ana Water Company dated March 9, 1874. Recorded in Book 1 of Deeds at page 686 et seq.
6. Deed from W.R.E. Weldon, Hannah L. Weldon and Jane A. Weldon to Santa Ana Water Company dated February 11, 1888. Recorded in Book 23 of Deeds at page 514.
7. Indenture made March 2, 1874, between Tadeo Amat, Bishop of Monterey and Los Angeles as trustee of the property of the Roman Catholic Church in California, and The Santa Ana Water Company Recorded March 7, 1874, at request of Santa Ana Water Company.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company file with this Commission within thirty (30) days from the date of this order, rules and regulations to govern its relations with its consumers, such rules and regulations to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 31<sup>st</sup>  
day of December, 1921.

H. B. Bond  
H. B. Bond  
W. A. Bond  
W. A. Bond  
Commissioners.