

Decision No. 32086

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

_____)
W. W. MITCHELL, L. T. ARNOLD,
FRED EHLERS, et al,)

Complainants,)

vs.)

ASSOCIATED WATER COMPANY,)

Defendant.)

_____)
In the Matter of the Application of)
ASSOCIATED WATER COMPANY for authority)
to amend its water schedule)

ORIGINAL

Case No. 4274

Application No. 21768

H. S. WILLIAMS, for Consumers.

WM. I. ROBINSON, for Associated Water Company.

WAKEFIELD, COMMISSIONER:

PRELIMINARY OPINION AND ORDER
PENDING FINAL DECISION

O P I N I O N

Case No. 4274 arises out of a complaint against Associated Water Company, a corporation, filed by twenty-five of its consumers residing in and near the town of McKittrick, Kern County, California, requesting a reduction in water rates. An answer to said complaint was filed by the defendant, Associated Water Company, alleging that it is and for a long time has been operating at a loss, categorically denying the allegations made in the complaint and requesting that it be dismissed. Subsequently, said Associated Water Company filed Application No. 21768, alleging, among other things, that an increase in revenue is necessary in

Order to prevent continually operating at a loss and requesting an increase in the present minimum rate of five dollars per month to seven and one-half dollars per month and also an increase of one hundred per cent in all quantity rates charged by it for supplying water to residents of the town of McKittrick and the surrounding area.

A public hearing in these matters was held at McKittrick on June 1, 1939.

At the hearing, an agreement which had been entered into between the Associated Water Company and H. S. Williams, representative for a committee of the consumers of said Company, was filed as an exhibit. Said agreement provides that the Associated Water Company would request the Railroad Commission of the State of California to revise the rate schedule of said Company to provide a minimum rate of \$5.00 per month for not to exceed 2000 gallons of water, said revision of rates to take effect as of May 27, 1939, and to remain in effect only for a period of thirty days, unless such period of time be extended. The representative of the consumers and counsel for the Company joined in a statement to the Commission that meters are read on the 27th day of each month and that the period contemplated for the reduced rates is for the period subsequent to May 27, 1939, and for the meter readings of June 27, 1939.

The existing schedule of rates of the Associated Water Company is as follows:

Minimum Charge, \$5.00 per month for the first 1000 gallons or less.
For excess of 1000 gallons and not exceeding 5000 gallons, $\frac{1}{8}$ ¢ per gallon.
First 5000 gallons, \$15.00 per month.
For excess of 5000 gallons and not exceeding 35,000 gallons per month $\frac{1}{8}$ ¢ per gallon.
In excess of 35,000 gallons and not exceeding 500,000 gallons per month $\frac{1}{8}$ ¢ per gallon.
In excess of 500,000 gallons per month, $\frac{1}{10}$ ¢ per gallon.

The agreement entered into between the parties and filed in these proceedings apparently does not provide for any change in the rates other than the amount of water to be supplied under the minimum charge. The agreement further provides for three alternative plans, any one of which may be accepted by Associated Water Company, under which the Company will quit claim without cost to such person or corporation as may be designated by the consumers all its right, title and interest in and to all such pipe lines, meters, wells, equipment, easements and rights-of-way as may be necessary for the operation of a water system in accordance with the terms of whichever of said alternative plans the Associated Water Company may hereafter accept. The Commission is not called upon to approve the agreement between the parties in full, and it is contemplated by the parties that they will hereafter petition the Commission to approve the final plan of transfer agreed upon. It is further contemplated by the parties that such plan will be agreed upon within thirty days and the purpose of the reduction in rates through increase of the amount of water permitted under the minimum rate between May 27, 1939, and June 27, 1939, is to cover the period of time necessary to perfect the terms under which such transfer will be made.

It is provided further in the agreement that the period of time during which said reduced rates shall be in effect may be extended by the duly authorized representatives of the consumers or by the mutual consent of the consumers and Associated Water Company. It would appear that in the event such extension is necessary, a further order pending final decision will be desirable.

No testimony was introduced at the hearing by any of the parties upon which a final determination of Case No. 4274 or Application No. 21768 can be made and the parties joined in a request that the rate revision contemplated in the agreement between the parties be placed in effect by preliminary order of the Commission.

There appearing to be no reason why that portion of the agreement between the parties regarding the temporary reduction in rates should not be approved, the following form of Order is recommended.

O R D E R

In accordance with the foregoing opinion, IT IS HEREBY ORDERED that the water rates heretofore filed with the Railroad Commission of the State of California by the Associated Water Company, in so far as they differ from the rates hereinafter set out, shall be suspended for the period of one month from May 27, 1939, to June 27, 1939, and the following rates for water shall apply during said period of one month:

Minimum Charge, \$5.00 per month for the first 2000 gallons or less.

For excess of 2000 gallons and not exceeding 5000 gallons, $\frac{1}{4}$ ¢ per gallon.

First 5000 gallons, \$12.50 per month.

For excess of 5000 gallons and not exceeding 35,000 gallons per month $\frac{1}{8}$ ¢ per gallon.

In excess of 35,000 gallons and not exceeding 500,000 gallons per month, $\frac{1}{8}$ ¢ per gallon.

In excess of 500,000 gallons per month, $\frac{1}{10}$ ¢ per gallon.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after 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 6th day of
June, 1939.

Raymond W. ...
Frederick ...
W. H. ...
Justus J. ...
Commissioners.