

Decision No. 32607

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN CALIFORNIA WATER COMPANY
for permission to abandon the service
of water in a portion of the area being
served from its Harbor City System.

ORIGINAL

Application No. 23020

Paul Overton, for Applicant.

CRAEMER, COMMISSIONER.

O P I N I O N

In this proceeding Southern California Water Company, a corporation, engaged in the business of distributing and selling water for domestic use in a number of cities, towns and communities in California including the residents of a portion of the City of Los Angeles known as Harbor City and certain immediately adjacent territory in the County of Los Angeles, asks for authority to abandon all water service supplied by its Harbor City Plant.

A public hearing was held in this matter before Commissioner Craemer at Los Angeles.

The record shows that Southern California Water Company through reorganization of American States Water Service Company of California succeeded to all interests of the latter Company. Water has been supplied since about January, 1930, by the one or the other of the above two companies to the residents of Harbor City within the city limits of Los Angeles and to a small area to the southwest and outside thereof as public utilities under the control and jurisdiction of the Railroad Commission. During several years last past the municipal water system of Los Angeles has installed mains and pipe lines through-

out all of applicant's service area lying within the city limits of Los Angeles. In a similar manner Lomita County Water Works District No. 13 has invaded all territory heretofore served by the Water Company lying outside the Los Angeles corporate limits and has installed water mains and pipe lines therein. Neither the municipal nor the district water systems are under the jurisdiction of the Railroad Commission.

In 1928 applicant had 475 consumers and 194 on January 1, 1939. As a result of the above mentioned invasion of territory, the Company's patrons have decreased to 12 customers within the City of Los Angeles and 7 outside thereof. The remaining water users have been reluctant to transfer their patronage to either the district or city systems by reason of the custom of each thereof of demanding non-refundable charges of from \$13.00 to \$18.00 for small service connections and much higher amounts for larger service pipes and meters, a practice not permitted by this Commission. Representatives appearing for or in behalf of both the City of Los Angeles and the Lomita County Water Works District No. 13 testified that all remaining consumers upon application can be served immediately with water from either one or the other of their systems, depending upon location and at monthly meter quantity rates as low or lower than those now charged by the Company herein.

The operating revenue of applicant's Harbor City Water Works is reported at \$5,320 for 1938, its maintenance and operating expense amounted to \$5,980 for the same year, showing even at that time an out-of-pocket loss, with no return on the capital investment amounting to \$87,363 as of December 31, 1938, according to the annual report of the Company filed with this Commission. This entire investment, less whatever may be realized from salvage over and above the cost of recovery thereof, necessarily must be written off the Company's books. With the small number of consumers now left this loss will be so enormous

and prohibitive that it would be wholly unfair and a gross miscarriage of justice to require applicant to continue this water service any longer than absolutely reasonably necessary for the consumers to apply for and receive service from the City or the District Water Systems. A period of twenty days from and after the date of this order appears to be fair and proper. No one opposed applicant's request and it will be granted as hereinafter provided.

I recommend the following form of order.

O R D E R

Southern California Water Company, a corporation, having made application to the Railroad Commission as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission now being fully advised in the premises, and

Basing its order upon the foregoing findings of fact and upon the further statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that twenty (20) days from and after the date of this order Southern California Water Company, a corporation, be and it is hereby authorized to discontinue and abandon all water service and to be relieved of all public utility obligations and liabilities in the furnishing and delivery of water to consumers by and through its water works known as Harbor City System, used to supply water to residents living in that portion of the City of Los Angeles known as Harbor City and in the immediate vicinity thereof in the County of Los Angeles, subject to the following terms and conditions:

1. Within ten (10) days from and after the date of this order Southern California Water Company shall notify each consumer now being supplied with water by and through its Harbor City Water Works of its intention to discontinue all public utility water service twenty (20) days from and after the date of the order as herein authorized.

2. That within twenty (20) days from and after the date of this order Southern California Water Company shall refund to all consumers all deposits or credits due them, if any, arising from deposits made to guarantee payments of water bills, for main extensions, meters, service connections, and for any other purposes whatsoever emanating from those phases of its operations, under the jurisdiction and control of this Commission.

3. Within twenty (20) days from and after the date of the order herein said Southern California Water Company shall file with the Railroad Commission a certified statement indicating that such deposits, if any, have been refunded as ordered and directed above, and that the provisions in paragraph 1 of this order have been complied with.

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 an opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 5th day of December, 1939.

Robert A. ...
Frank ...
Ray ...
...
Justice D. ...
COMMISSIONERS.