

Decision No. 41106

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
WEST RIVERSIDE CANAL COMPANY,  
a corporation; for authority to increase  
rates for carrying water.

Application No. 28395

ORIGINAL

C. L. McFarland, for Applicant.

Heyden L. Hews, for Jurupa Water Company,  
Protestant.

INTERIM OPINION

West Riverside Canal Company, a corporation, is a public utility engaged in the transportation of water for various owners through its canals, flumes and ditches in portions of San Bernardino and Riverside Counties. Applicant alleges that although it was organized as a public utility, it has always been operated at cost to the owners of the water carried through its system and has never paid any dividends; that since 1941 the annual revenues have not been sufficient to meet repair and maintenance costs; and, that the past few years have shown a continued deficit with increased costs. The Commission, therefore, is requested to increase the present rates charged for transporting water at \$9.00 per inch each year, to \$12.00 per inch. The original application set forth \$11.00 but by amendment requested at the hearing, and agreed to by the consumers, the increased rate was fixed at \$12.00.

A public hearing in this proceeding was held before Examiner MacKall at Riverside.

The waters now amounting to 2,000 inches transported by West Riverside Canal Company do not belong to said company, but are all owned at present by 105 small shareholders and by the following water producing mutual water companies, or

by certain of their stockholders, all obtaining their waters from the Santa Ana River or streams tributary thereto and their underground storage basins or cienegas located a few miles north of the City of Riverside:

- West Riverside 350 Inch Water Company,
- Salazar Water Company,
- La Sierra Water Company,
- Agua Mansa Water Company,
- Twin Buttes Water Company,
- Jurupa Water Company.
- Mutual Water Company of Glen Avon Heights.

The service area comprises approximately 10,000 acres, all in the County of Riverside, devoted about 70% to grain, truck and general farming, the remainder being in orchard,--principally citrus.

The present yearly transportation rate of 3¢.00 was established by this Commission in its Decision No. 16488, issued April 16, 1926.

An appraisalment of the operative physical properties of this canal system was submitted by James F. Wilson, one of the Commission's engineers, and amounted to \$216,706, as of December 31, 1946. This estimate is based upon an appraisalment of the properties of this canal system made December 1, 1916, by R. W. Hawley, at that time one of the Commission's engineers, and was used by this Commission for rate fixing purposes in its Decision No. 4040, dated January 20, 1917. Subsequent additions and betterments, together with retirements, were brought up to the end of 1946 by Mr. Wilson. No changes, however, were made in land or rights of way values.

The following operating statistics were presented by applicant:

Year 1925: Total Operating Revenues .....	\$18,762
Total Operating Expenses, including Depreciation	
of \$1,100.....	<u>13,317</u>
	\$ 5,445

	1944	1945	1946
Revenues,	\$16,503	\$16,562	\$16,011
Expenses, Including Depreciation \$3,121,	18,596	20,084	20,161
Deduct Bond & Other Interest Charges,	\$2,075	\$1,975	\$1,885
	\$18	<u>(\$1,547)*</u>	<u>(2,265)*</u>

Note:\*(Red Figures)

The following is a summary of operations presented by the Commission's engineer:

	1944	1945	1946
Operating Revenues,	\$15,351	\$15,378	\$15,938
Back Charges Collected,	1,063	1,056	-
Total,	\$16,414	\$16,434	\$15,938
Expenses including Depreciation \$3,121,	\$16,447	\$16,253	\$18,201
	(\$33)*	\$181	(\$2,263)*

Note:\*(Red Figures)

From the foregoing figures it is plain that this company is operating at a loss under present charges. Mr. Wilson estimated that at the originally proposed rate of \$11.00, based upon 1946 operating and labor costs, the operations for 1946 would have shown a net revenue of \$1,136 instead of a loss of \$2,265. With increased costs for 1947, it is doubtful even if the \$12.00 rate will enable this utility to earn its out-of-pocket charges.

The testimony indicates that this system is not in the best operating condition, mainly as a result of lack of funds to provide necessary repairs and maintenance during the war years. The cement canal lining especially requires immediate attention and should be extended throughout all unlined sections showing bad seepage losses. New capital expenditures will be required without delay to prevent sand from filling in portions of the main canal. Further delay will only increase the ultimate costs.

While no objection was made to the granting of the increased rate requested, a protest, however, was filed by Jurupa Water Company, upon the ground that said company received its water in bulk delivery into a sump from which it pumped and delivered the water to its own consumers through its separate distribution system of canals and ditches, and therefore was entitled to a lesser, or wholesale rate, as distinguished from most of the other water users. This contention was disputed by counsel for applicant. In view of the general desire of all

parties concerned that an increased rate was most urgent and should become effective for the year 1948, it was agreed that an interim rate be established herein and that the matter of modification of the present rate structure be considered at an adjourned hearing to be held for that specific purpose at an early date.

INTERIM ORDER

Application as amended and as entitled above having been filed with the Public Utilities Commission of the State of California for authority to increase rates for water service, a public hearing having been held thereon, the matter having been duly submitted, and the Commission now being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the present rates of West Riverside Canal Company, a corporation, are unjust and unreasonable in so far as they differ from the rates herein established; that the rates herein established are just and reasonable rates to be charged by said corporation for water service rendered to its consumers; that the increase in rates authorized by this decision is hereby found to be justified; and, basing its Order upon the foregoing findings of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that West Riverside Canal Company, a corporation, be and it is hereby authorized and directed to file in quadruplicate with the Public Utilities Commission of the State of California, within thirty (30) days from the date of this Order, in conformity with the Commission's General Order No. 96, the following schedule of rates to be charged for all water service rendered to its consumers for the year 1948 and thereafter and unless and until further order or modification thereof be made by this Commission:

Schedule No. 1

YEARLY TRANSPORTATION CHARGE

Applicability:

Applicable to all water service rendered.

Territory:

Within the entire territory served by West Riverside Canal Company in San Bernardino and Riverside Counties.

Rates:

\$12.00 per miner's inch, continuous flow, per year, payable

\$7.00 on or before January 10 of each year,

\$3.00 on or before May 10 of each year,

\$2.00 on or before August 10 of each year.

One miner's inch shall be 1/50 of a cubic foot per second.

The consumer may accumulate the amount of continuous flow purchased, but not for more than 30 days.

IT IS HEREBY FURTHER ORDERED as follows:

1. That West Riverside Canal Company, a corporation, within sixty (60) days from the date of this Order, shall submit to this Commission for its approval four sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of its present service area and the location thereof with reference to the immediate surrounding territory; provided, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
2. That West Riverside Canal Company, a corporation, within sixty (60) days from the date of this Order, shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently to be served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

IT IS HEREBY FURTHER ORDERED that 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 6<sup>th</sup> day of January, 1948.

Harold P. Kula  
Justin F. Gammeter  
Ernest K. Powell  
R. F. Anderson  
Samuel P. Lott  
 COMMISSIONERS.