

ORIGINAL

Decision No. 42173

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CENTRAL GARDENS WATER CONSUMERS'
ASSOCIATION,

Complainant

VS.

SUBURBAN MUTUAL WATER COMPANY,
Defendant

Case No. 4965

Holsey Williams, for complainant;
Bernard Hiemenz, attorney for defendant.

O P I N I O N

Central Gardens Water Consumers' Association, a group of approximately 100 consumers of Suburban Mutual Water Company, a public utility, asks the Commission to revoke the company's operating rights in Tract 5671, Los Angeles County, and to reduce the water rate which, it claims, is excessive.

A public hearing in the matter was held before Commissioner Huls and Examiner Warner at Los Angeles on October 14, 1948.

Since 1923 Suburban Mutual Water Company has operated a water distribution system in the Central Avenue Gardens Tract, an area located near the community of Watts and lying completely within the service area of the Conservative Water Company, a corporation, also a public utility. Suburban Mutual Water Company in addition operates four other noninterconnecting water systems. There are 82 customers in the Central Avenue Gardens system. The monthly minimum charge for domestic service is \$1.50 for the first 600 cubic feet or less. Consumption in excess of 600 cubic feet varies from 20 cents to seven cents per 100 cubic feet, depending upon amount consumed.

This rate has been in effect since June 22, 1926. Following the Commission's Decision No. 37838 in Case No. 4742, dated April 24, 1945, which, among other things, ordered Suburban Mutual Water Company to obtain a source of supply that would provide a potable and satisfactory water for human consumption at a working distribution pressure of not less than 25 pounds per square inch, the company made connection with Conservative Water Company's system, and water has since been purchased at Conservative Water Company's individual retail rates and re-retailed to the company's own customers at the rates shown herein.

Considerable testimony was taken and evidence submitted regarding individual water bills which were claimed to be excessive, but there was no evidence presented indicating that water meters were not registering properly and accurately. The issue in the case became, therefore, one of reasonableness of the domestic rate.

Results of operation for the years 1944, 1945, 1946, and 1947 submitted by Mr. R. E. Sutherland, the Commission's staff engineer, are shown as follows:

Item	1944	1945	1946	1947
Fixed Capital, Estimated	\$	\$ 6,000.00	\$6,000.00	\$ 6,000.00
Revenues	1,770.72	2,019.16	2,164.49	2,280.03
Expenses				
E 1-E 7 Source of Water Supply	30.50	1,103.64	1,102.00	1,236.97
E 8-E18 Pumping	556.50	-	-	-
E19-E21 Purification	-	-	-	-
E22-E27 Oper. Trans. & Distr.	-	-	-	-
E28-E33 Rep. to Trans. & Distr.	-	-	-	-
E34-E35 Commercial	391.50	398.25	297.22	286.12
E36-E49 Gen. & Misc.	375.00	375.00	380.00	380.00
Subtotal	1,353.50	1,876.89	1,779.22	1,903.09
E50 Taxes	45.57	47.30	55.02	93.83
E51-E52 Depreciation (st. line)	300.00	300.00	300.00	300.00
Total Operating Expense	1,699.07	2,224.19	2,134.24	2,296.92
Profit or Loss	71.65	(205.03)	30.25	(16.89)

(Red Figure)

System operations for the year 1947 for Suburban Mutual Water Company as a whole were as follows:

Fixed Capital in Service December 31, 1947	\$ 130,944.33
Gross Revenues	28,807.63
Operating Expenses	<u>26,682.88</u>
Net Operating Revenue	2,124.75
Total Customers	1,053

It is apparent from the above-noted tabulations that in the Central Avenue Gardens Tract the company has not been operating at a profit, and the company's earnings during 1947 were not excessive.

Mr. Sparling, President of the company, testified that he was willing to sell the Central Gardens property for \$5,000 to any prospective buyer, but that, to date, he had received no offers for purchase at that price. He testified that the company had considered the cost of operating and maintaining a well and pumping plant to supply this small system but had determined that it would cost between \$3,000 and \$5,000 for installation alone, and that this would not be a practicable, satisfactory, or dependable arrangement.

There were no complaints as to quality or quantity of water at this hearing, all statements being directed at the size of water bills.

O R D E R

Complaint as above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises, and basing its order upon the foregoing findings of fact and upon further statements of fact contained in the opinion which precedes this order, now, therefore,

IT IS HEREBY ORDERED that complainant's petition be denied without prejudice and this complaint be dismissed.

Dated at San Francisco, California, this 26th day of October, 1948.

R. E. Johnson
Justus F. Galloway
James R. Powell
Harold P. Hicks
Francis P. Potter
Commissioners