

Decision No. 13 266.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the )  
FOREST GROVE WATER COMPANY, )  
a corporation, to sell, and the CITY OF )  
GLENDALE, a municipal corporation, to )  
purchase the water system of said Forest )  
Grove Water Company. )

Application No. 9582.

ORIGINAL

Chas. L. Chandler and Howard Robertson  
by Howard Robertson, for applicant.  
Ray L. Marrow, City Attorney, for City of  
Glendale.  
W. H. Hail for certain consumers and Los  
Angeles and Arizona Land Company,  
protestants.  
W. L. Twinning for self and Nettie L.  
Twinning, protestants.

BY THE COMMISSION:

O P I N I O N

In this application Forest Grove Water Company, a corporation, serving domestic water to consumers in the territory known as Verdugo Woodland, Los Angeles County, asks permission to sell to the City of Glendale its public utility water system. The City of Glendale joins in the application.

A public hearing in the matter was held before Examiner Williams at Los Angeles, after due notice thereof had been given so that all interested parties might appear and be heard.

The testimony shows that approximately six months prior to the filing of this application the Forest Grove Water Company actually relinquished control and possession of its water system

without authority from this Commission, and the City of Glendale did actually take over and operate the system, imposing its own schedule of rates for water service, together with its rules and regulations.

Section 51 (a) of the Public Utilities Act provides, among other things, that no water corporation "shall henceforth sell, lease, assign, mortgage or otherwise dispose of, or encumber the whole or any part of its. . . . mains, plant or system necessary or useful in the performance of its duties to the public . . . . without first having secured from the Commission an order authorizing it to do so". It is therefore evident that any charges for water service and the enforcement of rules and regulations other than those accepted for filing with this Commission, were contrary to the provisions of the law. However, as the rates charged by the City of Glendale are less than those charged by the utility the consumers have not been injured in this respect. The evidence indicates also that the water rights of this utility have for years been contested by the City of Glendale and the acquisition of the system by the City will without doubt terminate long and complicated legal proceeding and be to the best interests of the consumers of this utility and also the City of Glendale.

A number of property owners protested the granting of the application on the ground that the system of the Forest Grove Water Company was installed by a real estate company to aid in the sale of lots which they purchased, and should the system be transferred to the City of Glendale they will be required to pay for pipe extensions and service connections, a practice not permitted by the Commission under its rules and regulations governing public utilities. While there is some merit in this protest it is offset by the fact that the rates charged by the City of Glendale

for water service are lower than those charged by the Forest Grove Water Company. It is also probable that better service will be rendered by the City than by this utility.

A careful consideration of all the evidence presented leads to the conclusion that the best interests of consumers will be in no way affected by the proposed transfer and that authority therefor should be granted.

### O R D E R

Forest Grove Water Company, a corporation, having made application for authority to transfer to the City of Glendale a certain water system supplying consumers in the territory known as Verdugo Woodland, Los Angeles County, and the City of Glendale having joined in the application, a public hearing having been held thereon and the matter having been submitted,

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby granted upon the following conditions and not otherwise:

1. The consideration given for the transfer of this public utility water system shall not be urged before this Commission or any other public body as a finding of value for rate fixing or any purpose other than the transfer herein authorized.
2. The authority herein granted shall apply to that public utility property particularly described in the application herein.
3. The within authority to transfer said property shall apply only to such transfer as shall have been completed on or before July 31, 1924, and a certified copy of the instrument of conveyance shall be filed with this Commission by Forest Grove Water Company on or before August 31, 1924.
4. Within ten (10) days of the date on which possession and control of the property herein authorized to be transferred is actually relinquished to the City of Glen-

dale, a certified statement to that effect shall be filed with this Commission by Forest Grove Water Company, or in case the City of Glendale is already in control and possession of the property, a certified statement to that effect shall be filed with this Commission within ten (10) days of the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day  
of March, 1924.

W. L. Seasey  
H. K. Brundage  
Iving Martin  
Egerton Shore

Commissioners.