

Decision No. 21063

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of ORANGE COUNTY WATER COMPANY, a
corporation, for certificate of
public convenience.

Application No. 15304.

Albert Launer and W.C. Kennedy,
for Orange County Water Company.

BY THE COMMISSION:

O P I N I O N

Orange County Water Company, a corporation, engaged in the business of supplying water for domestic and industrial purposes in various towns in Orange County, asks for a certificate of public convenience and necessity to operate the water systems serving the unincorporated communities of Cypress, La Jolla, Stanton and Atwood, all situated in Orange County.

A public hearing in this proceeding was held before Examiner Williams at Fullerton.

Orange County Water Company acquired by purchase authorized by the Commission in Decision No. 20032 dated July 11, 1928, the Cypress, La Jolla and Stanton water systems and by Decision No. 20387 dated October 24, 1928, was authorized to purchase the Atwood water system. Each of these systems is comparatively small, the total number of consumers supplied by all being approximately 414. The various systems have been in operation for several years without ever having applied to or received from the Commission a certificate of public convenience and necessity. It is for the purpose of legalizing the operation of these

systems that the present proceeding has been brought by this company. The service rendered on all these systems is for domestic purposes only, the sources of supply being from wells, all of which are owned by applicant herein with the exception of that supplying the Atwood system where water is purchased in wholesale quantities from the owner of a private well located near the community served. Regular charges for water service have been made by the former owners of these systems with the exception of a portion of the Cypress system where water heretofore has been served free of charge. Since the acquisition of these properties, the company has metered practically all services. Request was made in the original application for the establishment of a schedule of metered rates applicable to all systems. However, as the company was unprepared to make a proper showing justifying an increase over the rates heretofore charged, which would have resulted in certain instances, its request for the establishment of a schedule of meter rates in this proceeding was withdrawn.

The Cypress water works are located in an area devoted almost exclusively to the dairying industry. Water is obtained from two plants, one known as the "La Rue System" serving a Mexican colony comprising 26 consumers and the other called the "Priddy System" serving about 40 consumers living in a subdivided area located about one-half mile beyond. These two systems have now been interconnected by applicant and are being operated as a single unit. The flat rate of \$1.50 per month was being charged on the "La Rue System" at the time of acquisition by this company. Water service had been rendered free, however, on the "Priddy System" until the company acquired the properties, after which a charge of \$1.50 per month was made to all consumers. During the hearing, several consumers on the latter system protested against the charge for water service on the grounds that the new owners had never ob-

tained authority from the Commission to charge for water service. The evidence shows that the protests made by these consumers are well founded and, in view of the fact that the present owner has never been authorized by this Commission to collect for water delivered on the "Priddy System", it is apparent that all charges so made should be refunded to the consumers to the effective date of the schedule of rates established herein for such service. In view of the conditions, it appears reasonable that these refunds should be made to the consumers by way of credit on future water bills until the amounts due thereunder have been satisfied.

The community of La Jolla is located in an area devoted to citrus culture and is supplied by a water plant known as the "Simmons System" serving 102 consumers. The territory served comprises a subdivision of 185 lots occupied principally by people of Mexican descent.

The community of Stanton, which is now an unincorporated town, is in the center of an area devoted principally to truck gardening and citrus culture. The system supplying this community serves approximately 150 consumers, a large number of which are members of a Mexican colony. The rate charged at Stanton and La Jolla is \$1.50 per month per consumer, flat rate.

The community of Atwood is located near an oil field and is supplied by what is known as "Santos Morago Water System" supplying a Mexican Colony of 93 consumers. The present rates on this system are as follows:

Minimum Charge per month-----\$1.50

Meter Rates:

First 400 cubic feet-----\$1.50
Over 400 cubic feet,
per 100 cubic feet----- .25

County franchises granting permission to install and maintain water mains along public highways have already been obtained

for the Cypress and Atwood systems. The streets in the La Jolla service area have not been dedicated to the public so that a franchise is not required. The Stanton area was formerly incorporated and is comparatively an older community but no record of a franchise could be found. Apparently, the pipes were installed prior to dedication of the streets to the public. For the purposes of this proceeding, it appears that the franchise requirements have been satisfied.

With the exception of the protest against the rate being charged on the so-called "Priddy System", no objection was made to the granting of a certificate to serve the areas applied for herein and, as no other utility supplies water in or near these areas, the certificate requested should be granted.

O R D E R

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

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require that Orange County Water Company operate the water systems for the purpose of supplying water for domestic purposes in the communities known as Cypress, La Jolla, Stanton and Atwood, Orange County, including those portions of Atwood and Cypress covered by the franchises granted by Ordinances Nos. 86 and 269 of the Board of Supervisors of Orange County and also those additional portions of Atwood and Cypress as set out and delineated on the maps attached to the application herein not covered by the above mentioned franchises, together with the areas of Stanton and La Jolla as more particularly set out and delineated on said maps attached to the application

herein, provided applicant files with this Commission, within twenty (20) days from the date of this Order, a resolution, duly passed and approved by its Board of Directors, to the effect that said applicant, its successors or assigns will never claim for said franchises a value in excess of the actual cost of securing same, and

IT IS HEREBY ORDERED that Orange County Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission, within twenty (20) days from the date of this Order, the following schedule of rates effective for all water delivered to consumers of the so-called "Priddy System" at Cypress subsequent to the 30th day of April, 1929:

MONTHLY FLAT RATE

For each residence and lot-----\$1.50

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 9th day of May, 1929.

David D. Louie
C. L. Stoney
Francisco
Lion O'Connell

Commissioners.