

ORIGINAL

Decision No. 21319

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
ORCHARD DALE SERVICE COMPANY,)	
a corporation, for an order authoriz-)	Application No. 15655.
ing it to execute a contract with)	
certain other corporations.)	

Farrand & Slosson, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to enter its order authorizing Orchard Dale Service Company to execute a certain contract, dated March 1, 1929, by and between Orchard Dale Service Company, Hillside Distribution Company, La Mirada Mutual Water Company and La Habra Heights Mutual Water Company.

The four companies who are parties to the contract referred to, have been before the Commission in a proceeding, Application No. 14456, involving, among other things, the transfer of certain water rights and properties then belonging to Whittier Water Company. The record in that proceeding shows that in 1917 the Superior Court in and for the County of Los Angeles confirmed to Whittier Water Company the right to take from certain lands, known as the Judson lands, contiguous to the San Gabriel River, 1000 miner's inches of water by pumping from one or more wells. Pursuant to the order of the Commission in that application, Decision No. 19324, dated May 29, 1928, Whittier Water Company transferred the lands, wells and distribution system comprising the system supplied from the Judson lands and 900 inches of the 1000 confirmed to it, with the result that the ownership of the lands, wells,

pumping plants and part of the distribution system became vested in La Mirada Mutual Water Company, the remainder of the distribution system in Orchard Dale Service Company and the 900 miner's inches in the following companies:-

La Mirada Mutual Water Company	300
La Habra Heights Mutual Water Company....	400
Orchard Dale Service Company	<u>200</u>
Total	<u>900</u>

Thereupon, the purchasers of the 900 miner's inches caused the organization of Hillside Distribution Company for the purpose of managing and operating the wells, pumping plants and system of La Mirada Mutual Water Company and of delivering water in a wholesale manner, at cost, to the holders of said 900 inches of water, who also became the sole owners of the outstanding stock of Hillside Distribution Company.

It appears that La Mirada Mutual Water Company, La Habra Heights Mutual Water Company and Hillside Distribution Company were organized to operate as mutual companies, but that Orchard Dale Service Company was organized and is operating as a public utility water company, receiving its supply of water by virtue of its ownership of the 200 miner's inches of water, and a proportionate share of the stock of Hillside Distribution Company, and distributing such water to irrigators and domestic consumers in what is known as the Orchard Dale and Luitweiler districts.

Under date of May 7, 1928 the four companies entered into an agreement, heretofore filed with the former application, providing, among other things, for the sharing by Orchard Dale Service Company and La Mirada Mutual Water Company of the expenses of the operations of Hillside Distribution Company. It is now recited that since the making of the contract of May 7, 1928 the corporations have further considered the matter of the division of the expenses and have come to believe that the contract does not provide satisfactorily for the

sharing of the expenses between the owners of the water distributed, in that La Habra Heights Mutual Water Company, the owner of 400 inches, is not a party thereto. The four corporations, therefore, have entered into a new contract, dated March 1, 1929, superseding and replacing the agreement of May 7, 1928, and providing for a proportionate sharing of the expenses by the several companies, which are parties to the contract. A copy is filed as Exhibit "B".

Hillside Distribution Company, in the contract, has agreed that its books, records and accounts shall, at all times, be open to the examination of the other companies and of the Railroad Commission and of their respective agents. In this connection it might be noted that heretofore La Mirada Mutual Water Company and Hillside Distribution Company have filed with the Commission copies of declarations whereby they agree that the Commission may examine their books, records and accounts for the purpose of determining the actual cost of operating and maintaining the wells, pumping plants and distribution system through which Orchard Dale Service Company receives its supply of water. We do not understand that the granting of this application in any way modifies the declarations filed by said companies.

We have given consideration to the terms of the contract and believe that the execution thereof is not contrary to the public interest.

ORDER

Application having been made to the Railroad Commission for an order authorizing Orchard Dale Service Company to execute and enter into a contract, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that Orchard Dale Service Company be,

and it hereby is, authorized to execute and enter into the contract of March 1, 1929, a copy of which is filed in this proceeding as Exhibit "B", provided that the authority herein granted to execute and enter into said contract shall not be construed as obligating the Commission to recognize as reasonable the operating expenses which, under the terms of the contract, may be apportioned to Orchard Dale Service Company.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 1st
day of July 1929.

David L. Quinn
W. J. Quinn
W. J. Quinn
W. J. Quinn
W. J. Quinn
Commissioners.