

Decision No. 30820

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PARK WATER COMPANY)
for order authorizing the issue of)
stock and for a certificate of public) Application No. 21668
convenience and necessity.)

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In this proceeding the Commission is asked to enter its order granting Park Water Company a certificate of public convenience and necessity, authorizing it to issue \$25,000.00 par value of common capital stock and fixing the rates which applicant may charge for water service.

Park Water Company is a corporation organized under the laws of California in 1937. It has an authorized stock issue of \$25,000.00 divided into 1000 shares of \$25.00 each.

Applicant asks permission to construct, maintain and operate a public utility water system in four non-contiguous areas situate within five or six miles from Downey, California. The areas are shown on four separate maps filed in this proceeding as Exhibit B. At the hearing had on February 2, 1938 applicant and Clara Street Water Co. filed with the Commission a stipulation reading in part as follows:-

"The Clara Street Water Co., applicant under Application No. 21730, hereby withdraws its application to the extent of the following described parcel of land, to-wit:

Commencing at a point in the intersection of the easterly line of the Southern California Edison Company's right of way with the southerly line of Gage Avenue; thence southwesterly along said easterly line of the Southern California Edison Company's right of way to the northerly line of Lot Eight of the I. Heyman Tract; thence easterly along the northerly line of Lot Eight of the I. Heyman Tract to its intersection with Perry Road; thence northeasterly along Perry Road to Foster Bridge Road; thence northwesterly and westerly along Foster Bridge Road and Gage Avenue to the point of beginning,

And the Park Water Company, applicant under Application No. 21668, hereby withdraws its application to the extent of the following described parcel of land, to-wit:

Lot Eight of the I. Heyman Tract. "

Said Lot eight of the I. Heyman Tract is in District three which applicant desires to serve and is shown on the map of said district filed as Exhibit B. No one appeared at the hearing to protest the granting of this application, amended as indicated in said stipulation.

The Highway Construction Company, engaged in building highways and streets, has constructed water systems in part of the areas for which applicant is seeking a certificate. In so doing, it has expended, as shown by Exhibit No. 1, filed at the hearing, \$14,814.48 segregated by districts as follows:-

District No. 1	\$ 7,288.08
" 2	1,250.00
" 3	4,350.51
" 4	1,925.89
	<u>\$14,814.48</u>

Exhibit No. 1 further shows the estimated cost of proposed improvements to existing properties or the construction of new properties in the amount of \$4,891.50, segregated by districts as follows:-

District No. 2	\$ 2,898.00
" 3	534.00
" 4	1,459.50
	<u>\$ 4,891.50</u>

The total actual and estimated expenditures aggregate \$19,705.98.

The expenditures to which reference has been made do not include the cost of organizing Park Water Company or the expenses of the proceeding before the Commission, nor do such figures include any allowance for overhead construction expenses.

The stockholders of the Highway Construction Company and the incorporators of Park Water Company are identical. They have agreed to acquire \$25,000.00 of stock of Park Water Company and pay cash therefor. Park Water Company will use such cash to pay for the water properties which it will acquire from the Highway Construction Company to pay its organization expenses and extend its water system into new areas. The record clearly shows that applicant has need for such funds. There are now 102 consumers attached to applicant's water system.

In the main applicant intends to operate its water system on a flat rate basis. It reserves the right, however, to install meters when it deems such installation advisable. The rates which applicant proposes to charge are as follows:-

Flat Rates

Flat rate permissible only for domestic service on three-quarter inch service line, \$1.50 per month per single family unit, payable in advance. Sprinkling of 1000 sq.ft. of lawn or garden permissible. If irrigation or larger use of water is desired by customer, meter will be installed.

Meter Rates

Monthly minimum charges per family unit:

3/4 in. and 1 in. services	\$ 1.50	per month
1 1/2 in. and 1 3/4 in. "	\$ 2.00	" "
2 in. service	\$ 3.00	" "
3 in. "	\$ 5.00	" "

Monthly quantity rates per single family unit:

First 2000 cu. ft.	15¢	per 100 cu. ft.
2000 to 10,000 cu. ft.	12 2 ¢	" "
In excess of 10,000 cu. ft.	10¢	" "

Minimum charges shall apply on quantity rates on all metered service.

The foregoing rates appear reasonable and we believe that applicant should be permitted to put them into effect.

O R D E R

Park Water Company having made application for a certificate of public convenience and necessity, for permission to issue \$25,000. of stock, and to charge certain rates, a public hearing having been held before Examiner Fankhauser and the Commission having considered the evidence submitted at such hearing and it being of the opinion that a certificate of public convenience and necessity should be granted to applicant, that the rates proposed by Park Water Company are reasonable and that Park Water Company should be authorized to issue 1,000 shares of its common capital stock of the par value of \$25.00 per share, that the money, property or labor to be procured

or paid for by the issue of such stock is reasonably required by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require Park Water Company to construct, maintain and operate a public utility water system in the areas shown on the maps filed in this proceeding as Exhibit B, as said, areas are modified by the stipulation referred to in the foregoing opinion, therefore,

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and the same is hereby granted to Park Water Company for the purpose of constructing, maintaining and operating a public utility water system in said areas.

IT IS HEREBY FURTHER ORDERED that Park Water Company be, and it is hereby authorized to issue on or before December 31, 1938, at not less than par, 1000 shares of its common capital stock having a par value of \$25.00 each, provided the proceeds realized from the issue of said stock be used to acquire the properties referred to in the foregoing opinion and to pay the expenses incident to organizing Park Water Company and obtaining said certificate of public convenience and necessity and to pay the cost of additions and betterments to its properties, chargeable to fixed capital accounts under the system of accounts prescribed by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that Park Water Company shall file with the Railroad Commission a report or reports such as are required to be filed by the Railroad Commission's General Order No. 24-A, which order insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that Park Water Company be, and it is hereby directed to file with the Railroad Commission of the

State of California within twenty(20) days from the date of this order the following schedule of rates to be charged for all services rendered subsequent to the date of this order:-

Flat Rates

Flat rate permissible only for domestic service on three-quarter inch service line, \$1.50 per month per single family unit, payable in advance. Sprinkling of 1000 sq.ft. of lawn or garden permissible. If irrigation or larger use of water is desired by customer, meter will be installed.

Meter Rates

Monthly minimum charges per family unit:

3/4 in. and 1 in. services	\$1.50	per month	
1 1/2 in. and 1 3/4 in. "	\$2.00	"	"
2 in. service	\$3.00	"	"
3 in. "	\$5.00	"	"

Monthly quantity rates per single family unit:

First 2000 cu.ft.	15¢	per 100 cu.ft.
2000 to 10,000 cu. ft.	12 1/2%	" " "
In excess of 10,000 cu. ft.	10%	" " "

Minimum charges shall apply on quantity rates on all metered service.

IT IS HEREBY FURTHER ORDERED that Park Water Company be, and it is hereby directed to file with the Railroad Commission of the State of California within twenty(20) days after the date of this order, rules and regulations governing the service to its consumers, said rules and regulations to be effective upon their acceptance for filing by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that for all other purposes, this order shall become effective twenty(20) days after the date hereof.

DATED at San Francisco, California this 14th day of February, 1938.

[Handwritten signatures: Nelson, Jean, Travis]

