

Decision No. 31252

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Martin-Goold Land & Water Co. to acquire the public utility water system of Fred A. Rice and Julia Rice, known as "Grovedale Water Co." and of Fred A. Rice and Julia Rice to transfer their public utility water system known as "Grovedale Water Co." to Martin-Goold Land & Water Co., and for Martin-Goold Land & Water Co. to operate pumping plants and to sell water for domestic use.

ORIGINAL

Application No. 21842

Eldred E. Wolford, for Applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding Fred A. Rice and Julia Rice, engaged in the business of operating a public utility water system under the fictitious firm name and style of Groveland Water Co. in Tract No. 7465 near El Monte in Los Angeles County, ask for authority to sell and transfer said water system to Martin-Goold Land & Water Co., a copartnership owned by Earl Martin and J. M. Goold, which joins in the application. Martin-Goold Land & Water Co. further asks for a certificate of public convenience and necessity to serve adjacent lands described in its application as amended and requests authority to place in effect its own schedule of rates throughout all territory covered by this application.

A public hearing in this matter was held before Examiner

James E. McCaffrey in Los Angeles.

According to the evidence, Martin-Goold Land & Water Co. operates several pumping plants furnishing water for domestic and other uses in territory adjacent to the Grovedale Water Co.'s system and has facilities to provide a far superior class of service in Tract No. 7465 than is now rendered. Plans calling for interconnection of the two systems in the near future will inaugurate a most desirable standby service. Adjacent to Tract No. 7465 and contiguous to other territory served with water by Martin-Goold Land & Water Co. is a large area being developed for subdivision purposes to be marketed generally in parcels called "small farms," ranging from one-half acre to two or three acres in extent. As there is no other public utility water supply available, Martin-Goold Land & Water Co. desires to provide water service throughout this new development. Applicant will acquire private easements for pipe line installation in the new territory satisfying at this time franchise requirements for the use of the streets and alleys for utility purposes.

The Grovedale Water Co. has been selling water by authority of this Commission under a certificate granted by Decision No. 26799 dated February 19, 1934, establishing the following schedule of rates to be charged for all service rendered consumers within Tract No. 7465:

DOMESTIC USE

Monthly Flat Rates:

For each residence, including one lot-----\$1.50
For each additional lot----- 1.00

Meter Rates

Monthly Minimum Charges:

For 5/8 x 3/4-inch meter-----	\$ 1.25
For 3/4-inch meter-----	1.75
For 1-inch meter-----	2.50
For 1 1/2-inch meter-----	4.50
For 2-inch meter-----	6.00
For 3-inch meter-----	12.00
For 4-inch meter-----	20.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following Monthly Quantity Rates:

Monthly Quantity Rates:

First 600 cubic feet, per 100 cubic feet-----	\$00.206
Next 400 cubic feet, per 100 cubic feet-----	.15
Next 1,000 cubic feet, per 100 cubic feet-----	.10
All over 2,000 cubic feet, per 100 cubic feet-----	.08

IRRIGATION USE

Monthly Minimum Rates:

Same as domestic use.

Monthly Quantity Rates:

First 10,000 cubic feet, per 100 cubic feet-----	\$00.08
All over 10,000 cubic feet, per 100 cubic feet-----	.06

The above irrigation rate is applicable to the consumers who use water for the irrigation of land for commercial purposes.

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The schedule of rates charged by Martin-Goold Land & Water Co. under Decision No. 29703 dated April 26, 1937, and as revised by Decision No. 30524 dated January 17, 1938, is as follows:

DOMESTIC USE

Monthly Flat Rate:

For each lot of 1/2 acre or less with or without a residence, where service connection does not exceed one inch-----	\$ 2.00
For each additional 1/4 acre or less-----	.75
For each additional residence on one lot-----	1.00
For extra service not exceeding one inch on any lot-----	.50

Meter Rates

Monthly Minimum Charges:

5/8 or 3/4-inch meter-----	\$ 1.50
1-inch meter-----	2.00
1 1/2-inch meter-----	3.00
2-inch meter-----	5.00
3-inch meter-----	15.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following Monthly Quantity Rates:

Monthly Quantity Rates:

From 0 to 1,500 cubic feet, per 100 cubic feet-----	\$00.10
From 1,500 to 5,000 cubic feet, per 100 cubic feet-----	.08
All over 5,000 cubic feet, per 100 cubic feet-----	.06

Fire Hydrants

Monthly flat rate for each fire hydrant-----\$ 1.00

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A comparison of these two schedules reveals that the establishment of the rates in effect on the Martin-Could Land & Water Co. system in the area now served by Grovedale Water Co. will result in an increase in the monthly minimum charges of twenty-five cents (25¢) under meter schedule for domestic use. This increase is offset advantageously to the consumer, however, by the vastly increased allowance of water under the minimum, amounting to nearly twice the quantity now received. Consumers in Tract No. 7465 paying one dollar and fifty cents (\$1.50) for 767 cubic feet of water will receive 1,500 cubic feet for the same sum. Under present rates 1,500 cubic feet of water would cost them two dollars and thirty-five cents (\$2.35). Similarly, the larger commercial irrigation users will be benefited by cheaper water. Considering the fact that these consumers all require relatively large quantities

of water on their "small farm" parcels and lots, the practical effect should be an actual reduction in the yearly cost of water. For this reason no protests were made by any water users against the rates proposed to be placed in effect by the purchasers. This schedule of rates appearing to be just and reasonable for the service to be rendered will be established in the following Order. No one opposed the granting of the transfer of the properties and since there is no other public utility water service available in the new territory under consideration, the evidence indicates that a certificate should be issued and the sale authorized as requested.

O R D E R

Application having been filed with the Railroad Commission as entitled above, a public hearing having been held thereon, the matter having been duly submitted, and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that Fred A. Rice and Julia Rice, operating under the fictitious firm name and style of Grovedale Water Co., be and they are hereby authorized to transfer to Earl Martin and J. M. Goold, a copartnership doing business as Martin-Goold Land & Water Co., their right, title and interest in and to the water distribution system used by them in supplying water to Tract No. 7465, Los Angeles County, as set forth in the application herein and thereupon said Fred A. Rice and Julia Rice be and they are hereby relieved of all further public utility obligations and liabilities in connection with said water system, subject to the following terms and conditions:

1. The authority herein granted shall apply only to such transfer as shall have been made on or before the first day of November, 1938, and a certified copy of the final instrument of conveyance shall be filed with this Commission by Fred A. Rice and Julia Rice.
2. Within ten (10) days from the date on which said Fred A. Rice and Julia Rice actually relinquish control and possession of the property herein authorized to be transferred, they shall file with this Commission a certified statement indicating the date upon which such control and possession were relinquished.
3. On or before the first day of November, 1938, Fred A. Rice and Julia Rice shall refund all amounts, if any, due consumers for deposits made for main extensions, meter or service connections, and/or any other purpose.
4. On or before the tenth day of November, 1938, Fred A. Rice and Julia Rice shall file with this Commission a certified statement to the effect that the terms and conditions of paragraph 3 above have been complied with.
5. The consideration for the transfer herein authorized 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.

The Railroad Commission of the State of California hereby declares that public convenience and necessity require that Earl Martin and J. M. Coold, a copartnership doing business as Martin-Coold Land & Water Co., operate a water system for the purpose of supplying water for domestic and irrigation uses in those parcels of land near El Monte, Los Angeles County, described as follows:

"Beginning at the Northwest corner of Lot 8, of the Western 2/3 of Rancho San Francisquito, as per map book 42, pages 93 and 94, at Live Oak Avenue and commonly known as Las Tunas and extending along the Southerly line of Las Tunas and/or Live Oak, to the intersection of Peck

Road and Las Tunas and/or Live Oak, thence southwesterly along Peck Road to La Salle street, thence westerly to a line extending Southerly along the Westerly boundary of Lot 8, to the line designating the Rio Hondo Channel, thence Northerly along the Westerly boundary of Lot 8, to the point of beginning,"

said territory being delineated upon that certain map attached to the amended application herein and marked Exhibit "A" which is hereby made a part hereof by reference; and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and it is hereby granted to said Earl Martin and J. M. Goold, a copartnership, to operate a water system under the fictitious firm name and style of Martin-Goold Land & Water Co. in those parcels of land as set forth above and in the territory now served by Fred A. Rice and Julia Rice in Tract No. 7465, County of Los Angeles.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days from and after the date of this Order Earl Martin and J. M. Goold, a copartnership, shall file with the Railroad Commission the following schedule of rates to be charged for all service rendered their consumers in the territory indicated above and in the territory now served by Fred A. Rice and Julia Rice in Tract No. 7465, County of Los Angeles, on and after the 1st day of October, 1938:

DOMESTIC USE

Monthly Flat Rate:

For each lot of 1/2 acre or less with or without a residence, where service connection does not exceed one inch-----	\$2.00
For each additional 1/4 acre or less-----	.75
For each additional residence on one lot-----	1.00
For extra service not exceeding one inch on any lot-----	.50

Meter Rates

Monthly Minimum Charges:

5/8 or 3/4-inch meter-----	\$ 1.50
1-inch meter-----	2.00
1 1/2-inch meter-----	3.00
2-inch meter-----	5.00
3-inch meter-----	15.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following Monthly Quantity Rates:

Monthly Quantity Rates:

From 0 to 1,500 cubic feet, per 100 cubic feet-----	\$00.10
From 1,500 to 5,000 cubic feet, per 100 cubic feet-----	.08
All over 5,000 cubic feet, per 100 cubic feet-----	.06

Fire Hydrants

Monthly flat rate for each fire hydrant-----\$ 1.00

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IT IS HEREBY FURTHER ORDERED that within thirty (30) days from and after the date of this Order, Earl Martin and J. M. Gould, a copartnership, shall submit to the Railroad Commission for its approval rules and regulations governing relations with their consumers in the territory indicated above.

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 12th day of September, 1938.

Raymond W. [Signature]
Francis [Signature]
Ray W. [Signature]
Commissioners.