

Decision No. 33241

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MARTIN-GOOLD WATER CORPORATION
to acquire the property, assets and
liabilities of EARL MARTIN and J. M.
GOOLD, operating under the ficti-
tious name of MARTIN-GOOLD LAND &
WATER CO., a copartnership; for per-
mission to operate pumping plants
and to sell water for domestic use
and for irrigation and for authority
to issue stock.

ORIGINAL

Application No. 23284

Eldred E. Wolford, for applicants

BY THE COMMISSION:

O P I N I O N

In this proceeding the Commission is asked to enter its order (1) authorizing Martin-Goold Land & Water Co., a copartnership, consisting of Earl Martin and J. M. Goold, to transfer the properties referred to in the inventory filed as Exhibit "D" to Martin-Goold Water Corporation; (2) authorizing said Martin-Goold Water Corporation to issue \$50,000 par value of common stock in payment for said properties; (3) declaring and finding that public convenience and necessity require Martin-Goold Water Corporation to operate, maintain and extend said properties in the areas described in Exhibit "G" filed in this proceeding; and (4) authorizing said Martin-Goold Water Corporation to charge for water service the same rates which are presently being charged by Martin-Goold Land & Water Co., a copartnership.

Martin-Goold Land & Water Co., a copartnership, is presently engaged in operating public utility water systems in Temple City and vicinity in Los Angeles County. The operations are being conducted

under and by virtue of the authority granted by the Commission by its Decision No. 29703, dated April 26, 1937; by its Decision No. 29973, dated July 27, 1937; and by its Decision No. 31252, dated October 1, 1938. Applicant, Martin-Goold Water Corporation, asks authority to construct, maintain and operate public utility water systems in the same area in which the partnership has a right to construct, maintain and operate water systems, and in addition thereto in Lot Five of Tract 5342. The area in which the corporation desires to operate is defined in Exhibit "G" and delineated on the map filed as Exhibit "F". On June 12, counsel for applicants filed with the Commission a copy of Ordinance No. 3594 (New series) approved by the Board of Supervisors of Los Angeles County at a meeting held on May 28, 1940. The ordinance defines the territory in which for a period of twenty-five years Martin-Goold Water Corporation may lay, maintain, construct and operate a public utility water system. The order herein will grant to applicant, Martin-Goold Water Corporation a certificate of public convenience and necessity to exercise the rights and privileges granted by said Ordinance No. 3594 (New series) subject to the condition that Martin-Goold Water Corporation, its successors and assigns, will never claim before this Commission or any court or other public body a value for that franchise or for the authority herein granted in excess of the actual cost thereof.

Martin-Goold Land & Water Co., a copartnership, reports assets and liabilities as of December 31, 1939, as follows:

A S S E T S

Fixed capital	\$56,428.82
Cash	438.11
Special deposits	50.00
Due from consumers and agents	476.03
Miscellaneous accounts receivable	2,922.07
Materials and supplies	<u>674.26</u>
Total	<u>\$60,949.29</u>

LIABILITIES

Investment	\$50,000.00
Notes payable	350.00
Consumers' deposits	376.00
Miscellaneous accounts payable	1,839.42
Donations in aid of construction	1,796.63
Reserve for accrued depreciation	<u>6,587.24</u>
Total	<u>\$60,949.29</u>

For the year 1939, the partnership reports operating revenues of \$8,865. Its report shows that during the year it had 425 water consumers, of which number 308 purchased water under flat rates and 117 under metered rates.

An inventory of the properties of Martin-Goold Land & Water Co., a copartnership, is filed in this proceeding as Exhibit "D". Earl Martin and J. M. Goold, each of whom owns a 50% interest in the copartnership, ask permission to transfer their public utility properties to the Martin-Goold Water Corporation. The corporation will assume all of the liabilities of the copartnership and in addition issue to the copartnership \$50,000 of its common capital stock. One-half of this stock will be delivered to Earl Martin and one-half to J. M. Goold.

The record shows that if the application is granted and the properties transferred, the Martin-Goold Water Corporation will charge the same rates which are presently being charged by the Martin-Goold Land & Water Co., a copartnership. These rates have been heretofore fixed by the Commission and are 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
From all over 5,000 cubic feet, per 100 cubic feet	-----	.06

Fire hydrants

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

No one appeared at the hearing to protest the granting of this application.

O R D E R

A public hearing having been held on this application before Examiner Fankhauser, and the Commission having considered the evidence submitted at such hearing and it being of the opinion that this application should be granted, subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Earl Martin and J. M. Goold, doing business under the fictitious name of Martin-Goold Land & Water Co., a copartnership, be, and they are hereby authorized to sell and transfer on or before October 1, 1940, their public utility properties described in Exhibit "D" filed in this proceeding, to Martin-Goold Water Corporation.

IT IS HEREBY FURTHER ORDERED that Martin-Goold Water Corporation be, and it is hereby, authorized to issue on or before October 1, 1940, in payment for said properties \$50,000 of its common stock, and to assume all the liabilities of said Earl Martin and J. M. Goold, doing business under the fictitious name of Martin-Goold Land & Water Co. pertaining to said public utility water properties, it being the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of said stock is reasonably required for the purpose herein stated and that the expenditures for said purpose are not in whole or in part reasonably chargeable to operating expenses or to income.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AND DECLARES that public convenience and necessity require Martin-Goold Water Corporation to construct, maintain and operate a public utility water system in the area described in said Ordinance No. 3594 (New series) and to exercise the rights and privileges granted to it by said Ordinance No. 3594 (New series).

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to Martin-Goold Water Corporation to construct, maintain and operate a public utility water system in the area described in said Ordinance No. 3594 (New series) and to exercise the rights and privileges granted to it by said Ordinance No. 3594 (New series) provided Martin-Goold Water Corporation, its successors and assigns, will never claim before this Commission or any court or other public body a value for that franchise or for the authority hereby granted in excess of the actual cost thereof.

IT IS HEREBY FURTHER ORDERED that until otherwise ordered, directed or permitted by the Commission, Martin-Goold Water Corporation

shall charge for the sale of water in said area the following schedule of rates on and after the date of the acquisition of said properties:

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
From all over 5,000 cubic feet, per 100 cubic feet----- .06

Fire Hydrants

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

IT IS HEREBY FURTHER ORDERED that within sixty (60) days from and after the date of this order, Martin-Goold Water Corporation shall file with the Railroad Commission of the State of California in quadruplicate, rates, rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to scale, upon a sheet approximately 8 1/2" x 11" in size, delineating thereon in distinctive markings the boundaries of the certificated area authorized above and showing definitely the location of

said area with reference to the adjacent territory, said rates, rules and regulations to become effective upon acceptance and filing by this Commission.

IT IS HEREBY FURTHER ORDERED that within sixty (60) days after the date of this order, Martin-Goold Water Corporation shall file with the Commission four copies of a comprehensive map drawn to a designated scale of not less than 600 feet to the inch upon which shall be delineated correctly, by appropriate markings, the various tracts of lands in the territory for which the certificate of public convenience and necessity is herein granted. This map should be reasonably accurate, show the source and date thereof, and sufficient data to determine clearly and definitely the location of the various properties comprising the entire utility area of service.

IT IS HEREBY FURTHER ORDERED that Martin-Goold Water Corporation shall file with the Railroad Commission within sixty (60) days after the transfer of the aforementioned properties, a report in compliance with the Commission's General Order No. 24-A, which order insofar as applicable, is made a part of this order; a certified copy of each and every instrument executed to consummate the transfer of the properties herein authorized; a report covering the operation of Earl Martin and J. M. Goold, operating under the fictitious name of Martin-Goold Land & Water Co. from January 1, 1940, to the date when they transferred their public utility water properties to Martin-Goold Water Corporation; and also a statement showing the date such transfer was consummated.

Except as otherwise provided herein, the effective date of this order shall be twenty (20) days from and after the date

hereof.

DATED at San Francisco, California, this 25th day of
June, 1940.

Ray L. Rice
Frank B. Allen
Robert W. Johnson
M. J. Kelly

Commissioners.