

Decision No. 34586

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of UNION DEVELOPMENT COMPANY, INC.,
for a Certificate of Public Con-
venience and Necessity and to fix
rates for water service.

ORIGINAL

Application No. 24234

Mr. R. E. Ibbetson, for Applicant.

HAVENNER, COMMISSIONER:

O P I N I O N

In this proceeding, Union Development Company, Inc., a corporation, (1) asks the Commission for a certificate of public convenience and necessity to engage in the business of supplying water for domestic purposes in Tract No. 10317, Los Angeles County, and for agricultural irrigation purposes on 250 acres of adjoining lands, all located southeast of the town of Bellflower in Los Angeles County. The Commission is also asked to establish a schedule of both meter and flat rates.

A public hearing in this matter was held in Los Angeles.

The record shows that applicant has been and is engaged in private farming operations, real estate business and other non-utility operations in other localities in Southern California.

The area for which a certificate is asked comprises four separate, irregularly-shaped, non-contiguous parcels of land owned

(1) Hereinafter sometimes referred to as applicant.

by applicant, its officers and stockholders and presently used as follows:

<u>Owner</u>	<u>Acres (Approximately)</u>	<u>Present Use</u>
Union Development Company	200	Corn, Grain, Field Crops.
H. A. Thornton (Secretary, Union Development Company)	48	Hog Ranch
R. W. Bidwell (President, Union Development Company)	<u>10</u>	Garden Truck
Total	258	

These lands are now being farmed and it is contemplated to continue these operations until such time as the land may be subdivided for residential development. The crops are irrigated from applicant's two separate irrigation systems which have a combined total of 12,150 feet of 10-inch concrete, distribution pipe lines. Water is produced from two wells, one on each system, which are 1,084 and 465 feet deep, each equipped with electrically driven deep well turbines yielding 1,000 and 700 gallons per minute, respectively.

Tract No. 10317, Los Angeles County, comprises 8 acres and is ready for immediate subdivision into 40 residential lots. A domestic water system is to be installed therein by applicant. Water will be obtained from the present irrigation plant No. 1, just south of the tract. A reservoir is to be constructed to store water which will feed by gravity into the irrigation system and from which water will be pumped into a pressure system serving the subdivision.

Subsequent to the hearing, applicant duly filed a written amendment to its original application, asking the Commission to

grant the certificate of public convenience and necessity to its subsidiary corporation, Ideal Petroleum Company, in order to divorce all public utility operations from the parent company. Applicant proposes to transfer to Ideal Petroleum Company all necessary rights, properties and interests to conduct a public utility domestic water business. The Order will be entered accordingly.

The agricultural irrigation systems have been operated by various lessees and the irrigation water charges have been provided for under written agreements. As this appears to be a non-utility operation which it is desired to maintain as such the agricultural irrigation service will be excluded from the public utility business.

No protest was made against the granting of the certificate. The record shows that no other public utility waterworks serves in or in the immediate vicinity of the proposed service area. It therefore appears to the best interests of the public that a certificate be granted for the operation of a domestic water system in Tract No. 10,317. The schedule of flat and meter rates fixed in the following Order is a modification of the rates as originally proposed and, in general, is fairly comparable to the charges in effect on other waterworks operating under similar circumstances and conditions in the near vicinity.

The following form of Order is recommended.

O R D E R

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

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation of a water system by Ideal Petroleum Company, a corporation, in Tract No. 10,317, Los Angeles County.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to said Ideal Petroleum Company to operate a public utility for the sale and distribution of water within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that Ideal Petroleum Company be and it is hereby authorized and directed to file in quadruplicate with this Commission, within sixty (60) days from the date of this Order, the following schedule of rates to be charged for all water service rendered to its consumers subsequent to the 30th day of September, 1941, which schedule of rates is hereby found to be just and reasonable for the service to be rendered:

SCHEDULE OF RATES

FLAT RATES

	<u>Per Month</u>
Per lot and residence of 5 rooms or less	\$1.50
For each additional room10
For each additional dwelling of 5 rooms or less, on same lot	1.00
For each additional lot or portion thereof under cultivation, to be charged during months of irrigation only50

METER RATES

Monthly Minimum Charges

For 5/8 inch meter	\$1.50
For 3/4 inch meter	1.75
For 1 inch meter	2.50
For 1 1/2 inch meter	3.50
For 2 inch meter	5.00
For 3 inch meter	8.00
For 4 inch meter	12.00

METER RATES - Continued

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 800 cubic feet; or less.....	\$1.50
Next 4200 cubic feet; per 100 cubic feet15
Over 5000 cubic feet, per 100 cubic feet10

IT IS HEREBY FURTHER ORDERED that Ideal Petroleum Company be and it is hereby directed as follows:

- (1) Within sixty (60) days from the date of this Order, to submit to this Commission for its approval four sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of the authorized service area, and the location thereof with reference to the surrounding territory; provided further, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.
- (2) To file with this Commission, within sixty (60) days from the date of this Order, four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory for which the certificate is granted herein. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the various properties comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.
- (3) Within sixty (60) days from the date of this Order, to file with this Commission an affidavit to the effect that it will never claim before this Commission or any other public body an amount for the certificate of public convenience and necessity granted herein in excess of the actual cost of acquiring it.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco California, this 16th day of September, 1941.

[Signature]
Ray L. Riey
Justus J. Coe
Francis R. Havenner
[Signature]
Commissioners.