

374

ORIGINAL

Decision No. 34701

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application for an Order Authorizing BEN LONG and PERCILLA LONG to Sell and SOUTHERN CALIFORNIA WATER COMPANY, a corporation, to Buy a Certain Water Utility Property Situate in the County of Los Angeles, State of California.

Application No. 24268

Paul Overton, for Applicant,
Southern California Water Company.

Ralph C. Curren, for Applicants,
Ben Long and Percilla Long.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Ben Long and Percilla Long ask permission to sell and Southern California Water Company asks for authority to buy the water system serving Tract No. 7741, Los Angeles County, which tract is situated east of Gardena and west of Lawndale. Southern California Water Company asks that it be authorized to charge on said Tract No. 7741 the schedule of rates now in effect on its adjacent Lawndale system.

A public hearing in this matter was held before Examiner Clark at Los Angeles.

Tract No. 7741 was subdivided and placed on the market in 1928. At that time, it was not within the service area of any water company. Mr. Herbert Williams installed the water system as an aid in selling lots. The project was financed by Ben Long and Percilla

Long, his wife, who received a mortgage on the properties as security. Neither Williams nor Long desired to operate as a public utility and, for this reason, furnished each lot purchaser with water under a written agreement, subject to termination in the event the water system was turned into a mutual water company or the service provided by a municipal water works or other water system.

Subsequently and about 1930, Mr. Williams became financially embarrassed and Ben Leng and Percilla Long, his wife, acquired title through foreclosure proceedings. The Longs continued to provide water until June 1, 1941, at which time the water system was interconnected with the Lawndale plant of the Southern California Water Company, which company thereafter operated the system pending the approval of a contract entered into on May 9, 1941, providing for the sale thereof. At the time the management was changed, there were 42 service connections in Tract No. 7741 and five in the territory immediately contiguous thereto. This entire area lies within the territory heretofore certificated to the Southern California Water Company by this Commission's Decision No. 34087, dated April 8, 1941.

L. J. Alexander, Engineer for the Southern California Water Company, submitted an inventory and appraisal of the water system. He estimated the original cost thereof to be \$13,105. Lands were included at present market value. He determined the cost less depreciation to be \$6,728, using the straight line method of depreciation.

James F. Wilson, one of the Commission's hydraulic engineers, checked the inventory and appraisal submitted by the Company. In his report the depreciation annuity computed by the sinking fund method at 5 per cent was set forth at \$255 and the accrued depreciation was estimated to be \$4,521. The cost less accrued depreciation on this basis was found to be \$8,584.

Southern California Water Company is a public utility corporation, engaged in the production and distribution of water for domestic and other uses in numerous areas in Los Angeles County and elsewhere in the State of California. It will operate the water system in Tract 7741 as an integral part of its adjacent Lawndale system and requests authority to place in effect throughout said Tract 7741 its Lawndale division rates which are fairly comparable with the existing charges. Mr. E. V. Anderson, Vice President of the Southern California Water Company, testified that the present flat rates would be continued until some future date when all service would be placed upon a measured basis.

No protests were made against the transfer of the properties or operation under the plans and proposals of the purchaser. No consumer deposits for any purpose are held by applicants, Ben Long and Percilla Long. It therefore appears to the best interests of the public at this time that the application be granted.

O R D E R

Application as entitled above, having been filed with this Commission, 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 Ben Long and Percilla Long, his wife, be and they are hereby authorized to sell to Southern California Water Company, a corporation, and that said corporation be and it is hereby authorized to acquire from said Ben Long and Percilla Long, his wife, all right, title and interest in and to the water system properties and appurtenant rights owned and operated by said Ben Long and Percilla Long, his wife, in Tract No. 7741, Los Angeles

County, which properties and rights are more particularly described in Exhibit "B" attached to the application herein and which is hereby made a part of this Order by reference, 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 30th day of November, 1941, and a certified copy of the final instrument or instruments of conveyance shall be filed with this Commission by Southern California Water Company, a corporation, within thirty (30) days from the date upon which said instrument or instruments are executed.
- (2) Within ten (10) days after the date on which Southern California Water Company, a corporation, actually acquires control and possession of the property herein authorized to be transferred, it shall file with this Commission a certified statement indicating the date upon which such control and possession were acquired.
- (3) 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.

IT IS HEREBY FURTHER ORDERED that Southern California Water Company, a corporation, be and it is hereby authorized and directed to place in effect throughout the territory served by the utility herein authorized to be transferred, its existing rates, rules and regulations now effective on its Lawndale system for all water service rendered within said territory on and after the 1st day of November, 1941.

IT IS HEREBY FURTHER ORDERED that Southern California Water Company, a corporation, be and it is hereby directed as follows:

- (1) Within thirty (30) days from the date of this Order, to file with this Commission four sets of the necessary amendments to its service area maps to embrace the

said Tract No. 7741, Los Angeles County, 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 area and the location thereof relative to the surrounding territory; provided further, 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.

- (2) Within sixty (60) days from the date of this Order, to file with this Commission 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 revised service area as set forth in the preceding paragraph. This map should be reasonably accurate, show the source and date thereof and include sufficient data to determine thoroughly and definitely the location of the various properties comprising the entire district 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.

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

Dated at Los Angeles, California, this 28th day of October, 1941.

[Signature]
[Signature]
Justus F. Casner
Frank C. Havenor
[Signature]
Commissioners.