

Decision No. 38027

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of Application of PARK WATER COMPANY, a corporation, for a Certificate of Public Convenience and Necessity to furnish and supply water in certain unincorporated territory in the County of Los Angeles, contiguous to territory now served with water by said corporation.

Application No. 25967

Paul Overton, for applicant.

O'Melveny & Myers, by W. W. Clary and

Lauren M. Wright, for Southern California Water Company.

BY THE COMMISSION:

O P I N I O N

Park Water Company operates several domestic water systems in Los Angeles County and now asks for a certificate of public convenience and necessity to operate a public utility water system in Tract No. 12340 Los Angeles County, contiguous to Tract No. 12339, which it now serves.

Public hearings in this proceeding were held before Examiner Wm. Stava in Los Angeles.

The Commission by its Decision No. 35724, dated September 1, 1942, granted applicant a certificate to operate a public utility water system in Tract No. 12339. A water system has been installed therein supplying 326 homes. Tract No. 12340, located about two miles westerly of the City of Gardena, is subdivided into 177 lots upon which two building contractors intend to construct a housing project, consisting of one home for each said lots. Priorities for such construction are now being withheld by the Federal Housing Authority until a certificate of public convenience and necessity has been granted. Applicant already has piped this tract, contending that it required no such certificate to extend into adjoining territory under and pursuant to Section 50(a) of the Public Utilities Act.

However, in order to comply with the requirements of said Housing Authority and the War Production Board, the Commission is requested to issue such a certificate.

The water supply is obtained by Applicant from one well on the adjoining system serving Tract No. 12339. Another well has been placed under option of purchase as an additional supply. All pipelines are installed in privately reserved rights of way and easements with the exception of 1,033 feet of mains on 157th Street. The installation has cost approximately \$7,000. The same rates are to be charged in both areas.

Protest was made by Southern California Water Company, a corporation, operating a large group of water works in various districts of Los Angeles County and several cities and towns in Southern California. Protestant claims that it already has a certificate of public convenience and necessity, granted by this Commission in its Decision No. 34086, dated April 8, 1941, authorizing it to supply water in the territory in which Tract No. 12340 is located as well as other adjacent and adjoining territory. Furthermore protestant contends that it is a party to an agreement entered into under date of October 8, 1940, with H. H. Wheeler, President and majority stockholder of the Park Water Company, Highway Construction Company, a corporation, and L. A. Decomposed Granite Company, a corporation, wherein said Wheeler caused to be sold to protestant three water systems operating in the general vicinity of Tracts No. 12339 and No. 12340, and agreed to recognize and cause to be recognized by the above three corporations the certificated rights of Southern California Water Company to serve water and operate in this general territory.

The record shows that Wheeler notified protestant and requested the piping of Tract No. 12340 under the provisions of the above agreement. Southern California Water Company elected not to proceed under this contract but to install the water facilities under certain alternative proposals. After considerable delay Wheeler, through the Highway Construction Company, caused this subdivision to be piped and the water facilities to be acquired and operated by Applicant, Park Water Company.

Reference is hereby made to Decision No. 35724, dated September 1, 1942, rendered in connection with an application by Park Water Company for a certificate of public convenience and necessity involving facts and circumstances essentially parallel to those prevailing in the instant proceeding and in which Southern California Water Company appeared as protestant. See also Park Water Company Decision No. 34373, dated July 1, 1941 (43 C.R.C. 627).

In light of the facts and findings set forth above it appears that a certificate should be issued to Park Water Company.

The certificate of public convenience and necessity issued herein is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

ORDER

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

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require the construction and operation of a public utility water system by Park Water Company, a corporation, in Tract No. 12340, Los Angeles County, said area being set out on a map marked Exhibit B attached to the application herein and hereby made a part of this order by reference.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted Park Water Company to construct and operate a public utility for the distribution and sale of water within the territory hereinbefore described.
2. That Park Water Company be and it is hereby authorized to make effective the rules and regulations and charge the schedule of rates at present in effect in Tract No. 12339, Los Angeles County, for all water service rendered to consumers in Tract No. 12340.

3. That Park Water Company, within sixty (60) days after the effective date of this Order, file four sets of maps drawn to an indicated scale, about 8 1/2 x 11 inches in size, indicating the service area and location thereof with reference to the surrounding territory. Such filing shall not be construed as a determination or establishment, in whole or in part, of the indicated area of service.
  
4. That Park Water Company, within sixty (60) days after the effective date of this Order, file four copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, delineating correctly by appropriate markings the various tracts of land in the territory served. Such map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine definitely the location of the various properties comprising the entire service area. Such a filing shall not be construed as a determination or establishment, in whole or in part, of the indicated area of service.

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 26<sup>th</sup> day of

June, 1945.

Richard Rudman  
Justus D. Casper  
Richard L. ...  
...  
...  
Commissioners.