

Decision No. 39336

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of CALIFORNIA WATER & TELEPHONE COMPANY, and H. J. HAVENS, individually, and doing business as R. C. REGELEIN WATER COMPANY, for an Order authorizing the latter to sell to the former certain portions of the water business conducted by the latter in the Rosemead District of the County of Los Angeles, State of California, and for an Order establishing certain rates for California Water & Telephone Company.

ORIGINAL

Application No. 27482

Peter A Nenzel, for Applicants;
B. M. Wimberley, in propria persona.

O P I N I O N

Miss H. J. Havens, doing business as R. C. Regelein Water Company serving Tract No. 7178 located near El Monte, Los Angeles County, asks for authority to sell and transfer a portion of the water system to California Water & Telephone Company^{1/}, a corporation, and be relieved of the public utility obligation of supplying water service. The California Company is engaged in the business of supplying water in San Marino, San Gabriel, and in the Rosemead area adjoining the Regelein system and joins in the application but also asks for authority to charge the rates presently in effect in its Rosemead District for the service to be rendered on the newly acquired property. The Office of Price Administration was duly notified of the filing of the application.

A public hearing in the matter was held before Examiner Stava in Los Angeles.

The territory served by the Regelein system consists of approximately 20 acres subdivided into 57 lots and is known as Tract No. 7178. The water system

^{1/} Hereinafter referred to as California Company.

was installed to aid in the sale of lots, and R. C. Regelein was granted a certificate of public convenience and necessity to operate a public utility water system by the Commission in its Decision No. 15346; dated August 27, 1925.

Water is obtained from a well and is delivered through the distribution system with the aid of a pressure tank. The distribution mains consist of 1,690 feet of pipe varying from four inches to 2½ inches in diameter. At present 35 customers are being served at a flat rate of \$1.75 per month. Miss Havens desires to retire from the public utility water business and sell the system to California Water & Telephone Company. However, she desires to retain the well, pump and tank and approximately 300 feet of distribution pipe to serve her property which consists of ten lots located at the north end of the subdivision. The property being transferred consists of 1,390 feet of mains varying from four inches to 2½ inches in diameter and a pipe line easement through the tract. The California Company estimates the historical cost of the property being transferred and its cost less depreciation to be \$1,197 and \$769, respectively. The purchase price is \$1,000. The operating revenues of the system for the year ending December 31, 1946, were reported as \$504 and the operating expenses as \$359, resulting in a net revenue of \$145 for the year.

The California Company proposes to connect this system to its Rosemead mains and operate it as a part of that district. The pressures maintained under present operation vary from 20 to 35 pounds, but the California Company proposes to maintain a working pressure of 65 pounds throughout the Regelein area which should provide better service to all of the customers.

California Company also desires to abandon the \$1.75 monthly flat rate now in effect on the system and be authorized to make effective its Rosemead District rates which are on a measured basis. This schedule provides for a monthly minimum charge of \$1 which includes an allowance of 600 cubic feet of water. For use in excess of the minimum, the rate is reduced through four brackets to eight cents per 100 cubic feet. The California Company's representative testified that the annual charges for water to the Regelein customers probably would not be increased for the reason that charges for service will be

reduced to \$1 per month during the winter as compared to the \$1.75 monthly flat rate charge at present in effect. As the lots average 50 x 120 feet in area; it was estimated that the summer use combined with the minimum measured charge during the winter would result in a lower annual charge than is now paid by the customers at flat rates.

The California Company has a franchise from Los Angeles County to install and maintain mains in and under the streets and highways in the Regelein section. No one appeared to object to the transfer of the system or to the establishment of the California Company's Rosemead rates. Under the circumstances it appears to be in the public interest to authorize the sale and permit the use of the Rosemead rates in the Regelein territory.

O R D E R

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

IT IS HEREBY ORDERED that Miss E. J. Havens, doing business as R. C. Regelein Water Company, be and she is hereby authorized to sell and transfer to California Water & Telephone Company, a corporation, a portion of the distribution mains of the public utility water system used in supplying domestic water service to consumers in Tract No. 7178, Los Angeles County, said property to be transferred being more particularly described in the application and in the sales agreement attached thereto.

IT IS HEREBY FURTHER ORDERED that California Water & Telephone Company, a corporation, be and it is hereby authorized to charge the rates at present in effect or that may hereafter be made effective within its Rosemead District for all water service supplied within Tract No. 7178.

IT IS HEREBY FURTHER ORDERED, as follows:

1. That upon the transfer of said properties and the compliance with the following conditions, said E. J. Havens, doing business as R. C. Regelein Water Company, is relieved of all public utility obligations and liabilities in connection with said water system.

2. That such transfer shall be made on or before October 31, 1946, and that H. J. Havens shall file with the Commission a certified copy of the final instrument of conveyance on or before said date.

3. That H. J. Havens shall file with the Commission a written statement, on or before October 31, 1946, indicating the date on which control and possession of said water system were relinquished.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

This Order shall become effective upon the date hereof.

Dated at Los Angeles, California, this 27th day of August

1946.

Harold P. Kula

Justice F. Casper

Stewart C. Carr

Ernest K. Howell

A. J. Anderson

Commissioners.