

ORIGINAL

Decision No. 42034

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
B. V. Water Company for a Certificate of
Public Convenience and Necessity and for
Permission to issue Stock.

Application No. 29361

Bishop Moore, for applicant.

O P I N I O N

B. V. Water Company, a California corporation, asks the Commission to grant it a certificate of public convenience and necessity authorizing it to furnish water as a public utility in the area hereinafter described. Applicant also asks permission to place in effect the rates herein mentioned and to issue and sell 500 shares of stock and use the proceeds to acquire water properties.

A public hearing was held before Examiner Thompson at Los Angeles.

The area proposed to be served with water by applicant consists of 280 acres in the west half of the northeast quarter, the northeast quarter of the northeast quarter, and the southeast quarter of Section 35, Township 7 North, Range 13 West, S. B. B. & M., Los Angeles County. This acreage is divided into three subdivisions. Tract No. 14581 consists of 402 lots, Tract No. 13985 of 101 lots, while an unnumbered tract is subdivided into sixteen $2\frac{1}{2}$ -acre lots. The entire acreage was originally owned and subdivided by the Omart Investment Company, Ltd.

The testimony shows that a goodly supply of potable water is obtained from a 14-inch, 500-foot well located on Lot 26, Tract No. 14581. In its initial test this well is said to have produced

1,000 gallons of water per minute. The present pumping plant on an official test delivered 240 gallons per minute. The pumping facilities are capable of delivering water to the distribution system at a pressure of between 35 and 50 pounds per square inch. A 32,500-gallon steel pressure tank has been installed. Negotiations are under way to provide an interconnection with an adjacent mutual water company to provide standby service. From the evidence, it appears that the water supply available to applicant is ample to render adequate service in the proposed area.

The distribution system presently installed makes water service available to every lot in the proposed area. It consists of approximately 34,000 feet of welded steel mains ranging in diameter from 2½ to eight inches. All pipe lines are dipped in a preservative coating. There are at present 61 services connected to the water system, which is presently owned by the Omart Investment Company, Ltd.

Applicant's witness testified that the cost of the water system was \$37,492.

The record shows that because of easements reserved in the streets, no franchise is required at this time. However, applicant is willing to obtain a franchise if and when it may become necessary.

B. V. Water Company was incorporated on January 13, 1948, with an authorized stock issue of 25,000 shares of the par value of \$1 each. Applicant asks permission to issue and sell, at \$1 per share, 500 shares of stock. Such shares of stock will be acquired by the following:

Omart Investment Company, Ltd.	497
Arthur A. Miller	1
Carlo Giuntini	1
Phillip L. Creig	1

Omart Investment Company, Ltd. has agreed to sell said water system to applicant for the sum of \$500 cash. The stock proceeds will be used to pay for said water properties.

Up to the present time all customers have been receiving water service without charge. The operating expenses have been paid by the Omart Investment Company, Ltd. No evidence was introduced showing the past operating expenses.

Applicant at the hearing amended its proposed rates, and as amended they provide for a minimum charge of \$24 per year for a 5/8 x 3/4-inch meter, and a quantity rate on a monthly basis varying from 40 cents per hundred cubic feet for the first 500 cubic feet, reduced through intermediate blocks to 15 cents per hundred cubic feet for all use in excess of 2,000 cubic feet per month. The proposed rates, as amended, are considered to be reasonable from the facts available in the evidence upon this record and will be authorized in the Order herein.

The certificate of public convenience and necessity granted by the following Order 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."

O R D E R

The Public Utilities Commission of the State of California having considered the evidence submitted at the hearing had on this application and it being fully advised in the premises, and being of the opinion that this application should be granted, subject to the provisions of this Order, therefore,

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require the acquisition, construction, maintenance, and operation of a public utility water system by B. V. Water Company, a corporation, in the area described in the foregoing Opinion.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to B. V. Water Company to acquire, construct, maintain, and operate a public utility water system in said area.

IT IS HEREBY FURTHER ORDERED as follows:

1. That B. V. Water Company may, after the effective date hereof and on or before December 31, 1948, issue and sell for cash at \$1 per share, 500 shares of its capital stock and use the proceeds to pay for the water system referred to in the foregoing Opinion. The Commission is of the opinion that the money, property, or labor to be procured or paid for through the issue of said shares of stock is reasonably required by B. V. Water Company for the purpose herein stated, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
2. That B. V. Water Company shall, within thirty (30) days after the issue and sale of said shares of stock, or any part thereof, file with the Commission a report showing the number of shares issued under the authority herein granted, the names of the purchasers of said shares of stock, the consideration received for said shares of stock, and the purpose for which the proceeds obtained through the issue of said shares of stock were expended.
3. That B. V. Water Company be and it is hereby authorized and directed to file in quadruplicate, in conformity with this Commission's General Order No. 96, within thirty (30) days from the effective date of this Order, the schedule of rates set forth in Exhibit A attached hereto, said schedule to be applicable for all water service rendered to all consumers on and after the first day of November, 1948.
4. That B. V. Water Company within forty (40) days from the effective date of this Order shall file with this Commission 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 its present service area and the location thereof with reference to the immediate surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
5. That B. V. Water Company, within forty (40) days from the effective date of this Order, shall 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 territory presently to be served. 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 property comprising the

EXHIBIT A

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service rendered on a measured basis.

TERRITORY

Within the service area in Bellview Estates, in the eastern half of Section 35, Township 7 North, Range 13 West, S.B.B.&M., in Los Angeles County.

RATES

Minimum Charge:	<u>Per Meter</u> <u>Per Year</u>
For 5/8 x 3/4-inch meter	\$ 24.00
For 3/4-inch meter	30.00
For 1-inch meter	48.00
For 1 1/2-inch meter	72.00
For 2-inch meter	96.00

The Minimum Charge will entitle the consumer to the quantity of water each month which 1/12 of the annual minimum charge will purchase at the Quantity Rates.

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 500 cubic feet, or less	\$ 2.00
Next 500 cubic feet, per 100 cubic feet35
Next 1,000 cubic feet, per 100 cubic feet25
Over 2,000 cubic feet, per 100 cubic feet15

SPECIAL CONDITIONS

The annual minimum charges will be applicable for the 12-month period beginning July 1 of each year.

entire utility area of service; provided, however, that such filing shall not be construed as final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 14th day of September, 1948.

R. J. ...
Justice F. ...
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Commissioners: