

Decision No. 42486

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of MOUNTAIN PROPERTIES, INC., a California corporation, (a) for certificates of public convenience and necessity to operate public utility water systems and (b) for order fixing rates for such water systems.

Application No. 29716

George C. Lyon for applicant; Head,
Wellington & Jacobs by M. B. Wellington
for Freeway Park water users.

O P I N I O N

Mountain Properties, Inc., a corporation, asks the Commission for certificates of public convenience and necessity to operate five water systems in Orange and Los Angeles Counties. In an amendment to the application the Commission is asked to approve the transfer and purchase of a public utility water system in Orange County, known as Colonia Juarez. The Commission is also asked to authorize rates for each of the six systems.

A public hearing in this matter was held before Examiner Warner in Santa Ana on December 17, 1948.

Applicant owns and operates 15 water systems throughout southern California.

Application for certificates and establishment of rates is made for the five systems described as follows:

Freeway Park

This system is located at the intersection of La Palma Avenue and Manchester Avenue, approximately two miles east of Buena Park in an unincorporated portion of Orange County and comprises an area of

approximately 60 acres, of which 50 acres are subdivided as Tracts Nos. 1161 and 1202; the balance being unsubdivided. There are 205 lots of an average size of 60 x 120 feet in the two subdivided tracts. The service area is more particularly shown in the map filed with Exhibit 2 in this proceeding. As of December 1, 1948, there were 151 metered consumers being served, and a number of additional consumers' residences are under construction.

Mr. J. L. Lyon, president of the company, testified that a plentiful supply of potable water for the system is obtainable from two wells. One well, located on Lot 1 of Tract 1161, is 241 feet deep, drilled in May, 1946, contains a 12-inch casing and a pump driven by an automatically-controlled 7½ hp electric motor. Another well, located on Lot 97 of Tract 1202, is 282 feet deep, drilled in November, 1947, contains a 12-inch casing and a pump driven by an automatically-controlled 20 hp electric motor. This latter pump is maintained as standby equipment as only one well and the smaller pump are being used at the present time. There are two steel 2,350-gallon pressure tanks, one at each well site. The distribution system consists of 10,650 feet of two-, four-, and six-inch pipe installed on easements deeded to applicant. Wells, and property on which they are installed, are owned by applicant. Details of the system are shown in Exhibit 2.

Burbank Tract

This system is located north of Artesia Boulevard along Burbank Avenue, approximately one mile northwest of the town of Artesia in Los Angeles County. It serves an area consisting of 47 lots of an unsubdivided tract comprising approximately 20 acres. The lots vary in size from 50 x 165 feet to 150 x 165 feet. The service area is more particularly shown in the map filed with Exhibit 11 in this proceeding. As of December 1, 1948, there were 28 flat and two metered rate consumers being served.

Applicant's witness testified that a plentiful supply of potable water for the system is obtainable from a well 130 feet deep, containing a six-inch casing and a pump driven by an automatically-controlled 5 hp electric motor, discharging into the distribution system through a 500-gallon steel pressure tank. The distribution system consists of 1,000 feet of three-inch standard steel pipe and 314 feet of standard two-inch pipe. The well and property on which it is located are deeded to applicant. Details of this system are shown in Exhibit 11.

Walnut Acres

This system is located on Highway 101 just north of the city of Santa Ana. It serves an area in Tract No. 964 of Orange County containing 82 lots with an average size of 132 x 135 feet. The service area is more particularly shown in the map filed with Exhibit 14 in this proceeding. As of December 1, 1948, there were 45 flat and two metered consumers being served.

Applicant's witness testified that a plentiful supply of potable water for the system is obtainable from a well drilled in June, 1947, 410 feet deep, which contains a 12-inch casing and a pump driven by an automatically-controlled 15 hp electric motor, with a capacity of 300 gallons per minute, discharging into the distribution system through a 2,000-gallon steel pressure tank. The distribution system consists of 4,496 feet of one-, 2½-, four-, and six-inch steel pipe installed on easements deeded to applicant. The well and property on which it is installed are owned by the applicant. Details of this system are shown in Exhibit 14.

Tract 1179

This system is located about four miles west of the city of Santa Ana at the intersection of Laurel and Harper streets north of Westminster Boulevard. It serves an area in Tract 1179 of Orange

County consisting of 82 lots with an average size of 60 x 135 feet. The service area is more particularly shown in the map filed with Exhibit 17 in this proceeding. As of December 1, 1948, there were 12 flat rate consumers being served.

Applicant's witness testified that a plentiful supply of potable water for this system is obtainable from a well containing a 12-inch casing and a pump driven by an automatically-controlled 15 hp electric motor which will supply 450 gallons of water per minute and which discharges into the distribution system through a 2,000-gallon steel pressure tank. The distribution system consists of 2,460 feet of four-inch transite pipe, 140 feet of four-inch steel pipe, and 1,260 feet of one-inch steel pipe installed on easements deeded to the applicant. The well and property on which it is installed are owned by the applicant. Details of this system are shown in Exhibit 17.

Heiner Tract

This system is located in Tract 1129 of Orange County which is north of Orange Avenue and east of Gilbert Avenue between Buena Park and Santa Ana. It serves an area consisting of 12 lots 155 x 190 feet in size and an adjacent unsubdivided area to the north of the tract. The service area is more particularly shown in the map filed with Exhibit 20 in this proceeding. As of December 1, 1948, there were 12 metered consumers being served.

Applicant's witness testified that a plentiful supply of potable water for the system is obtainable from a well drilled in August, 1947, 492 feet deep, containing a ten-inch casing, and a pump with an automatically-controlled 10 hp electric motor discharging into the distribution system through a 2,000-gallon steel pressure tank. The distribution system consists of 1,445 feet of four-inch steel-welded pipe installed on easements deeded to the applicant. The well and property on which it is installed are owned by the applicant. Details of this system are shown in Exhibit 20 in this proceeding.

Summary As To Certificates

From the evidence it appears that the water supplies available to the applicant and the distribution systems installed and to be installed by the applicant are ample to render service to the proposed areas.

Applicant testified that no county franchises for operation of the four systems located in Orange County and the one system located in Los Angeles County are required from Orange and Los Angeles Counties at this time, but stated that he is willing to apply for such franchises in the future if necessary.

No other known water companies serve the areas for which certificates are requested and no objection was filed by any party to the granting of certificates of public convenience and necessity applied for.

Applicant filed copies of up-to-date certificates of bacteriological analyses by the health departments of Orange and Los Angeles Counties.

No finding is made in this proceeding as to the value of the properties which applicant has installed.

The Commission has considered this request for the certificates of public convenience and necessity, and is of the opinion that they should be granted, subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of these certificates of public convenience and necessity or the right to own operate or enjoy such certificates 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 certificates of public convenience and necessity or right.

The system for which application for transfer of ownership and establishment of rates is made is described as follows:

Colonia Juarez

In Decision No. 40991 of Case No. 4903, the Commission on December 1, 1947, found that Crespín Mendoza, Jesús Gusman, Alejo Luna, and Encarnación Nieves were engaged in supplying water for domestic and irrigation purposes as a public utility in the subdivision known as Colonia Juarez in Orange County. This system is located south of Wintersburg Avenue and west of Ward Street in Orange County. It serves the area subdivided as Colonia Juarez Tract, Tract No. 569, Orange County, consisting of 148 lots, 36 of which are 50 x 120 feet, and 112 of which are 50 x 300 feet. The service area is more particularly shown in the map filed with Exhibit 23 in this proceeding. As of December 1, 1948, there were 58 first rate consumers being served.

Applicant's witness testified that a plentiful supply of potable water for the system exists and is obtainable from a well containing a 12-inch casing and pump with an automatically-controlled 15 hp electric motor discharging into the distribution system through an 18,000-gallon wooden overhead tank. The distribution system consists of 5,880 feet of four-, 2½-, two-, and 1½-inch steel pipe. The well and property on which it is installed are owned by applicant. Details of this system are shown in Exhibit 23.

The Commission is asked to approve the transfer of the Colonia Juarez Water Company to applicant as the present owners claim they have not sufficient funds to improve the system, nor the experience to operate it. The system is owned by a copartnership consisting of Crespín Mendoza, Jesús Gusman, Alejo Luna, Encarnación Nieves, and Felipe Flores. The record shows that the copartnership sold the system to Dorothy J. Lyon and J. Lyttleton Lyon, and they in turn sold the property to applicant.

It appearing that the requested transfer is not contrary to the public interest, it will be authorized in the following order.

Rates

Applicant proposed certain flat rates which are set forth in this order in Exhibit A; they are the same flat rates which applicant was charging at the time of the application in this proceeding. Applicant also proposed certain metered rates at the hearing, which represented an increase over the rates being charged at the time of the application in this proceeding.

Mr. Wellington, attorney for the users in the Freeway Park System, objected to the rates proposed to be established for that system and introduced evidence purporting to show that such rates would be excessive. This evidence is not conclusive since average consumer usage figures presented were based on the use of a special class of customers with lawns and gardens and are not considered representative of customer-usage generally throughout the Freeway Park System. However, a sufficient showing was not made by applicant to justify the proposed increased metered rates. Therefore, metered rates authorized in this order as shown in Exhibit A will continue the level of charges at the time of the application in this proceeding, since that level appears to be not unreasonable.

O R D E R

The above-entitled application having been considered, a public hearing having been held, the matter having been submitted, and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction and operation of public utility water systems by Mountain Properties, Inc. in Orange and Los Angeles Counties in the areas set forth in the maps filed with Exhibits 2, 11, 14, 17, and 20 in this proceeding.

IT IS HEREBY ORDERED that certificates of public convenience and necessity be and they are granted Mountain Properties, Inc. to construct and operate public utility systems for the distribution and sale of water within the territories hereinbefore described, subject to the following conditions:

1. Rates set forth in Exhibit A attached to this order shall be filed to be effective on or before April 1, 1949, together with rules and regulations and tariff service area maps acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Applicant shall within sixty (60) days after the system is placed in operation file four copies of comprehensive maps, drawn to an indicated scale of not less than 400 feet to the inch, delineated correctly by appropriate markings of the various tracts of land and territory served and the location of the various properties of applicant.
3. The authorization herein granted will be void if not exercised within one (1) year from the date hereof.

IT IS HEREBY FURTHER ORDERED that Alejo Luna, Encarnacion Nieves, Jesus Gusman, Felipe Flores, Christin Mendoza, Antonia Luna, Victoria Nieves, Cristina Flores, and Susana Mendoza, doing business as Colonia Juarez Water Company, a copartnership, are authorized to sell after the effective date hereof and on or before the 1st of April, 1949, to Dorothy J. Lyon and J. Lyttleton Lyon, and they in turn are authorized to sell to Mountain Properties, Inc. for the sum of \$20, in accordance with the terms of bills of sale dated August 6, 1947, March 12, 1948, April 29, 1948, and May 15, 1948, copies of which are attached to the application, that certain real and personal property described therein and as shown more particularly on the map filed with Exhibit 23 in this proceeding.

IT IS HEREBY FURTHER ORDERED that Mountain Properties, Inc., within thirty (30) days after the acquisition of said properties, shall file with the Commission a copy of the bill of sale or other instrument under which it holds title to said property known as Colonia Juarez.

IT IS HEREBY FURTHER ORDERED that the action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

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

Dated at San Francisco, California, this 8th day of February, 1949.

Q. J. [unclear]
Justin Z. [unclear]
Wesley [unclear]
Harold [unclear]
Thomas H. [unclear]
Commissioners.

Schedule No. 3

FLAT RATE SERVICE

Burbank Avenue Tract

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Within the service area which includes approximately 20 acres lying in the Burbank Avenue Tract, Los Angeles County, an unsubdivided area lying north of Artesia Boulevard along Burbank Avenue.

RATES

	<u>Per Service Per Month</u>
For each residence, including one lot, size not to exceed 50 x 165 feet where service connection is 3/4-inch in diameter or less	\$1.50
For each residence, including one lot, size not to exceed 100 x 165 feet where service connection is 3/4-inch in diameter or less.	2.50
For each residence, including one lot, size not to exceed 150 x 165 feet where service connection is 3/4-inch in diameter or less.	3.50

SPECIAL CONDITIONS

1. All service not covered by the above classifications will only be furnished on a metered basis.
2. Meters may be installed at option of utility or customer for above classifications in which event service will thereafter be rendered only on the basis of Schedule No. 2, Metered Service.

Schedule No. 4

FLAT RATE SERVICE

Walnut Acres Tract

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Within the service area which includes Tract No. 964, Orange County, known as Walnut Acres.

RATES

	<u>Per Service Per Month</u>
For every residence including one lot of 132 x 135 feet or less where service connection does not exceed 3/4-inch.	\$3.00

Water for irrigation not included in the above schedule, per 100 square feet irrigated.02
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SPECIAL CONDITIONS

1. All service not covered by the above classifications will only be furnished on a metered basis.
2. Meters may be installed at option of utility or customer for above classifications in which event service will thereafter be rendered only on the basis of Schedule No. 1, Metered Service.

Schedule No. 5

FLAT RATE SERVICE

Tract No. 1179, Orange County

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Within the service area which includes Tract No. 1179, Orange County.

RATES

	<u>Per Service Per Month</u>
For every residence including one lot of 60 x 135 feet or less where service connection does not exceed 3/4-inch.	\$2.00
Water for irrigation not included in the above schedule, per 100 square feet irrigated.02

SPECIAL CONDITIONS

1. All service not covered by the above classifications will only be furnished on a metered basis.
2. Meters may be installed at option of utility or customer for above classifications in which event service will thereafter be rendered only on the basis of Schedule No. 1, Metered Service.

Schedule No. 6

FLAT RATE SERVICE

Colonia Juarez Tract

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Within the service area which includes Tract No. 569, known as Colonia Juarez, Orange County.

RATES

	<u>Per Service Per Month</u>
For each residence, including one lot, size not to exceed 50 x 120 feet where service connection is 3/4-inch in diameter or less.	\$1.50
For each additional residence on one lot.	1.00
For small business lots where the service connection is not larger than 3/4-inch in diameter.	1.50
Water for irrigation not included in the above schedule, per 100 square feet irrigated.02

SPECIAL CONDITIONS

1. All service not covered by the above classifications will only be furnished on a metered basis.
2. Meters may be installed at option of utility or customer for above classifications in which event service will thereafter be rendered only on the basis of Schedule No. 2, Metered Service.

Schedule No. 2

METERED SERVICE

Colonia Juarez Tract

Burbank Avenue Tract

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within the service area which includes the Tract No. 569, Orange County, known as Colonia Juarez and the Burbank Avenue Tract, Los Angeles County, an unsubdivided territory lying north of Artesia Boulevard along Burbank Avenue.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Minimum Charge:	
For 5/8-inch meter	\$1.50
For 3/4-inch meter	1.75
For 1-inch meter	2.25
For 1 1/2-inch meter	4.00
For 2-inch meter	6.00
Monthly Quantity Rate:	
First 750 cubic feet, or less	1.50
Next 750 cubic feet, per 100 cubic feet20
Next 1,000 cubic feet, per 100 cubic feet15
Over 2,500 cubic feet, per 100 cubic feet12 1/2

The Minimum Charge will entitle the customer to the quantity of water which that monthly Minimum Charge will purchase at the Quantity Rate.

Schedule No. 1

METERED SERVICE

Freeway Park Tract

Walnut Acres Tract

Tract No. 1179, Orange County

Heiner Tract

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within the entire service area, which includes the following territories:
(1) Tracts Nos. 1161 and 1202, Orange County, known as Freeway Park, and an adjacent unsubdivided area northwest of Tract No. 1161; (2) Tract No. 964, Orange County, known as Walnut Acres; (3) Tract No. 1179, Orange County; (4) Tract No. 1129, Orange County, known as Heiner Tract and an adjacent 10 acres of unsubdivided area directly north thereof.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 2.00
For 1-inch meter	3.00
For 1 1/2-inch meter	4.00
For 2-inch meter	6.00
For 3-inch meter	15.00
Monthly Quantity Rate:	
First 1,000 cubic feet, or less	2.00
Next 500 cubic feet, per 100 cubic feet20
Next 1,000 cubic feet, per 100 cubic feet15
Over 2,500 cubic feet, per 100 cubic feet12

The Minimum Charge will entitle the customer to the quantity of water which that monthly Minimum Charge will purchase at the Quantity Rate.