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Decision No. 43216

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application
of Southern California Water
Company for a Certificate of Public
Convenience and Necessity to
furnish and supply water to Tract
No. 15498 in the County of
Los Angeles.

Application No. 30551

O'Melveny & Myers by Deane F. Johnson for applicant; and
Trent Anderson for Duarte Mutual Water Company, protestant.

O P I N I O N

Southern California Water Company, a corporation, asks the Commission for a certificate of public convenience and necessity for the operation of a public utility water system in Tract No. 15498 in the County of Los Angeles.

A public hearing was held in Los Angeles, before Examiner Warner, on October 11, 1949.

Southern California Water Company is a corporation organized under the laws of the State of California, furnishing water service to some thirty-two (32) separate water systems throughout Southern California, and to a system near Sacramento. It also furnishes electric service at Big Bear Valley, in the San Bernardino Mountains, and operates a nonutility ice plant service at Barstow.

The application considered in this proceeding was filed on August 5, 1949, in accordance with the opinion in Decision No. 43216 in Case No. 4997, dated July 12, 1949, which found, among other things, that the public interest would best be served by applicant herein applying for a certificate of public convenience and necessity and

allowing said applicant to furnish water service to Tract No. 15498.^{1/}
The entire transcript in Case No. 4997 and Decision No. 43126 was made a part of the record in this proceeding by reference, but the application for certificate has, nevertheless, been considered on its own merits.

Subsequent to the hearing in Case No. 4997 on April 29, 1949, but prior to the decision therein, applicant installed distribution mains in Tract No. 15498 and commenced to serve 122 homes and to furnish fire hydrant service. There are no more home sites, and the tract is now fully developed and being served from applicant's Walnut Grove system, the outer extremities of the service area of which lie approximately 1,000 feet southwest of the tract.

In addition to the evidence of record in Case No. 4997, the record in this proceeding reveals the following:

- (1) That applicant has built, and made available to serve Tract No. 15498, a new pumping plant on Graydon Avenue located within the presently certificated area of its Walnut Grove System. This plant has a capacity of 1,020 gallons per minute from a 26-inch well;
- (2) That other water supply in the Walnut Grove System and available to Tract No. 15498 includes two wells at applicant's Jeffries Plant of 825 and 1,125 gallons per minute, respectively;
- (3) That applicant has the use of one million-gallon concrete reservoir, owned by the City of Arcadia, to which city water is furnished by applicant from said reservoir, under contract, in exchange for use of said reservoir

^{1/}The opinion in Decision No. 43126 also found that Southern California Water Company's rates are lower than Duarte Mutual Water Company's; There are no assessments liable; there are no stock-ownership requirements; initial construction costs are not only lower than Duarte Mutual's but are refundable; and prospective customers would enjoy the protection of their service and their rates which follows public utility regulation.

for storage purposes. This reservoir serves applicant's Walnut Grove System, generally;

- (4) That as of August 30, 1949, there were 981 consumers, including those in Tract No. 15498, in applicant's Walnut Grove System;
- (5) That there is an ample and potable water supply in the Walnut Grove System, including Tract No. 15498, to meet applicant's present and foreseeable needs;
- (6) That pressure charts introduced as Exhibits 2 and 3 indicated that water pressures in this tract were within acceptable maximum and minimum ranges;
- (7) That one well at the Jeffries plant is maintained for standby purposes and is available at all times for emergency use;
- (8) That adequate numbers of service personnel are made available to or maintained in the Walnut Grove System by applicant for normal and emergency operations.
- (9) That the capital value of facilities installed in Tract No. 15498 includes distribution mains, \$15,248.59; 122 3/4-inch services, \$2,036.06; 122 5/8 x 3/4-inch meters, \$1,891; and seven 4 x 2 1/2-inch fire hydrants, \$622.01; or total capital of \$19,799.76, of which \$15,707 was the original estimate presented to subdividers, as the record in Case No. 4997 shows, and that a refund of some \$450 will be made to subdividers as the result of the difference between the original estimate and installation costs incurred;
- (10) That applicant has extended no lines outside of Tract No. 15498, except the transmission line which crosses a slight jog in Tract No. 15498, as shown on the map, Exhibit 1;

- (11) That applicant has received no complaint of consequence either as to service or rates in its Walnut Grove System;
- (12) That, as stated in its application, applicant's rates would be the same as those charged in the adjacent Walnut Grove System which were established pursuant to the Commission's Decision No. 38748. As shown in Exhibit 5, the gross annual revenues accruing to applicant from Tract No. 15498 are estimated to be \$3,143. The annual gross revenue per customer is estimated to be \$25.76;
- (13) That, as alleged in the application, applicant has a franchise covering this Tract No. 15498. It was granted on October 8, 1940, as Ordinance No. 4770, Los Angeles County; and
- (14) That there are no other public utilities of like character with which the proposed service to Tract No. 15498 would compete.

Duarte Mutual Water Company continued to protest the granting of this application, as it did in its complaint filed as Case No. 4997, but no new evidence was presented in this hearing regarding those issues which were resolved in the conclusions and findings in Decision No. 43126, and there were no other protestants or objections to the granting of the certificate.

The Commission has considered the request for a certificate of public convenience and necessity and is of the opinion that it should be granted, subject to the following provision 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.

The action taken herein shall not be construed to be a finding of the value of the property of Southern California Water Company.

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 require and will require the construction and operation of a public utility water system by Southern California Water Company, in Los Angeles County, in the area set forth in the map marked Exhibit 1 in this proceeding.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Southern California Water Company to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described, subject to the following conditions:

1. Southern California Water Company shall amend the service area, as delineated on its presently filed rates and in its rules and regulations applicable to its Walnut Grove System, such amendment to include Tract No. 15498, Los Angeles County, and to be effected on or before November 20, 1949.
2. Southern California Water Company, within thirty (30) days after the effective date of this order, shall file with this Commission four copies of a suitable map, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon by distinctive markings the boundaries of the 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.

3. Southern California Water Company, within thirty (30) days after 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 entire utility area of service; 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.

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

Dated at San Francisco, California, this 1st day of November, 1949.

R. Z. [Signature]
Frederic F. [Signature]
Joseph M. [Signature]
Harold D. [Signature]
Marion [Signature]
Commissioners.