

ORIGINAL

Decision No. 43689

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER & TELEPHONE COMPANY, a corporation, for a certificate that public convenience and necessity require that it exercise the right and privilege granted to it under franchise from the County of Los Angeles, State of California.

Application No. 30602

Faries & McDowell, by McIntyre Faries for applicant; Clyde Wesson, Ramy Woods and Horace L. Hahn, by Horace L. Hahn for Sunny Slope Water Company, protestants; Hamilton C. Keller, interested party; H. G. McDonald for El Campo Mutual Water Company, protestant.

O P I N I O N

California Water & Telephone Company in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges conferred by Ordinance No. 5330, adopted May 24, 1949, by the Board of Supervisors of the County of Los Angeles, granting a franchise permitting the installation, maintenance and use of a water distribution system in the public streets of a limited portion of the county.

The franchise referred to, a copy of which was submitted as Exhibit No. 1 in the proceeding, was granted by the county in accordance with the Broughton Act and is for a term of 25 years. A fee is payable annually to the county equivalent to two per cent of the gross annual receipts arising from the use, operation or possession of the franchise within the County of Los Angeles, but not less than \$12 per mile per year on all pipe lines laid in public streets, alleys, ways, and highways under this franchise. In addition, there is an initial

construction charge for the laying of new lines in the county streets, highways, and alleys under the franchise of \$25 per mile of line laid.

The costs incurred by applicant in obtaining the franchise are stated to have been \$472.68, which does not include the \$50 filing fee and the expense of publication of notice of hearing.

A public hearing on this application was held by Examiner Crenshaw on December 8, 1949, at which representatives of the El Campo Mutual Water Company and the Sunny Slope Water Company, a mutual company serving water in the adjacent areas, appeared and protested the granting of a certificate for a portion of the territory for which the certificate has been requested.

Applicant has for some time been supplying water service in that portion of the unincorporated area of Los Angeles County locally referred to as the County Island. Due to the expiration of the existing franchise, it was necessary that applicant take out a new franchise, which was granted by Ordinance No. 5330.

At the hearing there was no objection to the granting of the certificate for this portion of the franchise covering the area described as follows:

"That portion of the unincorporated area of Los Angeles County bounded on the south by the City of San Marino, and on the west, north, and east by the City of Pasadena as the respective city boundaries existed on October 20, 1948."

The new franchise also incorporates another portion of the unincorporated area of Los Angeles County described as follows:

"Beginning at a point which is the intersection of the easterly boundary line of the City of San Marino, located within San Gabriel Boulevard, and the southerly boundary line of the City of Pasadena, located southerly of California Street; thence easterly, southerly, easterly and southerly along the said boundary line of the City of Pasadena through all its various courses and distances to the center line of Sunny Slope Boulevard; thence westerly

along the said center line of Sunny Slope Boulevard to its intersection with the center line of North Gainsborough Drive; thence westerly along said center line of North Gainsborough Drive and the southwesterly prolongation thereof to its intersection with the said easterly boundary line of the City of San Marino, located within San Gabriel Boulevard; thence northwesterly along the said easterly boundary line of the City of San Marino to the point of beginning."

As El Campo Mutual Water Company is supplying water service to a portion of this area, it protested the granting of the certificate for the entire territory. At the present time there is under consideration the merger of the El Campo Mutual Water Company with the Sunny Slope Water Company. The Sunny Slope Water Company also protested the granting of the certificate in view of the fact that both of these mutual water companies are now in the process of being merged. There is no objection to the granting of a certificate for that portion of the territory lying between California Street and Lombardy Boulevard, and bounded on the north and east by the city limits of Pasadena, on the south by Lombardy Road, and on the west by the city limits of San Marino and San Gabriel Boulevard.

Applicant at the present time is serving four customers in the territory just described north of Lombardy Boulevard, and five customers on the south side of Lombardy Boulevard between San Gabriel Boulevard and El Campo Drive.

In addition, applicant supplies nine customers on the east side of San Gabriel Boulevard between Lombardy Road and North Gainsborough Drive. An extension of the water main from San Gabriel Boulevard was installed in Coleridge Drive to serve two customers. The record shows that all of the customers served south of Lombardy Road, and those along San Gabriel Boulevard and on Coleridge Drive, were connected after applicant had received a release from the El Campo Mutual Water Company which, due to an inadequate water supply and

limited pressures, was unable to supply these customers. The merger of the El Campo Mutual Water Company and the Sunny Slope Water Company is for the purpose of improving the water supply in the area served by the El Campo Mutual Water Company.

A petition for the merging of the El Campo Mutual Water Company with and into Sunny Slope Water Company (a mutual water company), was submitted at the hearing and was purported to represent customers being the owners and holders of more than 75 per cent of the issued and outstanding stock of El Campo Mutual Water Company. The merger provides that the stockholders of El Campo Mutual Water Company are to receive one share of stock of Sunny Slope Water Company for each 20 shares of El Campo Mutual Water Company then held and owned by each such stockholder. In addition, it is provided that the Sunny Slope Water Company shall agree to sell to the stockholders of El Campo Mutual Water Company such additional shares of Sunny Slope Water Company as each stockholder may deem necessary for his needs. The price per share for such stock shall be the current price prevailing at the time of purchase and sale.

The territory under protest is bounded on the north by Lombardy Road, on the east by the city limits of Pasadena, from the north side of Lombardy Road south to the center line of Sunny Slope Boulevard; thence westerly along Sunny Slope Boulevard to the intersection of North Gainsborough Drive; thence southwesterly along the center line of North Gainsborough Drive to San Gabriel Boulevard; and on the west by the city limits of San Marino on the west side of San Gabriel Boulevard between North Gainsborough Drive and Lombardy Road.

Since applicant is supplying customers on the south side of Lombardy Road between San Gabriel Boulevard and El Campo Drive, and also customers along San Gabriel Boulevard between Lombardy Road and North Gainsborough Drive, and on Coleridge Drive, it is only logical that it should be granted a certificate for this portion of the territory.

Applicant does not supply any customers on El Campo Drive south of the southerly boundary of Lot 10, namely, Lots 11, 12, 13, 14, 15, 16, and 17, which territory is now served by the El Campo Mutual Water Company.

From the evidence of record, it appears that there is no need at this time for extending the service area of applicant into the territory now being served by the El Campo Mutual Water Company since a merger of that company with Sunny Slope Mutual Water Company is being negotiated which will provide reasonable water service in that area; therefore, the certificate will be limited to the area now being served by applicant, which includes the territory within the boundary lines generally located on the south between San Pasqual Street and California Street; on the west between Greenwood Avenue and Berkeley Avenue; on the north, southerly of Blanche Street; and on the east, westerly of San Gabriel Boulevard, which is the territory now being served and for which the applicant previously had a certificate under an old franchise.

In addition to the above, the certificate will cover new territory within the boundary lines generally located as follows:

Beginning at a point which is the intersection of the easterly boundary line of the City of San Marino, located within San Gabriel Boulevard, and the southerly boundary line of the City of Pasadena located southerly of California Street; thence easterly and southerly along the boundary line of the City of Pasadena to the south side of Lombardy Road;

thence westerly along the south side of Lombardy Road to El Campo Drive; thence southerly on the west side of El Campo Drive 200 feet to the southerly boundary line of Lot 10; thence westerly 350 feet to the southwest corner of the said Lot 10; thence southeasterly along the west property lines of Lots 11, 12, 13, 14, 15, and 16, as shown on applicant's Exhibit No. 3, to North Gainsborough Drive; thence westerly along the center line of North Gainsborough Drive to the easterly boundary line of the City of San Marino located within San Gabriel Boulevard; thence northwesterly along the said easterly boundary line of the City of San Marino to the point of beginning.

This covers the territory in which customers of applicant are now receiving service.

From the evidence of record, the Commission finds that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to California Water & Telephone Company by Ordinance No. 5330 of the Board of Supervisors of Los Angeles County, subject to restrictions as outlined in the above opinion concerning that territory now served by the El Campo Mutual Water Company.

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

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

O R D E R

Public hearing having been held in the above entitled application, the matter having been submitted, and the Commission being fully advised,

IT IS HEREBY ORDERED that California Water & Telephone Company be and it is hereby granted a certificate that public convenience and necessity require the exercise by it of the right, privilege and franchise granted to it by Ordinance No. 5330, adopted May 24, 1949, by the Board of Supervisors of Los Angeles County, covering territory included within the following described boundaries:

That portion of the unincorporated area of Los Angeles County bounded on the south by the City of San Marino, and on the west, north, and east by the City of Pasadena as the respective city boundaries existed on October 20, 1948. These boundary lines are generally located as follows: On the south, between San Pasqual Street and California Street; on the west, between Greenwood Avenue and Berkeley Avenue; on the north, southerly of Blanche Street; and on the east, westerly of San Gabriel Boulevard.

Also, that portion of the unincorporated area of Los Angeles County described as follows:

Beginning at a point which is the intersection of the easterly boundary line of the City of San Marino, located within San Gabriel Boulevard, and the southerly boundary line of the City of Pasadena located southerly of California Street; thence easterly and southerly along the boundary line of the City of Pasadena to the south side of Lombardy Road; thence westerly along the south side of Lombardy Road to El Campo Drive; thence southerly on the west side of El Campo Drive 200 feet to the

southerly boundary line of Lot 10; thence westerly 350 feet to the southwest corner of the said Lot 10; thence southeasterly along the west property lines of Lots 11, 12, 13, 14, 15, and 16, as shown on applicant's Exhibit No. 3, to North Gainsborough Drive; thence westerly along the center line of North Gainsborough Drive to the easterly boundary line of the City of San Marino located within San Gabriel Boulevard; thence northwesterly along the said easterly boundary line of the City of San Marino to the point of beginning.

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

Dated at San Francisco, California, this 17<sup>th</sup> day of January, 1950.

R. B. [Signature]  
Justice F. [Signature]  
[Signature]  
[Signature]  
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Commissioners