

ORIGINAL

Decision No. 43944

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF
EXCELSIOR WATER CO., INC., FOR
AUTHORIZATION TO RECEIVE CERTIFICATE
OF CONVENIENCE AND NECESSITY.

Application No. 30570

M. Lewis Lehman, Attorney for applicant;
Gordon, Knapp and Hennessy, by Sanford A.
Waugh, for Whittier Water Company, protestant.

O P I N I O N

In this application Excelsior Water Co., Inc. asks the Commission to grant it a certificate of public convenience and necessity to furnish water as a public utility in Tracts Nos. 15066, 15197, 15198, 15199, 15205 and 15206, located in the vicinity of Norwalk in Los Angeles County. Applicant also asks permission to issue 1,000 of its 20,000 shares of authorized common stock at a par value of \$10. a share, and to use the proceeds to pay in part for the water system being constructed to supply water to residents of said tracts.

A public hearing on this application was held by Examiner Crenshaw on November 21, 1949, at which the Whittier Water Company appeared and protested the granting of a certificate for a portion of the territory for which the certificate had been requested.

At the hearing applicant requested and was granted permission to amend its application as follows:

1. To include a new tract which it had subsequently acquired, known as Tract No. 16143, located at the corner of Lakeland Road and Pioneer Boulevard.
2. To be permitted to issue 5,000 shares, instead of 1,000 shares of common stock, at \$10 a share, the proceeds of which, amounting to \$50,000, are to be used to pay in part for properties.

Applicant originally was known as Ponty Land and Water Co., Inc., which was incorporated November 8, 1948. By amendment filed April 7, 1949, the name was changed to Excelsior Water Co., Inc.

The territory for which a certificate is requested consists of Tracts Nos. 15066, 15197, 15198, 15199, 15205, 15206 and 16143. These tracts, with the exception of Nos. 15205 and 15206, are in the vicinity of Lakeland Road on the north, Crewe Street on the south, Pioneer Boulevard on the west, and Norwalk Boulevard on the east, more specifically described in applicant's Exhibit No. 10. Tracts Nos. 15205 and 15206 are located in the general vicinity of Leffingwell Road on the north, Bloomfield Avenue on the east, and Firestone Boulevard on the south and west, more definitely described in applicant's Exhibit No. 11. There are approximately 1,250 two- and three-bedroom homes under construction and some 500 more are planned to be built, making a total of 1,773 homes when the construction work is completed. At the present time applicant is supplying approximately 550 customers on a flat rate of \$2.50 a month.

There are three wells installed, two of which are located in Tract No. 15197, and the other in Tract No. 15205. Well No. 1 located on Lot No. 292 in Tract No. 15197, was drilled in June, 1942, and is 14 inches in diameter and 235 feet deep. According to tests in January, 1949, the well was capable of producing 950 GPM. Well No. 2, located on Lot 292 in Tract No. 15197, was drilled in August, 1949, and is 14 inches in diameter and has a depth of 565 feet. A 60 horsepower deep well turbine pump was installed in November, 1949, and is capable of producing 1,050 GPM. Well No. 3 is located in Tract 15205 on Lot No. 222. It was drilled in September, 1949, and is 14 inches in diameter, with a depth of 970 feet. A 60 horsepower deep well turbine pump was installed in November, 1949, and is capable of producing 925 GPM. The water supply appears to be adequate for present and

immediate future requirements. Tests made by the County of Los Angeles Health Department show that the water is potable.

The cost of the lands, wells and pumping equipment now installed and to be installed in the future was estimated to be \$36,650. The estimated cost of the mains which are being installed by a construction company for the subdividers of the tracts is \$210,997, which amount does not include expenditures for mains and well installations in Tract No. 16143 at an estimated cost of \$6,000. The total lineal feet of main to be installed in the tracts consists of 119 feet of 2-inch main, 43,801 feet of 4-inch main, 26,533 feet of 6-inch main, and 4,250 feet of 10-inch main. In acquiring the properties, applicant proposes to issue \$50,000 of stock and to assume the payment of the \$210,997 incurred by the subdividers.

Applicant estimates the gross revenue from water service for the calendar year 1950 to be \$57,385, and the net revenue to be \$8,447.95.

Camille A. Garnier, President and General Manager of the Whittier Water Company, appeared and protested the granting of a certificate to applicant for that portion of the territory lying 600 feet south of Lakeland Road, between Pioneer Boulevard and Norwalk Boulevard, which is part of the certificated territory of the Whittier Water Company as authorized by the Commission in Decision No. 43244, dated August 23, 1949, in Application No. 30375, which was combined for hearing and decision with Application No. 30408 and Case No. 5099.

According to the record, Whittier Water Company is now rendering limited service to a cemetery north of Lakeland Road. This is the only consumer served by it in the immediate vicinity. It has no consumers south of Lakeland Road between Pioneer Boulevard and Norwalk Boulevard. Protestant testified that Whittier Water Company has an adequate supply of water and is willing to reinforce its system to provide sufficient main capacity to take care of any additional business in this area.

The southerly boundary of the recently certificated area of Whittier Water Company embraces a strip of land 600 feet in width lying

immediately south of Lakeland Road, between Pioneer Boulevard and Norwalk Boulevard, in which strip Excelsior Water Co., Inc. already has installed mains and now is supplying water to a number of consumers residing therein. This southern boundary of Whittier Water Company's certificated area cuts through a number of lots in the subdivisions for which applicant is requesting this certificate.

A. M. and Amelia Taper and Spiros G. Ponty are the interests that owned and controlled the lands lying immediately south of Lakeland Road which they subdivided into tracts, developed, built homes thereon and put on the market. These same interests own and control Excelsior Water Co., Inc. and granted or caused to be granted to said company rights of way and easements in and upon which the water mains have been and will be installed throughout their entire project.

Excelsior Water Co., Inc. filed this present application for a certificate August 19, 1949, prior to the date Whittier Water Company was granted its certificate in said Decision No. 43244, issued August 23, 1949, embracing the above-mentioned 600-foot strip of land lying immediately south of Lakeland Road. The testimony shows that neither applicant's officials nor those of its affiliated interests had any knowledge of the certificate application of Whittier Water Company involving a portion of their properties, nor of the hearings held thereon, nor were any of the representatives of applicant or said interests present at such hearings.

In view of all of the facts hereinabove reviewed and the further fact that Whittier Water Company is not now serving water to any consumers south of Lakeland Road nor has any water system now been installed capable of providing such water service, it appears reasonable that Excelsior Water Co., Inc. should be granted a certificate of public convenience and necessity covering the territory which it now is serving lying immediately south of Lakeland Road, between Pioneer

Boulevard and Norwalk Boulevard, as well as the other territory applied for.

Applicant has been charging a flat rate of \$2.50 per month for residential water service which appears to be reasonable for a single family dwelling. In our opinion, however, the flat rate schedule should have a maximum limitation on the size of the lot and also should include a rate for additional family units on single premises. Provision therefor will be made in the schedules of rates established in the following order. Applicant contemplates serving certain business and commercial establishments in the near future and has submitted a meter rate for this class of demand. The rates set forth in Exhibit A, attached to and made a part of this decision, include domestic service as well, under water classification as an optional service.

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 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 or to a political subdivision thereof as the consideration for the grant of such 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 FOUND AS A FACT that public convenience and necessity will require the operation of a public utility water system by Excelsior Water Co., Inc. in subdivided tracts known as Tracts Nos. 15066, 15197, 15198, 15199, 15205, 15206 and 16143 located in the

vicinity of Norwalk, in Los Angeles County, in the area more particularly set forth on maps marked Exhibits 10 and 11 in this proceeding, which exhibits are made a part of this order by reference, therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Excelsior Water Co., Inc. to operate a public utility water system for the distribution and sale of water within the territory hereinbefore described, provided, however, that the certificate of public convenience and necessity herein granted to Excelsior Water Co., Inc. shall be subject to the condition that it shall not make extensions into other territory contiguous to any of the certificated area described without authority first having been obtained from this Commission.

IT IS FURTHER ORDERED that applicant

1. Shall file rates set forth in Exhibit A attached to this order, to be effective on and after May 1, 1950, together with rules and regulations and tariff service map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Shall file within sixth (60) days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale of not less than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location of the various properties of applicant.
3. After the effective date hereof and on or before June 30, 1950, may issue and sell 5,000 shares of common capital stock at not less than ten dollars (\$10) per share and use the proceeds to finance in part the cost of its water system and to maintain and improve its properties and provide working capital, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said shares of stock is reasonably required by applicant for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

4. Shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order in so far as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 14th day of March, 1950.

~~R. J. Johnson~~
Justin F. Casner
August L. Luce
Harold A. Hill
Herbert (Lott)
Commissioners.

Schedule No. 1

MONTHLY FLAT RATES

APPLICABILITY

Applicable to all domestic and commercial use of water.

TERRITORY

Within Tracts Nos. 15066, 15197, 15198, 15199, 15205, 15206, and 16143, all in vicinity of the town of Norwalk, Los Angeles County.

RATES

Per Month

For each 3/4-inch service, per single family unit on a single lot not to exceed 6,000 square feet in area.....	\$2.50
For each additional family unit on single premises.....	1.00
For area in excess of 6,000 square feet, per 100 square feet..	.02

Metered service will be furnished upon the request of a consumer, or at the option of the company.

Schedule No. 2

GENERAL METERED RATESAPPLICABILITY

Applicable to all domestic and commercial use of water.

TERRITORY

Within Tracts Nos. 15066, 15197, 15198, 15199, 15205, 15206, and 16143, all in the vicinity of the town of Norwalk, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Charge:	
First 1,500 cu. ft. or less.....	\$ 2.25
Next 1,500 cu. ft., per 100 cu. ft.....	.12
Next 2,000 cu. ft., per 100 cu. ft.....	.10
All over 5,000 cu. ft., per 100 cu. ft.....	.08
Minimum Charge:	
For 5/8 x 3/4-inch meter.....	2.25
For 3/4-inch meter.....	3.00 ✓
For 1-inch meter.....	4.00
For 1 1/2-inch meter.....	6.00
For 2-inch meter.....	10.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.