



A public hearing in Application No. 32006 was held on April 17, 1951, and a consolidated hearing was held in the matter of Application No. 32006, and Case No. 5332, before Examiner Warner on September 11, 1951, in Los Angeles, California, at which time evidence with respect to both matters was adduced, and the matters were submitted.

Junior Water Company, Inc., was granted a certificate of public convenience and necessity to serve Tracts Nos. 14761, 16200, 16245, and 16478, Los Angeles County, and an adjoining parcel of land surrounded by said tracts, by the Commission's Decision No. 44038 dated April 11, 1950, in Application No. 30883, and flat and general meter rates were established by said decision. The certificate granted to applicant by Decision No. 44038 was made subject to the condition that applicant should not make extensions into other territory contiguous to its certificated area without authority first having been obtained from the Commission.

In the application herein being considered applicant alleges that, with the consent and approval of the subdividers, applicant had, as of the above date of filing, almost completed installation of water mains throughout Tract No. 16775, which is contiguous to Tract No. 16245, on the north thereof, and outside the area certificated by Decision No. 44038. The evidence adduced at the September, 1951, hearing indicates that the entire water system in Tract No. 16775, comprising 3,346 feet of 6-inch, and 7,280 feet of 4-inch cast-iron mains, has now been installed, the water system is now in operation, and applicant is serving 231 consumers therein. A witness for applicant testified that due to the exigencies of obtaining immediate water service, said installations had been effected, even though in contravention of the

restrictions imposed by the Commission's order in Decision No. 44038. A certificate to serve Tract No. 16775 is now requested.

Applicant's source of water supply is obtained from two deep wells equipped with turbine pumps. Well No. 1, located on Lot 90, Tract No. 16200, is 12 inches in diameter, 147 feet deep, and discharges 575 gallons per minute. Well No. 2, located on Lot 39, Tract No. 16245, is 14 inches in diameter, 480 feet deep and discharges 850 gallons per minute. Both pumping plants are automatically controlled to maintain operating pressures of between 40 and 60 pounds. Water from the pumps is delivered to the distribution system through a 10,000-gallon pressure tank located at each well site. The water system is fully circulating. There are 1,110 lots in the present system, and 1,107 names were submitted in the list of consumers to whom notices of hearing were mailed. A witness for applicant testified that if and when water service demands on the system required it, applicant intended to drill and place in operation another well within the service area.

From a review of the record, it appears that the sources of water supply and the distribution system are adequate to serve the proposed additional area in Tract No. 16775.

The record shows that Park Water Company, a public utility water corporation, furnishes water service in Tracts Nos. 15496, 15495, and 15409, immediately north of Belcher St. between Gridley Road and Fairford Avenue, and also serves Tracts Nos. 6094 and 5946, which are located immediately adjacent to, and easterly of, Tract No. 16775, on the east side of Gridley Road. However, although notice of the hearing in these matters was sent to Park Water Company, it made no appearance, and no protests were entered by any party.

The Commission has considered applicant's request for a certificate of public convenience and necessity to serve Tract No. 16775, and concludes that it is in the public interest that such request be granted, and the order herein will so authorize.

While the Commission is cognizant of the direct violation by applicant of its order in extending the water system beyond the service area boundaries established by Decision No. 44038, as noted herein, it is aware of the urgent demands for housing and water facilities which did and still do exist in this area, and it is aware that in this instance the furnishing of immediate and adequate water service to prospective home owners in Tract No. 16775 depended upon the most rapid completion of construction of water service facilities. These conditions, themselves, did not relieve applicant of its responsibility to make immediate application for the extension of its service area to serve Tract No. 16775, and applicant is not excused for the more than seven months' delay in making such application. Punitive action is withheld in the instant proceedings only after considered judgment.

The request for a certificate of public convenience and necessity to serve the area described herein will 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 herein described.

At the September 11, 1951 hearing, applicant willingly offered to reduce its present flat rate from \$2.50 per month to \$2 per month, and offered to reduce its general meter service rate accordingly. There are 1,107 domestic flat rate consumers, and five metered consumers, the latter comprising two schools and three other metered accounts. Applicant also requested the establishment of a minimum charge of \$15 per meter per month for a 3-inch meter and \$22.50 per meter per month for a 4-inch meter.

It appears from the record that under the present rates the estimated operating revenues would amount to approximately \$34,000 and that the normal operating expenses, including taxes and depreciation, would amount to approximately \$22,000, leaving a net estimated operating revenue of \$12,000. It is estimated that the requested rates herein authorized for the year ending June 30, 1952, will produce a gross revenue of approximately \$27,000, with estimated operating expenses of \$20,000 resulting in a net operating revenue of \$7,000, which produces a 4.35% return on total invested capital of \$161,000. However, after reviewing the record and considering all phases of applicant's operations as disclosed therein, and, further, after reconsideration of the rates being charged by other utilities furnishing comparable water service in the vicinity, it is considered that the requested \$2 flat rate and the correspondingly requested reduced general metered service rates, as authorized by the order herein, are just and reasonable.

O R D E R

Junior Water Company, Inc., a corporation, having applied to the Commission for a certificate of public convenience and necessity to extend its present water system into Tract No. 16775, Los Angeles County, the Commission having issued its order dated August 28, 1951, instituting an investigation into the operations

of Junior Water Company, Inc., applicant having willingly offered to reduce its presently filed schedule of flat rates applicable to its entire service area from \$2.50 per month to \$2 per month and its general service meter rates accordingly, public hearings 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 the operation of a public utility water system by Junior Water Company, Inc., a corporation, in Tract No. 16775 delineated on the map filed with the application as Exhibit D, and on the map filed at the hearing as Exhibit No. 1; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Junior Water Company, Inc., to operate a public utility water system for the production, distribution, and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96, a schedule of rates shown in Exhibit A attached hereto, and, on not less than five (5) days' notice to the Commission and

EXHIBIT A  
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Schedule No. 1

MONTHLY FLAT RATES

APPLICABILITY

Applicable to all unmeasured domestic and commercial use of water.

TERRITORY

Within Tracts Nos. 14761, 16200, 16245, 16478, 16775, and the territory bounded by Leffingwell Road on the north, Rosecrans Boulevard on the south, Tract No. 16245 on the west and Tracts Nos. 14761 and 16200 on the east, all in the vicinity of the town of Norwalk, Los Angeles County.

RATES

	<u>Per Month</u>
For each 3/4-inch service, per single family unit on a single lot not to exceed 6,000 square feet in area .....	\$2.00
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.

EXHIBIT A  
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Schedule No. 2

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all measured domestic and commercial use of water.

TERRITORY

Within Tracts Nos. 14761, 16200, 16245, 16478, 16775, and the territory bounded by Leffingwell Road on the north, Rosecrans Boulevard on the south, Tract No. 16245 on the west, and Tracts Nos. 14761 and 16200 on the east, all in the vicinity of the town of Norwalk, Los Angeles County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Charge:	
First 1,200 cubic feet or less .....	\$1.80
Next 1,800 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 .....	\$ 1.80
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
For 3-inch meter .....	15.00
For 4-inch meter .....	22.50

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



the public, to make said rates effective for service rendered on and after November 1, 1951.

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

Dated at San Francisco, California, this 2<sup>nd</sup> day of October, 1951.

*R. J. Anderson*  
President.  
*Justus J. Cassin*  
*Harold A. Kula*  
*John L. Mitchell*  
Commissioners.