

are described in detail in Exhibit "E". Although, as stated in Paragraph IV of the application, such area is delineated and defined in Decision No. 35575, dated July 14, 1942, in Application No. 23936, it appears from a search of the Commission's records that this reference is incorrect and that by its Decision No. 19824, dated May 29, 1928, in Application No. 14680 (31 C.R.C. 822), the Commission granted a certificate of public convenience and necessity to Orchard Dale to serve the area set out in red on Exhibit "D" and described in Exhibit "E" of the application.

Reasons for Application

Applicants' stated reasons for proposing to transfer this area from Orchard Dale to Whittier are that said area lies within a higher pressure zone of Whittier, and that it is surrounded by new subdivisions, all of which are serviced by Whittier. They further state that the 80 consumers, more or less, in the area now being furnished water service by Orchard Dale are in the extreme north extremity of Orchard Dale's system and at an elevation higher than the balance of said system. They also state that the area is a considerable distance from the main body of Orchard Dale's service area, and that the pipe line connecting the main body of Orchard Dale's service area with the area proposed to be transferred to Whittier is in need of replacement, and that such pipe line replacement could be more economically effected by Whittier than by Orchard Dale.

The transfer of Orchard Dale properties to Whittier is proposed to be carried out in accordance with the terms of an agreement, copy of which is attached to the application as Exhibit "F". Said agreement is to be effective as of March 17, 1952. The sale of properties to Whittier by Orchard Dale is proposed to be made

according to a bill of sale, copy of which is attached to the application as Exhibit "H".

As shown in Exhibit "C" attached to the application, the cost, as of March 17, 1952, of the fixed assets proposed to be transferred to Whittier by Orchard Dale amounted of \$16,316.91, with related accrued depreciation thereon, as of December 31, 1951, of \$8,118.80. The total amount of fixed assets includes pipe lines on Valley View Avenue, Parise Drive, and a so-called Line #27, subject to Consumers' Deposits in Aid of Construction amounting to \$4,646.95, and accrued depreciation thereon, as of December 31, 1951, of \$588.59.

Securities

Applicant Whittier proposes to assume and to pay the balance on five (5) refund contracts of Orchard Dale after the 1951 refunds have been paid by Orchard Dale, for the pipe lines located on Valley View Avenue and Parise Drive. In addition Whittier proposes to transfer, assign, and issue to Orchard Dale five and one-quarter per cent (5 $\frac{1}{4}$ %) preferred Class A stock of Whittier of the face amount of seven thousand dollars (\$7,000).

Rates

Whittier proposes to apply Orchard Dale's presently filed rates which are lower than Whittier's for water service in the area proposed to be acquired from Orchard Dale.

Service Area

The portion of Whittier's service area in an adjacent territory which Whittier proposes to transfer to Orchard Dale is shown in green on the maps attached to the application as Exhibit "D" and its boundaries are described in detail in Exhibit "G". A certificate of public convenience and necessity covering such area was granted to Whittier by the Commission's Decision No. 43244,

dated August 23, 1949, in Applications Nos. 30375, 30408 and Case No. 5099.

Applicants' stated reasons for proposing to transfer this area from Whittier to Orchard Dale are that Whittier has no existing services therein, that Orchard Dale is now serving said area, and that the area can be more easily served by Orchard Dale because of the existence of the wash and drain channel on the northerly boundary of the area proposed to be transferred.

Orchard Dale proposes to apply its presently filed rates for water service in the area proposed to be acquired from Whittier.

Conclusions

The Commission has reviewed this application and the statements contained therein and is of the opinion that a public hearing thereon is not necessary, and that the proposed transfers of properties and service areas, and issuance of stock would not be adverse to the public interest. The order which follows, therefore, will provide for the granting of the application, the Commission being of the opinion, further, that the money, property or labor to be procured or paid for through the issue of the stock herein authorized is reasonably required by Whittier Water Company for the purpose specified herein and that such purpose is not in whole or in part reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Whittier Water Company is authorized to purchase, and Orchard Dale Service Company is authorized to sell those certain properties as set forth in the bill of sale, a copy of which is attached to the application as Exhibit "H" in accordance with the terms of the agreement, a copy of which is attached to the application as Exhibit "F", except that the reference in Exhibits "F" and "H", attached to the application, to Decision No. 35575, dated July 14, 1942, shall be corrected to refer to Decision No. 19824, dated May 29, 1928, in Application No. 14680 (31 C.R.C. 822).

2. Whittier Water Company and Orchard Dale Service Company shall submit to the Commission their proposed journal entries to effect the transfer of properties authorized herein.
3. Whittier Water Company, after the effective date hereof and on or before June 30, 1953, may issue to Orchard Dale Service Company, at par, 140 shares of its Class A 5½% cumulative preferred stock, of an aggregate par value of \$7,000, for the purpose set forth in this application.
4. Whittier Water Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order in so far as applicable is made a part of this order.
5. (a) Orchard Dale Service Company is authorized to transfer to Whittier Water Company the portion of the area covered by the certificate of public convenience and necessity granted to Orchard Dale Service Company by Decision No. 19824, dated May 29, 1928, in Application No. 14680 (31 C.R.C. 822), shown in red on the maps attached to the application as Exhibit "D" and as further described in Exhibit "E" attached to the application, and said certificate, granted to Orchard Dale Service Company covering such portion of such area, be, and it is transferred to Whittier Water Company.

(b) Whittier Water Company is authorized to, and shall file a schedule of rates applicable to said area. Such rates shall be identical to Orchard Dale's presently filed rates applicable to said area.
6. (a) Whittier Water Company is authorized to transfer to Orchard Dale Service Company the portion of the area covered by the certificate of public convenience and necessity granted to Whittier Water Company by Decision No. 43244, dated August 23, 1949, in Applications Nos. 30375, 30408 and Case No. 5099, shown in green on the maps attached to the application as Exhibit "D" and as further described in Exhibit "G" attached to the application, and said certificate, granted to Whittier Water Company covering such portion of such area, be, and it is, transferred to Orchard Dale Service Company.

(b) Orchard Dale Service Company is authorized to apply its presently filed rates to said area.

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

Dated at San Francisco, California, this 31st day of April, 1952.

[Signature]
President.

Harold P. Hull

[Signature]

(D. E. Mitchell)

Commissioners.