

ORIGINAL

Decision No. 47463

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA WATER COMPANY)
as successor to Southland Water)
Company, for an order amending or)
supplementing Decision No. 45105)
of the Public Utilities Commission)
so as to permit extension of ser-)
vice by Southern California Water)
Company into certain territory)
contiguous to the territory com-)
prising the area for which a)
certificate of public convenience)
and necessity was granted by said)
Decision to Southland Water Company.)

Application No. 33477

O'Melveny and Myers, attorneys, by Frederick N. Edwards
and Lauren M. Wright, and Philip F. Walsh, assistant
vice president, for applicant; C. L. Gardner, attorney,
for Rivera Water System, protestant; James F. Wilson for
the Commission staff.

O P I N I O N

Southern California Water Company, a corporation, by the
above-entitled application filed June 9, 1952, seeks an order of
the Commission amending or supplementing Decision No. 45105 to
permit it to extend its water system into Tract No. 16921, Los
Angeles County.

A public hearing in this matter was held before Examiner
Warner on June 25, 1952, in Los Angeles.

Restrictions on Extensions into Contiguous Territory Placed by
Decision No. 45105, as Amended by Decision No. 45186.

By its Decision No. 45105, dated December 5, 1950, as
amended by Decision No. 45186, dated December 19, 1950, in
Applications Nos. 31160, 30966, 31220, and 31531, as amended, and

Cases Nos. 5229 and 5235, the Commission granted certificates of public convenience and necessity to Southland Water Company^{1/} and Norwalk Water Company, each acquired by applicant, Southern California Water Company, on June 1, 1952, pursuant to Decisions Nos. 47052, dated April 29, 1952, and 47104, dated May 5, 1952, respectively. Decisions Nos. 45105 and 45186 also granted certificates of public convenience and necessity to Rivera Water System^{2/} and Leibacher Water Company^{3/} (acquired by Rivera pursuant to Decision No. 44881, dated October 10, 1950), and Excelsior Water Company, Inc. The order in Decision No. 45105 provided that no extensions of service into territory contiguous to any of the areas certificated by said decision should be made without authority therefor first having been obtained from this Commission.

Request of Applicant to Extend Service into Tract No. 16921.

Applicant requests permission to extend its water service into Tract No. 16921, comprising 22 lots, and now being subdivided by Casa Manana, Inc. New residences are under construction, and rough plumbing has been installed in 10 of such residences. No regular water service is available to construction employees for drinking purposes, and no water is available to contractors for the testing of plumbing as construction progresses.

Tract No. 16921 is bounded on the north and on the east by applicant's service area certificated by Decision No. 45105. Its location, in unincorporated territory, Los Angeles County, near the town of Norwalk, is shown on Exhibit "B" attached to the application, and Exhibit "C" attached to the application is a detailed map of the proposed pipe-line installation in the tract. Applicant proposes to install 4-inch cast-iron main in Pluton Street, connecting to its

^{1/} Hereinafter referred to as Southland.
^{2/} Hereinafter referred to as Rivera.
^{3/} Hereinafter referred to as Leibacher.

existing 4-inch main in Lefloss Avenue, to serve the central portion, and 6-inch cast-iron main in Kenny Road to serve the south portion of the tract. The six lots comprising the north portion of the tract would be served from an existing 4-inch cast-iron main in Cresson Street. Applicant proposes to install fire hydrants, as required by Los Angeles County authorities, and would install service connections required. The total cost of installation, subject to refund, to be advanced to applicant by the subdivider, would be \$1,414.50.

The record shows that applicant has ample water supply to serve the proposed area.

Although, the record shows, applicant does not possess a franchise from Los Angeles County covering the area, easements for the laying of pipe lines under the streets would be furnished by the subdivider.

Applicant proposes to apply its presently filed flat rate for its Southland system of \$2.25 per month, for a single-family residence on one lot, throughout the tract.

Applicant's witness, George P. W. Miller, executive vice president and secretary, Casa Manana, Inc., testified that he would grant the necessary easements for pipe-line installations in the tract. He further testified that he was satisfied with the tentative arrangements and proposed contract with applicant for water service and pipe-line installations to and in the tract. He stressed the urgency of the need for water service.

Protest of Rivera Water System.

Rivera protested this application and its witness, C. A. Garnier, president, testified that he had received notice of the hearing about June 18, 1952; having previously received a copy of the application about June 10, 1952. He stated that, on the day

of the hearing, Rivera had filed in the Los Angeles office of this Commission an application for a certificate of public convenience and necessity covering Tract No. 16921 and additional area, some of which is adjacent and contiguous to Leibacher's presently certificated area. He submitted a map at the hearing, as Exhibit No. 2, showing the area covered by the certificate of public convenience and necessity granted to Leibacher by Decision No. 45105, as amended by Decision No. 45186. He testified that the easterly extremity of Leibacher's service area on Kenny Road extended to property, owned by one West, located on the north side of Kenny Road at the extreme southwesterly corner of, but not included in, Tract No. 16921 as shown on Exhibit "C" attached to the application. A 6-inch asbestos and cement-lined main of Rivera is installed in Kenny Road from its well, located midway between Tracts Nos. 16354 and 14687 on the south side of Kenny Road, as shown on Exhibit No. 2. Said well is 8 inches in diameter and has a tested production capacity of 600 gallons per minute. A pump driven by a 5 hp electric motor is now installed in the well, and the present pumping plant has a production capacity of between 100 and 120 gallons per minute. There are 20 consumers in the Rivera (Leibacher) system. The witness Garnier stated that the Leibacher system is isolated from the balance of the Rivera system and could not operate as an economic unit without additional consumers. The addition of the 22 consumers in Tract No. 16921, he indicated, would make the Leibacher system a more nearly economic unit.

In order to furnish water service to Tract No. 16921, Rivera would install 275 feet of 6-inch steel main in Kenny Road easterly from the West property to Lefloss Avenue, and 1,080 feet of 4-inch steel main northerly on Lefloss Avenue and easterly in Pluton Street, at a total cost of \$1,737.50. Such total cost would

be borne by Rivera, and the subdivider would not be required to advance the cost of installation. Fire plugs at \$60 each, including installation cost, and the cost of service connections would be in addition to the total cost of pipe-line installation.

In order to provide additional water supply, Rivera would install a larger pump in its well, and would avail itself of a one-third interest in the so-called Dickerson well, now used for irrigation purposes, as a standby.

Rivera would apply its presently filed flat rate for the Leibacher system of \$2 per month, throughout the proposed area.

The witness Garnier stated that Rivera is able to finance the proposed installation, having just arranged for the borrowing of \$300,000, on short term, for such purposes. He stated that Rivera has \$100,000 cash in the bank, but Rivera did not furnish a financial statement for the record. Garnier stated that Rivera has a county franchise covering its entire service area, including the area herein proposed to be served.

Conclusion

From a review of the record it appears that applicant is the logical prospective furnisher of water service to Tract No. 16921 due to its present pipe-line installations on the east and north side of said tract and to the higher quality of proposed pipe-line installation, at lower cost, than that proposed by Rivera. For these reasons, and for the further reason that the Commission believes that the public interest would best be served by keeping the duplication of pipe-line installations in streets to a minimum, the Commission is of the opinion that Southern California Water Company's application for the lifting of restrictions imposed by Decision No. 45105 on extensions of its water system to contiguous territory, so as to permit an extension of its water system into

Tract No. 16921, and for a certificate of public convenience and necessity therefor, 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 herein described.

The record shows that the need for water service to Tract No. 16921 is urgent, and the order which follows will provide that it shall become effective five (5) days after its issuance.

O R D E R

Southern California Water Company, a corporation, having filed an application for the lifting of the restrictions imposed by Decision No. 45105 on the extension of its water system into contiguous territory, and having applied for a certificate of public convenience and necessity to extend its water system into Tract No. 16921, Los Angeles County, 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 the construction and operation of a public utility water system by Southern California Water Company in Tract No. 16921, Los Angeles County, and

IT IS HEREBY FOUND to be in the public interest that the effective date of this order shall be five (5) days after the date hereof, therefore,

IT IS HEREBY ORDERED as follows:

1. That the restrictions imposed by Decision No. 45105 on Southern California Water Company on the extension of its water system into contiguous territory be, and they are, lifted with respect to Tract No. 16921, Los Angeles County.
- 2.(a) That a certificate of public convenience and necessity be, and it is, hereby granted to Southern California Water Company to construct and operate a public utility water system in said Tract No. 16921.
- (b) That Southern California Water Company shall not extend its water service into areas contiguous to Tract No. 16921, except into areas covered by certificate of public convenience and necessity heretofore granted, without further order of this Commission.
3. That Southern California Water Company is authorized to apply its presently filed rates for water service in the former Southland Water Company area throughout said Tract No. 16921.
4. That applicant shall file, within forty (40) days after the effective date of this order, four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, and the location of various properties of applicant throughout its presently certificated area and throughout the areas for which a certificate of public convenience and necessity is granted herein.
5. That applicant shall file four (4) copies of a tariff service area map, including the new area covered by the certificate of public convenience and necessity granted by this order, acceptable to this Commission.

The effective date of this order shall be five (5) days after the date hereof.

Dated at San Francisco, California, this 15th day of

July, 1952.

[Signature]
President.

Harold A. Auld

[Signature]

Commissioners.

Commissioner Felix E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Justus F. Crasmer, being necessarily absent, did not participate in the disposition of this proceeding.