

ORIGINAL

Decision No. 47719

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SAN JOSE HILLS WATER COMPANY, a )  
California corporation, for a ) Application No. 33350  
Certificate of Public Convenience ) (Amended)  
and Necessity. )

Gordon, Knapp and Gill, by Hugh Gordon, attorney,  
and C. L. Gardner, attorney, for applicant;  
P. J. Tschanner, attorney, for Azusa Valley Water  
Company, interested party; Dailey S. Stafford,  
City Attorney, City of Covina, and Anderson and  
Anderson, by Trent G. Anderson, attorney, for the  
City of Covina, Emerson L. Duff, City Administrator,  
City of Glendora, and Charles Gordon, President,  
Glendora Irrigating Company, protestants; James F.  
Wilson for the Commission staff.

O P I N I O N

San Jose Hills Water Company, a corporation, by the above-entitled application filed April 25, 1952, as amended August 7, 1952, seeks a certificate of public convenience and necessity to extend its water system in unincorporated territory, near the City of Glendora, and in unincorporated territory near the City of West Covina, and within the city limits of West Covina, Los Angeles County.

Public hearings in this matter were held before Examiner Warner on August 20 and 22, 1952, at Los Angeles. The matter was originally consolidated for hearing with Application No. 33275, Azusa Valley Water Company, a corporation, for a certificate of public convenience and necessity to construct and operate a public utility water system in unincorporated territory near the City of Azusa and within the city limits of Covina and West Covina, Los Angeles County. The areas originally applied for

in these two applications conflicted and overlapped. Each of the applications was protested by the other applicant and by the City of Covina, and the application herein being considered was protested by the City of Glendora.

Memorandum of Agreement between Azusa Valley  
Water Company and San Jose Hills Water Company  
Disposing of Conflicting Applied-for Territories

Exhibit No. 1 in this proceeding is a copy of a memorandum of agreement dated August 18, 1952, between Azusa Valley Water Company and San Jose Hills Water Company providing for the amending of each application by each applicant, thereby disposing of all conflicting territories covered by the applications of each. This agreement also provides that Azusa Valley Water Company shall acquire from applicant the water system in Tract No. 16608 and the water system under construction in Tract No. 15681 now owned by applicant. It further provides that Azusa Valley Water Company shall assume all consumers' advances for construction applicable to such subdivisions. The consideration to be received by applicant for the acquisitions of property by Azusa Valley Water Company will be the actual depreciated cost of the water system in Tract No. 16608, and the actual cost of the water system in Tract No. 15681.

Settlement of Conflicts with the Cities of Covina and  
Glendora, and withdrawal of Protests by Said Cities

Prior to and during the hearing, the conflicts with the Cities of Covina and Glendora, and with Glendora Irrigating Company were settled, and their protests to the granting of this application were withdrawn. No other protests were entered.

Proposed Service Areas, and General Information

Exhibit No. 2 is a map showing in red lines the areas applied for herein. Such areas are designated as Areas Nos. 1 and 2. Area No. 1 includes applicant's present Glendora system, and Area No. 2 includes a portion of applicant's present West Covina System.

The record shows that at the present time applicant is furnishing domestic water service to between 3,000 and 3,100 consumers, of whom approximately 165 are in its Glendora system, and 290 are in its West Covina system. Applications for water service have been received from subdividers and prospective subdividers throughout all parts of Areas Nos. 1 and 2, and they indicate that, within the next few months, approximately 1,100 additional consumers will apply to applicant for water service.

Applicant proposes to supply water in Area No. 1 from the present facilities of its Glendora system, and in Area No. 2 from its present South and West Covina systems. The record shows that there are ample water supplies for all present and prospective water service demands. Such water supplies have been and are tested regularly and periodically by Los Angeles County Health Department, and have been found to be potable. Applicant has agreements with Covina Irrigating Company, a mutual water company, for the furnishing of large amounts of additional water supplies, if necessary. Such agreements are secured by applicant's ownership of 300 shares of mutual company stock. Such stock ownership entitles applicant to 9,700 hour-inches of water per month. All water supplies are sterilized and chlorinated, as needed.

Applicant has installed, and maintains a policy of installing, 8-inch transmission mains, and 6-inch, and some 4-inch distribution mains, all with copper service connections. Asbestos cement pipe is installed throughout applicant's water system due to soil conditions in the area which makes the use of steel pipe impracticable. Operating pressures of 60 to 70 pounds per square inch are maintained, and the minimum pressure is 40 pounds per square inch.

From a review of the record it is evident that the sources of water supply, and transmission and distribution facilities installed, and proposed to be installed, are adequate to serve the areas requested to be certificated.

Applicant possesses franchises covering Areas Nos. 1 and 2 from Los Angeles County, and the portion of Area No. 2 within the city limits is covered by a franchise from the City of West Covina.

Rates

Applicant proposes to apply its presently filed Glendora system rates in Area No. 1, and its West Covina system rates in Area No. 2.

Conclusion

The Commission has reviewed the application of San Jose Hills Water Company for a certificate of public convenience and necessity covering Areas Nos. 1 and 2, as shown on Exhibit No. 2 filed at the hearing, and is of the opinion that it 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.

In its settlement of conflict with the City of Glendora, applicant agreed that the city should continue to serve a strip extending laterally westward from Grand Avenue, 100 feet on either side of Alostia Avenue, to a point approximately midway between Grand Avenue and Ben Lomond Avenue. Such verbal agreement is

noted in the record and the Commission takes notice thereof. The certificate of public convenience and necessity granted by the order which follows, however, will exclude the above-described strip from Area No. 1.

O R D E R

The above-entitled application as amended having been filed, public hearings having been held, the Commission being fully advised in the premises and the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require San Jose Hills Water Company to extend, construct, and operate a public utility water system in unincorporated territory near the City of Glendora designated as Area No. 1, as shown on Exhibit No. 2, but excluding a strip extending laterally westward from Grand Avenue 100 feet on either side of Alostia Avenue, to a point approximately midway between Grand Avenue and Ben Lomond Avenue, and near the City of West Covina and within the city limits of West Covina, all territory being located in Los Angeles County, designated as Area No. 2, as shown on Exhibit No. 2; therefore,

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity to extend, construct, and operate a public utility water system be, and it is, granted to San Jose Hills Water Company in the area hereinabove described.
2. That San Jose Hills Water Company be, and it is authorized to apply its presently filed rates for water service in its Glendora system in Area No. 1, and for its West Covina system rates in Area No. 2.
3. That the agreement between Azusa Valley Water Company and applicant dated August 18, 1952,

copy of which was filed as Exhibit No. 1 in this proceeding, and providing for the disposition of conflicting claims relating to proposed service areas, be, and it is, approved.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of September, 1952.

R. F. [Signature]  
President.  
James J. [Signature]  
Harold P. [Signature]  
John L. [Signature]

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Commissioners.