

Decision No. 48298**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ORCHARD DALE SERVICE COMPANY,
for a certificate to furnish
water service to certain unincor-
porated territory in the County
of Los Angeles.

Application No. 33739

In the Matter of the Application
of SUNSHINE WATER COMPANY, for a
certificate to furnish water
service to certain unincorporated
territory in the County of
Los Angeles, California.

Application No. 33877

Edmund F. Barker, attorney, for Orchard
Dale Service Company, applicant and
protestant in Application No. 33877;
Hill, Farrer & Burrill, by William S.
Scully, attorney, Edward M. Loftus,
secretary, and R. M. Dennis, assistant
secretary, for Sunshine Water Company,
applicant and protestant in Application
No. 33739; Eric L. Burton, for Meadows
Mutual Water Company, and William J.
Hughes, interested parties; Reginald H.
Knaggs, for the Commission staff.

O P I N I O N

The above-entitled applications were filed September 17,
1952, and November 13, 1952, respectively. Each applicant seeks a
certificate of public convenience and necessity to extend its water
system in unincorporated territory south of Telegraph^{1/} Road, south-
east of the City of Whittier, Los Angeles County. The area for

^{1/} Formerly Anaheim-Telegraph Road.

which a certificate is requested by Orchard Dale Service Company^{2/} is shown on Exhibit "C" attached to its application and includes proposed Tract No. 17049 comprising 142 lots and the additional area now being served by Meadows Mutual Water Company,^{3/} a mutual water company. The area for which a certificate is requested by Sunshine Water Company^{4/} is shown as Parcels A and B on the map Exhibit "C" attached to its application. The areas contained in each application are overlapping to some extent, Orchard Dale's proposed area being identical to Parcel A of Sunshine. Also included in Sunshine's Parcel B is Tract No. 15518, Los Angeles County, comprising 143 lots, which is now being served by Orchard Dale.

A public hearing in Application No. 33739 was held on November 13, 1952, and a public hearing in Application No. 33877 was held on December 23, 1952.^{5/} Each matter was submitted on its respective date. A petition by Orchard Dale to set aside submission of Application No. 33739 was filed January 16, 1953, and by the Commission's orders dated January 27, 1953, the submission of each application was set aside and both matters were reopened for further hearing. A further hearing on a consolidated record was held on February 4, 1953. All hearings were held before Examiner Warner at Los Angeles.

General Information

Orchard Dale furnishes domestic and irrigation water service in the area immediately north of Telegraph Road and in

^{2/} Hereinafter referred to as Orchard Dale.

^{3/} Hereinafter referred to as Meadows.

^{4/} Hereinafter referred to as Sunshine.

^{5/} The record in the hearing of November 13, 1952, in Application No. 33739 was incorporated in the record in the hearing of December 23, 1952, in Application No. 33877 by reference.

Tract No. 15518 as hereinbefore noted. It furnishes water service to a total of about 1,000 domestic and 50 irrigation consumers.

Sunshine furnishes domestic water service to about 1,200 consumers in the area outlined in yellow on Exhibit "C" attached to its application.

Orchard Dale's Request for a Certificate to Serve Its Proposed Area and Sunshine's Request for a Certificate to Serve Its Proposed Parcel A.

As noted, Orchard Dale's proposed area and Sunshine's Parcel A are identical. This area includes territory now being served by Meadows, with 16 consumers, and a proposed subdivision, Tract No. 17049, which will comprise about 142 lots. Since 1934 Orchard Dale has been furnishing water service to Meadows through a 2-inch metered connection located on the north side of Telegraph Road just east of Ceres Avenue. Orchard Dale proposes to acquire Meadows' distribution system for a consideration of \$5,853, in accordance with the terms of a proposed agreement, copy of which was submitted as Exhibit No. 2 in Application No. 33739. In order to serve Meadows' territory Orchard Dale would install a 4-inch pipe line across Telegraph Road to replace the aforesaid 2-inch metered connection. Through a proposed subdivider's extension agreement, which would be in accordance with Orchard Dale's regularly filed subdivision extension rule, Orchard Dale plans to furnish water service to Tract No. 17049 through pipe line facilities to be installed by the subdivider of that tract. An 8-inch connection would be effected with Orchard Dale's present facilities near Valley View Avenue and Telegraph Road.

Sunshine proposes to construct an 8-inch cast-iron pipe line 1,300 feet long from an 8-inch tee located at Fendale and Telechron Avenues to serve its Parcel A. The cost of such construction would be borne by Sunshine. The distribution system

installation planned for Parcel A would include 8- and 6-inch cast-iron mains. Sunshine's president testified that it would negotiate with Meadows for the purchase of Meadows' distribution system.

Sources of Water Supply

Orchard Dale's source of water supply consists of an easement right to the export and transmission of 150 miner's inches, or approximately 1,350 gallons per minute, from the Judson properties and the Bartolo wells located thereon, about 10 miles west of Orchard Dale's service area. Such properties and wells are owned by La Habra Heights Mutual Water Company,^{6/} a mutual water company, subject to Orchard Dale's easement. Transmission is effected through the La Mirada conduit of La Habra Heights, by La Habra Heights, also in accordance with certain easement rights of Orchard Dale in such transmission pipe line. Water transmitted by La Habra Heights is stored in a 1,300,000-gallon reservoir owned by La Habra Heights, in which Orchard Dale has a one-quarter interest amounting to 325,000 gallons. The peak demand on Orchard Dale's present system is 220 miner's inches or approximately 1,980 gallons per minute. Although substantial evidence regarding Orchard Dale's water rights was introduced, and although Orchard Dale holds a contract with La Habra Heights which provides for the sharing of water production and transmission expenses, no contract for the production or delivery of any guaranteed amount of water was made of record. In fact, Orchard Dale's president testified that no such contract existed.

In order to equalize operating pressures in the southern portion of its system, Orchard Dale proposes to acquire an existing

^{6/} Hereinafter referred to as La Habra Heights.

well on Lot 32, Tract 505 from Harry L. and Nell Cline, individuals and owners of such well. This well has an estimated production capacity of 450 gallons per minute. However, the water taken therefrom has not been tested for potability, bacteriological content, or hardness since 1950. Such water is now being used for irrigation purposes, and the record shows that it would not be suitable for domestic public utility use in its present condition. Although Orchard Dale plans to install a direct-drive, turbine pump in the well, there is no evidence in the record of a recent test of its production capacity.

It is apparent to the Commission from the record before it that Orchard Dale's present sources of water supply do not provide a sufficient margin of excess capacity for the addition of 142 or more consumers in its proposed area. The addition of the water production capacity of the well discussed hereinabove to Orchard Dale's present sources was not clearly shown in the record to be feasible. In fact, as noted, it was clearly shown not to be feasible in the present condition of the well.

Sunshine's sources of water supply include six wells with a combined production capacity of about 2,300 gallons per minute. Its system is completely integrated and circulating, and storage tanks and booster pumping plant installations maintain adequate operating pressures throughout its service area. It is evident that Sunshine's sources of water supply and present water system facilities are more than adequate to meet its current peak demands and, in addition, to furnish satisfactory water service to its proposed areas.

Rates

The following tabulation is a comparison between Orchard Dale's and Sunshine's presently filed rates:

| <u>Quantity Rates</u> | <u>Per Meter Per Month</u> | |
|------------------------------------|----------------------------|-----------------|
| | <u>Orchard Dale</u> | <u>Sunshine</u> |
| First 800 cu.ft. or less | \$1.75 | |
| Next 700 cu.ft., per 100 cu.ft. | .15 | |
| Next 3,500 cu.ft., per 100 cu.ft. | .10 | |
| Next 13,000 cu.ft., per 100 cu.ft. | .075 | |
| Over 18,000 cu.ft., per 100 cu.ft. | .055 | |
| First 1,000 cu.ft. or less | | \$1.50 |
| Next 2,000 cu.ft., per 100 cu.ft. | | .12 |
| Next 3,000 cu.ft., per 100 cu.ft. | | .10 |
| Over 6,000 cu.ft., per 100 cu.ft. | | .08 |

This information, of record in these proceedings, indicates that Sunshine's rates for water consumption of amounts up to 5,000 cubic feet per meter per month are lower than those of Orchard Dale.

Sunshine's Request for a Certificate to Serve its Proposed Parcel B

Sunshine's Parcel B comprises approximately 36 acres. It includes the afore-mentioned Tract No. 15518 which is located about 600 feet south of Telegraph Road and immediately to the east of and adjacent to Sunshine's easterly boundary of its present service area along Leland Avenue. Parcel B also includes an unsubdivided area north of Tract No. 15518 to Telegraph Road. This area is zoned for business purposes. Exhibit No. 2 in Application No. 33877 is an inquiry addressed to Sunshine from South Whittier Developers, Inc., regarding the possibility of Sunshine's rendering water service to South Whittier Developers' property in this area.

The record shows that Orchard Dale extended its water system into Tract No. 15518 in July, 1950. It is now furnishing water service therein to about 139 consumers. No complaints regarding Orchard Dale's water service in said tract were entered at the hearing.

Conclusion

In determining how the public interest may best be served by its disposition of these matters, the Commission has considered and compared the availability of adequate sources of supplies of potable water, the respective distribution system extensions and installations proposed for the areas, and the rates proposed to be charged by each applicant. After carefully reviewing and considering the evidence before us, we conclude as follows:

1. That the territory now being served by Meadows be excluded from the area hereinafter being certificated at this time. Also, that Orchard Dale be permitted to continue furnishing water service to Meadows as long as such arrangement is agreeable to both parties and under such terms and conditions as may be authorized from time to time by this commission;
2. That public convenience and necessity require that Sunshine should be granted a certificate of public convenience and necessity to serve Tract No. 17049 and that portion of its proposed Parcel B north of Tract No. 15518 to Telegraph Road;
3. That in all other respects Sunshine's application should be denied, except as hereinafter provided;
4. That Sunshine, by supplemental application herein, may renew its request for a certificate of public convenience and necessity for the territory now being served by Meadows at such time as it may have arranged to acquire Meadows' distribution system;
5. That public convenience and necessity do not require that Orchard Dale be granted a certificate to serve the area now being served by Meadows and proposed Tract No. 17049;
6. That Orchard Dale's application should be denied.

The certificate of public convenience and necessity granted to Sunshine is 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.

O R D E R

The above-entitled applications having been filed, public hearings having been held, the matters having been submitted, and the Commission being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require the extension, construction, and operation of a public utility water system by Sunshine Water Company, a corporation, in Tract No. 17049 and the portion of Parcel B north of Tract No. 15518 to Telegraph Road as shown on the map Exhibit "C" attached to Application No. 33877; and

IT IS HEREBY FURTHER FOUND AS A FACT that public convenience and necessity do not require the extension, construction, and operation of a public utility water system by Orchard Dale Service Company, a corporation, in the area applied for in Application No. 33739; therefore,

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be, and it is, granted to Sunshine Water Company, a corporation, to construct and operate a public utility water system in Tract No. 17049, Los Angeles County, and the portion of Parcel B north of Tract No. 15518, Los Angeles County, to Telegraph Road as shown on the map Exhibit "C" attached to Application No. 33877.

2. That Sunshine be, and it is, authorized to apply its presently filed rates for water service in the area for which a certificate is granted by this order.
3. That Sunshine shall file with this Commission, after the effective date of this order, four copies of a tariff service area map including the area covered by this order.
4. That Sunshine shall file within forty days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale not smaller 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 Sunshine in the area covered by this order.
5. That Sunshine's request for a certificate of public convenience and necessity covering that portion of the territory now being served by Meadows and its Parcel B comprising Tract No. 15518, Los Angeles County, be, and it is, denied.
6. That the application of Orchard Dale Service Company be, and it is, denied.

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

Dated at San Francisco, California, this 24th day of February, 1953.

R. J. [Signature]
President.
Justin J. Calver
Harold Hule
Benjamin P. Potter
[Signature]
Commissioners.