

ORIGINAL

Decision No. 50793

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN GABRIEL VALLEY WATER COMPANY for)
 a Certificate of Public Convenience) Application No 35559
 and Necessity for the operation of a)
 water system as a public utility, in)
 San Bernardino County, California.)

Gibson, Dunn, and Crutcher, attorneys, by Richard L. Wells, and John E. Skelton, attorney, for applicant.

Harry Carl Pon, secretary, for Highland Haven Mutual Water Company; Alden Reid, attorney, for Landon West Highland Civic League; Mrs. Leroy Henderson, for a group of consumers and shareholders of Highland Haven Mutual Water Company; J. D. Buckner, Percy Edwards, Della Hampton, and Will Jenkins, in propria personae, interested parties.

James F. Wilson and Roy E. Sutherland, for the Commission staff.

O P I N I O N

San Gabriel Valley Water Company,^{1/} a corporation, by the above-entitled application filed June 28, 1954, seeks authority to maintain and operate a public utility water system in the north-east quarter of Section 36, Township 1 North, Range 6 West, S.B.B.M., which is the principal area now being served by Highland Haven Mutual Water Company,^{2/} a mutual water company, as delineated by the red line on the map, Exhibit B, attached to the application. The establishment of rates for water service is also requested.

A public hearing in this matter was held before Examiner Stewart C. Warner on October 5, 1954 at Fontana. There were no protests to the granting of the application, although several consumers and shareholders of the mutual appeared to inquire about the proposed disposition of their shares of stock should the

^{1/} Hereinafter referred to as applicant.

^{2/} Hereinafter referred to as the mutual.

application be granted, to inquire about a recent assessment of \$15 per shareholder levied by the mutual, and to inquire about the proposed water service conditions.

General Information

Applicant furnishes water service to approximately 32,000 consumers in its El Monte, Whittier, and Fontana Districts. The Fontana District includes approximately 10,000 consumers. By the instant application, applicant proposes to acquire the east half of Lot 32 and the east half of Lot 41 in Tract No. 2177, Maloof Highland Avenue Tract No. 1, San Bernardino County, upon which are located a 60,000-gallon steel storage tank and two 15,000-gallon corrugated galvanized storage tanks, a well, a 50-horsepower electric motor, a pump building, and accessory equipment owned or partially owned by the mutual. Applicant also proposes to acquire the distribution water system, pipelines, services, meters, machinery, tools, equipment, and inventory, together with all easements, franchises, and rights except cash in hand and in banks, and notes and accounts receivable owned by the mutual. The acquisition will be in accordance with the terms of the purchase agreement between the mutual and applicant, dated May 25, 1954, a copy of which was attached to the application as Exhibit A. The consideration of the acquisition will be \$100, and the purchase is subject to a judgment of the Superior Court of San Bernardino County in Case No. 47929 discussed hereinafter.

According to Exhibit A, applicant proposes to apply the present rates for general metered service now being charged by the mutual, to wit,

General Metered Service Rates
(Present and Proposed)

| <u>Quantity Rates</u> | <u>Per Meter per Month</u> |
|--|--------------------------------|
| First 1,000 cu.ft., or less (Minimum)..... | \$2.50 |
| Next 1,000 cu.ft., per 100 cu.ft..... | .15 |
| Next 5,000 cu.ft., per 100 cu.ft..... | .10 |
| Over 7,000 cu.ft., per 100 cu.ft..... | .05 |

At the present time water service is being furnished by the mutual to 126 domestic consumers in Highland Haven Tract No. 3348, to 3 consumers in the east half of Tract No. 2066, and to 59 water users in Tract No. 2177. Of the total number of consumers, 86 are metered. Fifteen wharf-type fire hydrants are connected to the system, and applicant requests the establishment of rates for fire hydrant service of \$1.50 per month for each hydrant connected to a main 4 inches in diameter or larger, and \$1.00 per month for each hydrant connected to a main less than 4 inches in diameter, the charge to be levied against the Fontana Fire Protection District which covers the proposed area.

Description of Proposed Area and Water System

The proposed area is northeast of Fontana at the southeast corner of Highland and Citrus Avenues in unincorporated territory, San Bernardino County. It comprises 160 acres, including Tract No. 3348 of 393 lots, an unsubdivided portion in the southeast portion of the area, and the east half of Tract No. 2066 of 14 lots.

Exhibit No. 1 is a copy of a judgment of the Superior Court of San Bernardino County in Case No. 47929, dated June 1, 1943, which adjudicated the rights of certain property owners in Tract No. 2177 (immediately adjacent to and on the north of the proposed area) to a perpetual easement to use the water unit situate on said tract. The record shows that an investigation by applicant disclosed that 28 owners of lots in Tract No. 2177 are entitled to receive water from the well located on the east half of Lot 32, Tract No. 2177. Although applicant did not amend its application by requesting authority to serve these property owners, its witness testified that it would be willing to enter into negotiations with them for the furnishing of water service, should they so request.

The water system now owned or partially owned, subject to the aforementioned easement, and operated by the mutual comprises approximately 15,000 feet of 3-inch, 4,500 feet of 5-inch, and 250 feet of 6-inch standard black dip mains. The source of water supply comprises the well, 16 inches in diameter, 915 feet deep, located on the east half of Lot 32, Tract No. 2177, hereinbefore referred to. A pump driven by a 50-horsepower electric motor is installed in said well. The pump bowls are set at a depth of 740 feet, and applicant's witness testified that the maximum production capacity of the presently installed pumping equipment was 240 gallons per minute. Water is discharged from the pump into a 60,000-gallon bolted steel tank set at ground level, also on the east half of Lot 32. A 6-inch pipeline leads to the east half of Lot 41, Tract No. 2177, on which are located two 15,000-gallon galvanized tanks which are utilized to furnish water service to the 59 water users in Tract No. 2177. A 5-inch pipeline connects the storage tank on Lot 32 southward to the mutual's service area and distribution system.

Applicant's witness testified that the present production capacity of the mutual well was inadequate; that the pump had broken suction; that consumers in both Tracts Nos. 3348 and 2177 had been out of water this summer for as long as one week at a time; that it had been necessary for the mutual to haul water in tank wagons; that an additional 50 homes were under construction or were completed in Tract No. 3348; and that applicant proposed, therefore, to construct 3,000 feet of 10-inch pipeline from the corner of Cypress and Highland Avenues to effect a connection with Fontana Union Water Company, in which applicant owned shares of water stock entitling it to the purchase of water. This witness testified that this additional water supply to the proposed area would be available prior to the heavy-usage season in 1955.

Applicant's witness testified that the water system in the proposed area would be operated as its Highland District, separately from its other three operating districts. However, the record shows that the Highland District will be maintained and serviced out of the Fontana office, and bills will be paid to and collected at applicant's Fontana office.

The application was amended at the hearing by applicant's request that the more up-to-date rules and regulations now in effect in its El Monte and Whittier Districts be authorized to be applied to the Highland District rather than the rules and regulations now on file for the Fontana District as requested in the application.

Rates

Applicant proposes to continue the present rates for general metered service without change, and to meter the 40 remaining unmetered consumers. Rates are also proposed for miscellaneous water sales and for private fire protection service, as well as for public fire hydrant service.

Conclusion

From a review of the record it appears that the sources of water supply for the proposed area will be ample when applicant's plans for augmenting the present supply have been completed, and that public convenience and necessity require that the application be granted subject to the following provisions 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 order which follows will provide that applicant shall file with the Commission, on or before December 31, 1954 and every 30 days thereafter until completed, a report in writing of its progress in completing its planned pipeline installation to augment the water supply to the area certificated by the order herein.

The proposed rates are reasonable and will be authorized. Applicant will be authorized to file the schedules for general metered service, miscellaneous water sales and fire hydrant service which are set forth in Appendix A as a part of its Fontana Division tariffs. The rules and schedule for fire sprinkler service already set forth in applicant's Fontana Division tariffs will be made applicable to water service in the area certificated by this order.

O R D E R

Application as above-entitled having been filed, 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 that a certificate of public convenience and necessity be granted to San Gabriel Valley Water Company, a corporation, to maintain, construct, and operate a public utility water system in the northeast quarter of Section 36, Township 1 North, Range 6 West, S.B.B.M., San Bernardino County, including therein Tract No. 3348, an unsubdivided portion in the southeast corner of said section, and the east half of Tract No. 2066, all as delineated by the red line on the map, Exhibit B, attached to the application; therefore,

IT IS HEREBY ORDERED AS FOLLOWS:

1. That applicant be, and it is, granted a certificate of public convenience and necessity to maintain, construct, and operate a public utility water system in the area hereinabove described.

2. That applicant be, and it is, authorized to refile within thirty days after the effective date of this order, in conformity with the provisions of General Order No. 96, its presently filed tariff schedules for the Fontana Division, including the tariff service area map and up-to-date rules, to provide for the application of said tariff schedules, to the extent not inconsistent with this decision and order, to water service in the area certificated by this order. Schedules Nos. 5, 6 and 7 attached hereto as Appendix A shall be incorporated in said refiled tariff schedules for the Fontana Division. Such rates, rules and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.
3. That applicant 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 300 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of various properties of applicant.
4. That applicant shall base the accruals to depreciation upon spreading the original cost of the plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property; applicant shall review the accruals when major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.
5. That applicant shall file with the Commission in writing, on or before December 31, 1954, and every 30 days thereafter until completed, a report of its progress in completing its planned pipeline installation to augment the water supply to the area certificated by this order.

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

Dated at San Francisco, California, this 23rd day of NOVEMBER, 1954.

[Signature]
President
[Signature]
[Signature]
[Signature]

Jenneta Potter Commissioners
-7- Commissioner [Signature] necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 5

Highland Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area in the northeast quarter of Section 36, T. 1 N., R. 6 W., S.B.B. & M., and vicinity, situated approximately 1-1/2 miles north of the City of Fontana, San Bernardino County.

RATES

| | <u>Per Meter per Month</u> |
|---------------------------------------|--------------------------------|
| Quantity Rates: | |
| First 1,000 cu.ft. or less | \$2.50 |
| Next 1,000 cu.ft., per 100 cu.ft..... | .15 |
| Next 5,000 cu.ft., per 100 cu.ft..... | .10 |
| Over 7,000 cu.ft., per 100 cu.ft..... | .05 |
| Minimum Charge: | |
| For 5/8 x 3/4-inch meters | \$2.50 |
| For 3/4-inch meters | 4.00 |
| For 1-inch meters | 6.00 |
| For 1-1/2-inch meters | 8.50 |
| For 2-inch meters | 10.00 |
| For 3-inch meters | 15.00 |
| For 4-inch meters | 25.00 |
| For 6-inch meters | 40.00 |
| For 8-inch meters | 60.00 |
| For 10-inch meters | 80.00 |

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

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Schedule No. 6

Highland Tariff Area

MISCELLANEOUS WATER SALES

APPLICABILITY

Applicable to all water delivered to tank trucks or wagons from fire hydrants or other outlets provided for the purpose.

TERRITORY

The unincorporated area in the northeast quarter of Section 36, T. 1 N., R. 6 W., S.B.B. & M., and vicinity, situated approximately 1-1/2 miles north of the City of Fontana, San Bernardino County.

RATES

Unit Rate:

Per 100 gallons \$0.05

Minimum Charge:

For any service under this schedule 1.00

SPECIAL CONDITIONS

1. Any consumer wishing to obtain water deliveries under this schedule must obtain written permit from the company.
2. In addition, where water is to be obtained from fire hydrants, such permits must first be obtained from the local fire protection district as said fire district may require.

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Schedule No. 7

Highland Tariff Area

FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all water service rendered to fire hydrants owned by the local fire protection districts.

TERRITORY

The unincorporated area in the northeast quarter of Section 36, T. 1 N., R. 6 W., S.B.B. & M., and vicinity, situated approximately 1-1/2 miles north of the City of Fontana, San Bernardino County.

RATES

| | <u>Per Month</u> |
|--|------------------|
| For each fire hydrant connected to a main four inches in diameter or larger | \$1.50 |
| For each fire hydrant connected to a main less than four inches in diameter | 1.00 |

SPECIAL CONDITIONS

1. The company will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.
2. The customer shall indemnify the company and save it harmless against any and all claims arising out of service under this schedule and shall further agree to make no claims against the company for any loss or damage resulting from service hereunder.
3. Fire hydrants will be attached to the company's distribution mains for public fire protection only upon receipt of proper resolution passed by the local fire protection district. Said resolution must designate the specific location at which each is to be installed.
4. The foregoing charges for water service to fire hydrants are based upon the understanding that they are to be owned by the local fire protection district and are to be installed, maintained, painted, inspected and relocated at the expense of such district.