

ORIGINAL

Decision No. 51387

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of IDEAL PETROLEUM COMPANY for a	)	Application No. 36675
certificate of public convenience	)	
and necessity.	)	
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R. E. Ibbetson, E. T. Ibbetson and N. A. Fitzgerald,  
 for applicant.

R. H. Knaggs, for the Commission staff.

O P I N I O N

Ideal Petroleum Company, a corporation, by the above-entitled application, filed January 27, 1955, seeks a certificate of public convenience and necessity to extend its water system into adjacent territory in the area designated in red on the map attached to the application as Exhibit A.

A public hearing in this matter was held before Examiner Stewart C. Warner on March 31, 1955, in Los Angeles. There were no protests to the granting of the application and a letter dated December 27, 1954, attached to said application as Exhibit B, from Lakewood Water & Power Company, is in its support.

Former Restriction on Applicant  
from Extending its Water System

By Decision No. 46890, dated March 25, 1952, in Application No. 33046 (sic) applicant was restricted from extending its water system without further order of the Commission. A similar restriction was placed on Lakewood Water & Power Company in the same area, due to the overlapping of areas for which a certificate had been applied by each company.

General Information

Applicant is affiliated with Union Development Company, Inc.,

its parent corporation. At the present time applicant is furnishing water service to approximately 700 consumers in Los Angeles and Orange Counties.

Description of Areas and Sources of Water Supply

The areas covered by the certificate applied for include Tracts Nos. 17897 comprising 57 residential lots, 20358 comprising 230 residential lots, 18282 comprising 53 residential lots, and 20809 comprising 56 residential lots; a total of 396 residential lots. All of said tracts are south of Bellflower and east of Lakewood in unincorporated territory, Los Angeles County. Attached to the application as Exhibits C, D and E, are letters from the subdividers of the proposed areas requesting water service.

Applicant's source of water supply includes four wells with a total production capacity of 2,000 gallons per minute and two 5,000-gallon, and one 3,000-gallon pressure tanks. Applicant intends to install mains throughout the proposed areas and to encircle each tract with an 8-inch main connected to applicant's present water system. All of the water systems will be interconnected thereby. Applicant maintains operating pressures of between 40 and 60 pounds per square inch throughout its water systems in this area.

Rates

Applicant proposes to apply its presently filed metered rates to the area, and all services will be metered.

Conclusion

The Commission has considered this application and is of the opinion that it should 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.

O R D E R

Application as above entitled having been filed, 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 Ideal Petroleum Company, a corporation, in the areas designated in red on the map, Exhibit A, attached to the application, including Tracts Nos. 17897, 20358, 18282 and 20809, comprising 396 lots in unincorporated territory, Los Angeles County, therefore,

IT IS HEREBY ORDERED as follows:

- (1) That a certificate of public convenience and necessity be, and it is granted to Ideal Petroleum Company, a corporation, to extend its water system in the areas described hereinabove.
- (2) That Ideal Petroleum Company be, and it is, authorized to revise after the effective date of this order, its presently filed tariff schedules, including tariff service area maps, in conformity with the provisions of General Order No. 96 to provide for the application of said tariff schedules, to the extent not inconsistent with this decision and order, for water service in the area being certificated by this order; such revised tariff sheets to be effective on or before service is first rendered to the public in said areas. Said revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing, as hereinabove provided.

- (3) That Ideal Petroleum Company 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 200 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 Ideal Petroleum Company's various properties.
- (4) That Ideal Petroleum Company 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) The authorization herein granted will lapse if not exercised within one year from the date hereof.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of April, 1955.

*John E. ...*  
 President  
*James J. ...*  
*Ray ...*  
*...*  
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 COMMISSIONERS