

ORIGINALDecision No. 51388

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of IDEAL PETROLEUM COMPANY for a
certificate of public convenience
and necessity. }

Application No. 36688

R. E. Ibbetson, E. T. Ibbetson and N. A. Fitzgerald,
for applicant.
C. L. Gardner, attorney, and C. A. Garnier, president,
for Southwest Water Company and La Mirada Water
Company; and D. B. Dickson, superintendent and
manager, for Sunshine Water Company, protestants.
R. H. Knaggs, for the Commission staff.

O P I N I O N

Ideal Petroleum Company,¹ a corporation, by the above-entitled application, filed January 31, 1955, seeks a certificate of public convenience and necessity to construct and operate a public utility water system in Tentative Tracts Nos. 20572 and 20712 in unincorporated territory in the vicinity of La Mirada, Los Angeles County. The area for which a certificate is requested is shown in red on the map attached to the application as Exhibit A, and on the maps Exhibits Nos. 3 and 4 filed at the hearing. The establishment of rates is also sought.

A public hearing in this matter was held before Examiner Stewart C. Warner on March 31, 1955, at Los Angeles. Southwest Water Company,² La Mirada Water Company,³ and Sunshine Water Company⁴ protested the granting of the application.

1 Hereinafter referred to as applicant.
2 Hereinafter referred to as Southwest.
3 Hereinafter referred to as La Mirada Water.
4 Hereinafter referred to as Sunshine.

General Information

Applicant is an affiliate of Union Development Company, Inc.,⁵ its parent company, and as such was granted a certificate of public convenience and necessity to construct and operate public utility water systems by Decision No. 34586, dated September 16, 1941, in Application No. 24234, and in Decision No. 46890, dated March 25, 1952, in Application No. 33046. At the present time applicant is furnishing water service in Los Angeles and Orange Counties to a total of approximately 700 consumers. Its main office and center of operations is located at 8555 Artesia Avenue, Bellflower, California, and its principal water system is located east of Lakewood and south of Bellflower, although another water system is operated on land formerly owned by Union in Orange County.

Applicant alleges, and its president testified that Union has a contract with applicant whereby Union agrees to guarantee applicant's operations.

Description of Proposed Area

The proposed area includes 100 acres of land owned, or formerly owned, by Union, 10 acres of which have been sold for a church and a school and the balance of which have been optioned to A. E. Watwood, a subdivider, plus an additional 70 acres in Tentative Tract No. 20712 for a total proposed area of about 170 acres. A letter dated December 21, 1954, attached to the application as Exhibit D, from Larwood Company, A. E. Watwood, president, requests applicant to make arrangements to serve Tentative Tract No. 20572 with water. Approximately 710 lots will be included in the two tracts, and a limited area will be set aside for small commercial

⁵ Hereinafter referred to as Union.

buildings. The proposed area is immediately adjacent to Southwest's presently certificated service area on the west thereof along Valley View Avenue north and south of Foster Road. Tract No. 20572 is adjacent on the east to an area in which Park Water Company, a public utility water company, is furnishing water service. Tract No. 20572 is also about 1100 feet south of the most southerly portion of Sunshine's service area and is less than 1,000 feet northeast of an area in which Pacific Water Company is furnishing water service as a public utility. Crystal Mutual Water Company, a mutual water company, is furnishing water service in an area at the northeast corner of Imperial Highway and Valley View Avenue, also about 1100 feet north of the northernmost boundary of Tract No. 20572. The location of applicant's proposed area is shown in relation to other public utility water systems and the Mutual Water System on Chart 1-A of Exhibit No. 6, a staff engineering report filed at the hearing.

Applicant's Proposed Source of Water Supply

Applicant's parent company, Union, owns two wells and well sites within the boundaries of Tentative Tract No. 20572.⁶ One well is 12 inches in diameter, 890 feet deep, with a tested production capacity of 500 gallons per minute. This well, drilled in 1921, produces yellow water with a relatively high iron content and a petroleum odor. It has been used for irrigation purposes but has not been utilized for domestic purposes. A second well, drilled in 1948, is 500 feet deep and has an estimated production capacity of between 200 and 300 gallons per minute. This well has been used for domestic purposes. The record shows that applicant would install a pump driven by a 50-hp motor on Well No. 1, and a 10,000-gallon pressure tank at the well site. Well No. 2 would be equipped with a pump

⁶ The record shows that Union would donate the wells and well sites to applicant.

driven by a 5-hp motor and a 2,000-gallon pressure tank and would be utilized for standby purposes only. The log of Well No. 1 shows that while the casing is 12 inches in diameter for the first 500 feet, it is reduced to 6 inches at the base. A well test, submitted as Exhibit No. 2, shows a drawdown of 105 feet in Well No. 1 when being pumped at 500 gallons per minute. This indicates a drawdown of about one foot for every five gallons per minute of water pumped, a relatively high and inefficient pumping condition.

Distribution System

Applicant submitted no detailed estimate of costs of the proposed distribution pipeline installations and no firm contract for the installations has been entered into between applicant and a contractor. The record shows that applicant would effect such pipeline installations under its subdivision extension rule which would provide for a refund of the subdivider's advance according to applicant's filed rules and regulations.

Rates

Under Ideal's presently filed rates the charge for a monthly consumption of 1,500 cubic feet would be \$2.55.

Protest of Southwest

By Decision No. 51192, dated March 15, 1955, in Application No. 36678, the westerly portion of La Mirada Water's service area and water system was transferred to Southwest, and Southwest expects eventually to furnish water service to about 6,000 homes and 250 acres of commercial and industrial property within its service area. At the present time there are 550 residences, 596 houses under construction, and 900 houses to be constructed this year. Southwest is furnishing water service to a dairy and a steel plant west of Valley View Avenue immediately south of Tract No. 20712. The record shows that three of Southwest's 8-inch mains abut Valley View Avenue at Tracts Nos. 20572

and 20712, and a 6-inch main has been installed for some time on the east side of Valley View Avenue south from Mansa Drive. Southwest's source of water supply includes three wells with a total production capacity of 3,025 gallons per minute and a connection with California Domestic Water Company of 360 gallons per minute for a total of 3,385 gallons per minute. Southwest has applied for a connection with the Metropolitan Water District at Imperial Avenue and Lutwieler Avenue. A 1,500,000-gallon concrete reservoir, operated by Southwest, is located north of Tract No. 15930. The location of said tract is shown on Southwest's service area map, Exhibit No. 5, filed at the hearing.

Under Southwest's presently filed rates, the charge for a monthly consumption of 1,500 cubic feet would be \$3.50.

Southwest maintains a collection and service office at the corner of Rosecrans and Valley View Avenues. This office location is in the immediate vicinity of Tentative Tracts Nos. 20572 and 20712.

Southwest protested the granting of the instant application on the grounds that it, Southwest, was ready, willing, and able to furnish water service to the proposed area, and adduced that because of the contiguity of its present water system to the proposed area, its abundant sources of water supply, and the adequacy of its presently installed water system facilities, it would be in the public interest for Southwest to furnish the necessary water service to the tentative tracts.

Protest of La Mirada Water

While La Mirada Water entered a protest to the granting of this application, its service area, after Decision No. 51192 hereinbefore referred to, lies to the east and southeast of Southwest's service area and considerably to the east and southeast of applicant's

proposed area. Its protest therefore is not now relevant or material to the instant application.

Protest of Sunshine

Sunshine protested the application on the grounds that it was ready, willing, and able to furnish water service to the proposed area by an extension of an 8-inch main about 1100 feet south, either along Valley View Avenue or on private easement from a prolongation of Loma Drive, from Imperial Highway to the northernmost boundary of Tract No. 20752. Sunshine alleged that it had investigated the sources of water supply available to applicant's proposed area in February, 1955, at the request of a party who reported himself to be making an inquiry for the subdividers of the proposed tentative tracts. This investigation disclosed not only that the two wells proposed to be used by applicant were of inadequate capacity, but that the larger of said wells would produce water unsuitable for domestic use.

At present, Sunshine furnishes water service to 1,721 consumers. Its source of water supply includes six wells with a production capacity of 3,000 gallons per minute and installed storage capacity of 250,000 gallons at the 175-foot elevation level (the elevation of the proposed area is 100 feet plus or minus). Sunshine is in the process of constructing additional storage at the 150-foot elevation level and in the process of installing a 500-gallon per minute pressure booster plant to take advantage of the new storage. Sunshine also has applied for a connection with the Metropolitan Water District.

Under Sunshine's presently filed rates the charge for a monthly consumption of 1,500 cubic feet would be \$2.50.

Conclusion

From a review of the record, it appears and the Commission so finds, that applicant's sources of water supply are not adequate

to serve the proposed area with water suitable for domestic purposes, that, due to the contiguity and adequacy of Southwest's water system, public convenience and necessity do not require the granting of the instant application, and that said application should be denied.

O R D E R

Application on 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 do not require that a certificate of public convenience and necessity be granted to Ideal Petroleum Company, a corporation, covering the areas designated in red on the map, Exhibit A, attached to the application including Tentative Tracts Nos. 20572 and 20712 in unincorporated territory in the vicinity of La Mirada, Los Angeles County, therefore,

IT IS HEREBY ORDERED that the application of Ideal Petroleum Company for a certificate of public convenience and necessity to construct and operate a public utility water system in the area hereinbefore described, 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 26th day of APRIL, 1955.

John E. [Signature]
President
James J. [Signature]
Paul [Signature]
[Signature]
Commissioners.