

ORIGINAL

Decision No. 51423

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA WATER COMPANY for)
an order granting it a certificate)
of public convenience and necessity)
to exercise rights under the franchise)
granted by Ordinance No. CS-231 of the)
City of Culver City.)

Application No. 36757

O'Melveny & Myers, attorneys, by Frederick N. Edwards,
for applicant.

M. Tellefson, City Attorney, for the City of Culver
City, interested party.

O P I N I O N

Southern California Water Company, a corporation, by the above-entitled application filed February 25, 1955, seeks a certificate that public convenience and necessity require the exercise of the rights, privileges, and franchise granted by Ordinance No. CS-231 of the City of Culver City, Los Angeles County, permitting the installation, maintenance, and use of a water distribution and transmission system in the streets of said city.

A public hearing in this matter was held before Examiner Stewart C. Warner on April 8, 1955, at Los Angeles.

The franchise referred to, a copy of which is attached to the application as Exhibit A, was granted by the City of Culver City on August 23, 1954, and became effective thirty days

thereafter. Said franchise is in accordance with the Franchise Act of 1937 and is of indeterminate duration. A fee is payable annually to the city equivalent to two percent of the gross receipts arising from the use, operation, or possession of the franchise, but not less than one percent of the gross annual receipts from sales of water within the limits of the city under said franchise.

The franchise covers all portions of the City of Culver City except the territory of the city lying westerly of the center line of McLaughlin Avenue. Said territory was formerly served by applicant, but such service was discontinued as the result of the sale by applicant of certain of its properties to the City of Los Angeles pursuant to Decision No. 45932.

As of February 28, 1955, applicant was furnishing water service to 7,720 consumers within the City of Culver City.

Based on the twelve-month period ending December 31, 1954, the one percent computation amounting to \$3,029.02 would have controlled the fee paid to the City of Culver City for that period, as shown in Exhibit No. 1. However, applicant held a franchise for its operations in the City of Culver City which was granted by Los Angeles County Ordinance No. 339 (N.S.) to a predecessor of applicant prior to the incorporation of the City of Culver City. That franchise expired on or about November 5, 1953, and was replaced by the franchise granted by Culver City Ordinance No. CS-231. Payments to the City of Culver City under the new franchise commenced September 22, 1954.

Applicant was required to make no bid for the cost of the franchise, but paid the cost of publishing it. Said cost amounted to \$71.40. In addition thereto the Public Utilities Commission filing fee amounted to .50, for a total cost of \$71.90. The cost of publication of notice of hearing and of securing the affidavit of said publication had not been determined as of the date of the hearing.

No objection to the granting of the requested certificate has been entered, and the record shows that applicant has been furnishing water service within the City of Culver City for many years. It appears that public interest requires that applicant continue to render water service within said city.

The certificate of public convenience and necessity herein granted is subject to the following provisions of law:

1. That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.
2. That the franchise involved herein shall never be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

O R D E R

The above-entitled application having been filed, a public hearing having been held, the matter having been submitted and the Commission being fully advised and finding that public convenience and necessity so require,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted to Southern California Water Company, a corporation, authorizing the exercise by it of the rights and privileges granted it by the City of Culver City, Los Angeles County, by Ordinance No. CS-231 adopted August 23, 1954.

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

Dated at San Francisco, California,
this 3rd day of May, 1955.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners