

ORIGINAL

Decision No. 52574

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SUBURBAN WATER SYSTEMS for authority)
to serve certain customers near)
Whittier Narrows Dam in Los Angeles)
County.)

Application No. 37435

Arthur D. Guy, Jr., for applicant;
Gibson, Dunn & Crutcher by Max Eddy Utt,
for San Gabriel Valley Water Company,
protestant;
C. W. Drake, for the Commission staff.

O P I N I O N

Since prior to September 18, 1950, Suburban Water Systems, applicant herein, formerly known as Whittier Water Company, has had a source of water supply known as the Bartolo Wells located on the east bank of the San Gabriel River near Mission Mill Road, about 2 miles north of the center of the City of Whittier, California. From this source of supply water is transmitted in a 20-inch main to a reservoir below Whittier Boulevard. By Decision No. 45277, dated January 16, 1951, San Gabriel Valley Water Company, hereinafter referred to as protestant, was given a certificate of public convenience and necessity authorizing it to provide water to certain territory which, to a large extent, included the area through which applicant's 20-inch main passes. By the same decision applicant was authorized to render service from the 20-inch main to three consumers located on what is known as the Raney property. This property is located in the area the protestant herein was authorized to serve by Decision No. 45277. The three consumers were domestic consumers and due to the development of the area the last of the three

domestic services was discontinued approximately 2 years ago. Subsequently the Raney property was divided, with the applicant herein acquiring a portion and the Shepherd Machinery Company, hereinafter referred to as Shepherd, acquiring a portion. Applicant's 20-inch main passes through the Shepherd property (see Exhibit A on the application).

By the application herein, filed on October 23, 1955, as amended by an amendment filed on December 21, 1955, applicant seeks authority to furnish water to Shepherd and a United States Army Corps of Engineers, hereinafter called Corps, installation. The Shepherd property is conceded to be in the protestant's service area. The Corps installation appears to be in noncertificated territory (see Map No. 3-A on Exhibit No. 6).

A public hearing was held in Los Angeles before Examiner Kent C. Rogers on December 12, 1955. Prior to the hearing, notice thereof was published as required by this Commission. The San Gabriel Valley Water Company appeared as a protestant. Its counsel objected to the introduction of any evidence and moved for a dismissal on the grounds that the application does not comply with the rules of this Commission in that, among other things, it was not verified and contained no reference to the rules pursuant to which the application was filed. The applicant was instructed to file an amendment correcting the claimed defects and the motion was denied. At the conclusion of the hearing the matter was submitted subject to the filing of an amended application. This amended application was filed on December 21, 1955, and the matter is ready for decision.

Applicant's Evidence

The applicant's general manager testified concerning the following facts:

The applicant has a 20-inch transmission main from its Bartolo Wells, which have a total capacity of about 3,500 gallons

per minute, through the old Raney property, now Shepherd, to a junction with a main of the California Domestic Water Company from which applicant secures 250 miner's¹ inches of water. The water from the Bartolo Wells and the purchased water flow to applicant's 12,000,000-gallon reservoir on Whittier Boulevard near the City of Whittier. About 600 feet from the wells and directly on the transmission main is the property of the Corps. The Corps desires a 3/4-inch metered connection at the main, from which it will extend a line to furnish water for drinking and sanitary purposes at the Whittier Narrows Dam. The Corps will require about 500 cubic feet of water per month. The applicant is providing this service on a temporary basis. Farther south, about 2,100 feet from the wells, the transmission main passes through the Shepherd property. Shepherd desires a 4-inch industrial water supply connection which will cost \$1,000 for installation and will be paid for by the applicant, and an 8-inch fire protection service with a supply of at least 1,250 gallons per minute and a pressure of 30 pounds to the square inch at an installation cost of \$1,000 which will be paid by Shepherd. The applicant has temporarily installed an 8-inch line to provide service to Shepherd pending action by this Commission. The 20-inch transmission main and the Shepherd property are shown on Exhibit A on the application.

The 20-inch main, referred to above, acts as a reservoir and has a capacity of 75,000 gallons between the Shepherd connection and the highest point thereon. At the Shepherd connection the pressure is 40 pounds to the square inch. As the well pumps are not operated continuously during the winter, the applicant will install at its own expense automatic pump controls at a cost of \$500 to maintain the constant required pressure and flow at the Shepherd connection.

¹ In this opinion the term miner's inch refers to a Southern California miner's inch.

In May, 1955, Shepherd requested that the applicant provide water at the Shepherd plant. A temporary 8-inch connection was made on September 1, 1955.

On about October 13, 1955, the Corps asked that applicant install a 3/4-inch service. This connection was made on a temporary basis about December 1, 1955.

The applicant's witness stated that it has sufficient water to supply both customers. The charges will be those shown on applicant's filed tariffs for the Whittier area.

United States Army Engineering Corps Evidence

A procurement officer for the Corps testified that the Corps needs about 500 cubic feet of water per month for drinking and sanitary purposes at the Whittier Narrows Dam; that he asked the applicant to provide service and received a temporary installation; and that the Corps had not contacted the protestant. He said the Corps wants water without being required to pay for an extension.

Shepherd Machinery Company Evidence

A representative of Shepherd testified that the company needs a 4-inch domestic service and an 8-inch sprinkler system service; that the California Board of Fire Underwriters requires a supply of 1,250 gallons of water per minute at a 30-pound residual pressure; that he knew of the applicant's transmission pipe and asked if it could supply Shepherd with water; that applicant advised him that Shepherd is in the protestant's service area but provided Shepherd with water through a temporary connection on about September 1, 1955; that he contacted the protestant and was advised that that company had a 10-inch main 2,450 feet from the Shepherd property and it would cost Shepherd approximately \$13,475 to extend the 10-inch line to Shepherd's plant; and that he therefore asked applicant to furnish water on a permanent basis (Exhibit No. 4). The witness further

stated that he was not familiar with the differences in applicant's and protestant's rates, but desired the service without having to pay for a main extension from the protestant's line.

Protestant's Evidence

The protestant's general manager testified in its behalf as follows:

The northern boundary of protestant's service area, as defined by Decision No. 45277, referred to supra, is shown on Exhibit No. 5. This boundary line extends from the east bank of the San Gabriel River at a point north of the Shepherd property in a northeasterly direction. The protestant has a 10-inch main about 4,800 feet south of the Shepherd property, ending at a Southern California Edison Company right of way (M 1 in Exhibit No. 5). Plans are being made to develop Tract No. 20503 (shown on Exhibit No. 5) lying east of the San Gabriel River and extending south from a point about 2,400 feet south of the Shepherd property. When Tract No. 20503 is completed the 10-inch main will extend to a point about 2,400 feet south of the Shepherd property (M 2 on Exhibit No. 5). Shepherd would be required to extend the 10-inch main from that point at a cost of \$5 per foot, or a total of about \$12,000, in order to secure water from the protestant. The Corps would be required to extend a line about 700 feet beyond Shepherd in order to secure water.

Any refunds would be made on the basis of protestant's Rules and Regulations No. 15 B, Extensions to Serve Individuals. If the prospective customers do not advance the money for the construction of the extensions, it would be from one to two years before service would be afforded to them. It is very doubtful that any money would ever be refunded to them because of probable lack of future development in the area. The protestant's witness stated that in periods of heavy water usage the 10-inch main might not supply adequate water pressure to Shepherd for fire protection.

The Commission's Staff Report

The Commission's staff engineering witness made a study which was received in evidence as Exhibit No. 6. In this study the staff states that the point of connection for the Corps is outside of the certificated area of either the applicant or the protestant and the Shepherd land is in the certificated area of the protestant. The staff's exhibit points out that the existing 10-inch main of the protestant terminates approximately 3,800 feet south of the Shepherd parcel; that a contract has been executed between the developers of Tract No. 20503 and the protestant for water service to that tract; and that when the service to that tract is completed the Shepherd parcel will be about 2,400 feet from the end of the protestant's 10-inch main. The staff also points out, as shown by the record herein, that in the future the protestant proposes to extend the 10-inch main past the Shepherd property to service areas to the north thereof.

The staff itemized the relative costs to Shepherd of the service by the applicant and the protestant as follows:

	<u>San Gabriel Valley</u>	<u>Suburban</u>
Advance for main extension (Refundable)	\$12,000.00	\$ -
Donation for fire service	1,000.00	1,000.00
Fire service rate per month (8-inch service)	8.00	16.00
Industrial Service per Month:		
Minimum (4-inch meter)	21.00	25.00
26,000 cubic feet	21.25	25.00 (Min.)
36,000 cubic feet	28.75	33.00
50,000 cubic feet	39.25	45.84
70,000 cubic feet	54.25	64.17
100,000 cubic feet	76.75	91.68

The protestant, the staff stated, would be required to extend a pipe about 1,200 feet beyond the southerly property line of

Shepherd in order to serve the Corps. This would cost the Corps in excess of \$2,000.

No extension, the staff said, would be necessary to enable the applicant to serve the Corps as the connection would be directly from applicant's 20-inch main, hence the Corps would not be required to advance any money for an extension.

Staff Recommendation

The staff recommended that the applicant be allowed to serve Shepherd either with a permanent certificate of public convenience and necessity or with a temporary certificate which will expire when the protestant extends a main of adequate size to Shepherd so that a service connection may be made under the extension rule, with no advance being required by Shepherd. The staff was of the opinion that the Corps service connection was outside the service area of either the protestant or the applicant and hence made no recommendation concerning the service.

Argument

Applicant's counsel stated that the applicant desires to render service to the two proposed customers on a permanent basis only.

Protestant's counsel argued that the protestant should be protected in its authorized service area; that it cannot serve the area properly if it cannot serve all consumers in the area; and that, while it is obvious that the customers will save money by being afforded connections by the applicant, the protestant should be protected.

Protestant's attorney also stated that it is agreeable to the protestant that the applicant be permitted to serve the two customers on a temporary basis pending the construction by protestant of a main past the service points.

Findings and Conclusions

Upon the evidence of record herein it appears and we find (1) that the Corps service connection is in territory which neither the applicant nor the protestant is presently authorized to serve; (2) that the Shepherd service is in the protestant's certificated area; (3) that the 10-inch main which the protestant proposes to extend to the Shepherd plant in the future will not at all times provide sufficient water at adequate pressure to provide fire protection to Shepherd; and (4) that applicant's existing 20-inch main through the Shepherd property will enable the applicant to provide Shepherd with adequate water at sufficient pressure to provide fire protection.

From the foregoing findings and the evidence of record herein, we conclude that public convenience and necessity require that Suburban Water Systems should be authorized to provide water to the Shepherd Machinery Company and to the United States Army Corps of Engineers as provided in the order herein and subject to the conditions therein contained and 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.

O R D E R

A public hearing having been held and the Commission having found that public convenience and necessity require that Suburban Water Systems provide water to Shepherd Machinery Company and to the United States Army Corps of Engineers and based on such finding,

IT IS ORDERED that a certificate of public convenience and necessity be and it hereby is granted to Suburban Water Systems to operate a public utility water service for the distribution and sale of water to the premises at Shepherd Machinery Company and the United States Army Corps of Engineers only at the locations indicated in the opinion.

IT IS FURTHER ORDERED that:

1. Suburban Water Systems be, and it is, authorized to apply its presently filed rates and rules for its Whittier District to the premises being certificated by this order.
2. Suburban Water Systems shall, within thirty days after the effective date of this order, revise its presently filed tariff schedules for its Whittier District, including its tariff service area maps, in accordance with the procedure prescribed by General Order No. 96, to provide for the application of said tariff schedules for water service to the premises being certificated by this order. 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. Suburban Water Systems shall file within thirty 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 said company's Bartolo Wells transmission main in the Whittier Narrows Dam area together with the accurate location of the connections herein authorized to be made.
4. Suburban Water Systems shall, within thirty days after the effective date of this order, install an automatic control at its Bartolo Wells pumping plant to provide a minimum pressure of 35 pounds per square inch or greater at the Shepherd Machinery Company plant, and shall file written

proof of such installation with the Commission within thirty days after such installation.

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

Dated at San Francisco, California, this 7th day of FEBRUARY, 1956.

Edward E. Maxwell
President

Justin J. Craven

Randy L. ...

...

Commissioners

Rex Hardy

Commissioner _____, being necessarily absent, did not participate in the disposition of this proceeding.