

**ORIGINAL**Decision No. 53568

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of COUNTY WATER COMPANY to )  
 operate a water system in the vicinity )  
 of Norwalk, Los Angeles County, Cali- ) Application No. 37768  
 fornia, to establish rates, and for )  
 permission to issue stock. )

Roy Coble, for applicant.

William S. Cook, for Park Water Company;  
John A. Cunningham; Charles E. Kenner,  
 for Starter House Development Corp.  
 and Coast Consolidated Corp.; inter-  
 ested parties.

Charles W. Drake and Richard Entwistle,  
 for the Commission staff.

O P I N I O N

County Water Company, hereinafter referred to as applicant, is a California corporation formed on May 8, 1951, for the purpose, among others, of operating a public utility water company. By the application herein, filed on February 20, 1956, it seeks (1) a certificate of public convenience and necessity to acquire, construct and operate a public utility water system in unincorporated territory in the County of Los Angeles, State of California, in the vicinity of the unincorporated community of Norwalk, bounded as follows:

166th Street on the north, by a line 200 feet east of Pioneer Boulevard on the west, by 170th Street on the south, and by an unnamed street 600 feet east of Elaine Avenue, on the east,

excluding therefrom certain lots along Pioneer Boulevard now

served by Park Water Company (see Exhibit No. 10 herein); (2) to establish rates, and (3) to issue stock.

A public hearing on the application was held in Los Angeles on May 7, 1956, before Examiner Kent C. Rogers. Prior to the hearing, notice thereof was published as required by this Commission. There were no protests. The Lakewood Water and Power Company, a public utility water company, has pending before this Commission its Application No. 37672, which is senior in time of filing to the herein considered application, for authority to serve a large area including the area herein sought to be served. It has advised the Commission that it has no objection to the granting of the requested authority. The present officers of the applicant are Roy E. Coble, president; Russell Ludwig, vice president and secretary; and Wilbur Newman, treasurer.

The Proposed Service Area and Existing Facilities Therein

The proposed service area described above contains approximately 716 lots, 696 of which are approximately 25 by 100 feet in size, and 20 of which are approximately 50 by 100 feet in size. At the hearing, applicant requested an enlargement in the proposed service area. The area as amended is shown on the map (Exhibit No. 7, herein), as having been delineated by a blue line thereon. At present there are about 250<sup>1</sup> completed homes, of which approximately 15 have their own wells. Although the record is not clear as to who is the owner thereof, it appears that Starter House Development Corp. has installed, and is continuously extending as customers are added, a water system in a portion of the proposed service area (see Exhibit No. B (amended)), presently consisting of 4- and 6-inch mains on

<sup>1</sup> Approximately 50 of these homes appear to be outside of the proposed service area and in the Park Water Company service area.

Clarkdale Avenue, and 2-inch mains on the cross streets. The mains are connected through three 2-inch meters to Park Water Company mains. These meters are located on 166th Street, Arkansas Street, and 168th Street (see points marked M on Exhibit No. B (amended)). The purchasers of homes from the Starter House Development Corp. are now being furnished water free of charge by that company, which refuses to serve other residents of the area. None of these services are metered. On January 20, 1956, Card Construction Co., Inc., (or Starter House Development Corp.) offered to transfer the existing system, which then included 8,000 feet of pipe, to applicant for the sum of \$11,408.25 (Exhibit D-1 on the application).<sup>2</sup> As the area developed more pipe was installed and the present value of the pipe is allegedly over \$14,400 (Exhibit No. 3). Initial construction of the system started approximately two years ago. Park Water Company has advised the applicant that it will continue to furnish

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<sup>2</sup> Although the record is not clear, it appears that Starter House Development Corp., Card Construction Co., Inc., and Coast Consolidated Corp. are interlocking corporations. The Commission has recently held that Starter House Development Corp. is a public utility water company and has ordered that it furnish water to the area here involved without discrimination (Decision No. 53060). On January 20, 1956, Card Construction Co., Inc., offered to transfer the existing water system to the applicant. During the hearing herein the applicant's president referred to the owner of the system as the Starter House Development Corp.