

**ORIGINAL**

Decision No. 50908

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
DOMINGUEZ WATER CORPORATION, a )  
California Corporation, for an )  
order authorizing a Deviation from )  
Published Rules and Approving a )  
Contract for Water Main Extensions )  
Entered into by Applicant with )  
Broadway-Hale Stores, Inc., which )  
provides for repayment of money )  
advanced to install pipelines during )  
a period of more than twenty years. )

Application No. 39995

Cosgrove, Cramer, Diether, and Rindge, attorneys,  
by J. D. Barnum, Jr., for applicant.  
E. J. Caldecott, attorney, for Broadway-Hale Stores,  
Inc., interested party.  
Martin Abramson for the Commission staff.

O P I N I O N

Dominguez Water Corporation, <sup>1/</sup> a California corporation,  
by the above-entitled application, filed April 11, 1958, in  
accordance with the provisions of Section 10 of General Order  
No. 96, seeks an order either approving or disapproving a water  
main installation and service contract, dated March 4, 1958,  
executed by it and Broadway-Hale Stores, Inc. <sup>2/</sup> Copy of said  
contract was attached to the application as Exhibit "A" and was  
incorporated in the record of the proceedings by reference as  
Item XI.

A public hearing on this matter was held before Examiner  
Stewart C. Warner on June 4, 1958 at Los Angeles. There were no

1/ Hereinafter referred to as applicant or Dominguez.  
2/ Hereinafter referred to as Broadway.

protests to the granting of the application.

Exhibit "A", supra, provides among other things, that applicant shall install approximately 100 feet of 6-inch, 513 feet of 8-inch, 5,230 feet of 10-inch, and 2,330 feet of 12-inch cast-iron water main, and 22 fire hydrants to serve the commercial development known as Del Amo shopping center, bounded by Carson Street, Sepulveda Boulevard, Madrona Avenue, and Hawthorne Boulevard in the City of Torrance, in the area and according to the plans shown on the map, Exhibit "B", attached to the application and incorporated in the record of the proceedings by reference as Item XII. Said Exhibit "A" also provides that said water main installation would be made pursuant to applicant's regularly filed Rule No. 20, except that the total amount of money advanced by Broadway, \$69,727.94, would be refunded annually by applicant to Broadway, on the basis of 22 per cent of the estimated annual revenue from each bona fide customer connected directly to the extension for which the cost was advanced, until the full amount of the deposit has been refunded but not beyond March 4, 1990, a period of 32 years from the date of the contract. Said exception is at variance with said Rule No. 20 to the extent that said Rule provides that refunds shall be made annually over a period not to exceed 20 years.

Items I, IX, and X are Application No. 22763, filed May 23, 1939, and Decision No. 32739 on said application, dated January 16, 1940, a map which is a part of said decision setting forth applicant's service area in said application and a map attached to a letter from applicant to the Commission dated September 20, 1957, setting forth applicant's service area as extended on said date. The record shows that the proposed Del Amo shopping center is entirely within applicant's service area.

Applicant introduced substantial testimony through its president, and general manager and chief engineer, and through Broadway's construction engineer, and through Broadway's attorney, to show that applicant's experience in developing a similar shopping center in Orange County, known as the Broadway-Hale Anaheim shopping center, indicated that the per-customer installation costs of such types of domestic water service were substantially higher than applicant's average domestic service costs; that the estimated monthly billings from the proposed Del Amo shopping center would amount to approximately \$1,000 including irrigation, fire sprinkler, and fire hydrant revenues, all as shown on Exhibit No. 1; that said proposed center would comprise approximately 70.5 acres of land with a total investment of nearly \$40,000,000, including the proposed Broadway store, a Sears Roebuck store, garden shop and service station, 40 units of mall shops, a restaurant, a super market, a drug store, and miscellaneous shops; that construction of the Broadway store had commenced and was expected to be completed on February 16, 1959; that construction of the Sears Roebuck buildings would commence in September of 1958 and would be completed in October, 1959, and that construction and completion of other buildings would depend on the success and progress of securing tenants and signed leases therefor; that under these conditions, it does not appear likely that the total amount advanced of \$69,727.94 would be refunded within a period less than 30 or 31 years; that all other provisions of Rule No. 20 would be effective, including Section A. 4. which provides for the adjustment by applicant with Broadway of any difference between the

estimated cost and the reasonable actual cost of the water main installation; and that the amount advanced could be refunded in a period less than 30 or 31 years if the revenues from the sales of water within the shopping center, or from any water service connection to the water main installations therein, were of sufficient amount. Said witnesses testified that they believed the contract Exhibit "A", supra, was fair and reasonable, and applicant's witnesses testified that it was their opinion that the contract was fair and in the interests of its other customers because (1) the contract provided service to Broadway under applicant's Rule No. 20, except for the provision noted hereinbefore and that said excepting provision, in fact, provided applicant and Broadway with the same terms as applicant's other customers were provided under Rule No. 20 and (2) that by encouraging the development of the community through the serving of water to the proposed shopping center, applicant's other customers would be benefited.

Conclusion

After a careful review of the record, the Commission concludes and finds as a fact that the execution of the contract, Exhibit "A", would not be adverse to the public interest and that the application for authority to execute said contract should be granted. The order hereinafter will so provide.

O R D E R

Application as above entitled having been filed, a public hearing having been held, the matter having been submitted


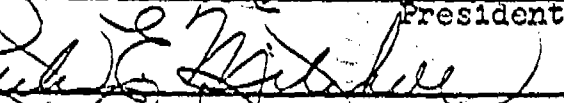
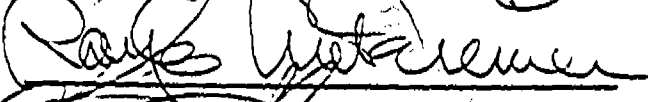

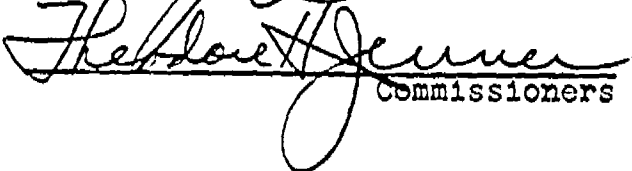
A. 39995 db/ds \*

and now being ready for decision,

IT IS HEREBY ORDERED that the application of Dominguez Water Corporation, a corporation, for authority to execute the contract dated March 4, 1958, Exhibit "A" attached to the application, between said corporation and Broadway-Hale Stores, Inc., for water main installations in and water service to Del Amo shopping center in the City of Torrance, Los Angeles County, be, and it is, granted.

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

Dated at San Francisco, California,  
this 1st day of JULY, 1958.

  
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President  
  
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Commissioners