

ORIGINALDecision No. 59449

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 the SOUTHERN CALIFORNIA WATER COMPANY
 for an order approving and authorizing
 an agreement between applicant and the
 City of Norwalk for the operation by
 applicant of water property owned by
 the City of Norwalk.

Application No. 41010

O'Melveny & Myers, by Lauren M. Wright, for
 applicant.

Ralph J. Geffen, for the City of Norwalk,
 interested party.

Martin J. Porter, for the Commission staff.

O P I N I O N

A public hearing was held in this matter before Examiner Grant E. Syphers on July 22, 1959, at Norwalk, California. On this date evidence was adduced and the matter submitted subject to the filing of a late-filed exhibit. This now has been filed and the matter is ready for decision.

More than a year ago the City of Norwalk was incorporated. Within its corporate limits there was located the Los Angeles County Water Works District No. 2 which served water to approximately 900 users. The City elected to take over this system. However, being a new small city it had no water department, and accordingly it entered into an agreement with Southern California

Water Company, under the terms of which the company agreed to operate the system for the City for a period of five years. In the instant application approval of this agreement is requested.

By its terms the contract became effective on January 1, 1959, and on that date the company proceeded to operate the system for the City. These operations have continued until the present time, and at the hearing a representative of the City testified that the City is satisfied with the arrangement and requested that it be continued.

Under the contract the City does the meter reading and collects the charges from the customers. The company performs all of the duties required to maintain the system, including daily inspections of the pumping plant facilities, daily patrolling and inspection of the distribution system, and making of minor repairs and replacements. The company receives for this service 75 cents per customer per month. In addition to this the company agrees to handle major repairs, overhauls and restorations, and for this type of service the City agrees to pay the company upon the basis of the time of the personnel used and materials at the average inventory cost of the company plus 10 percent. If capital expenditures are necessary, the agreement provides that the company may upon authorization of the City Council make capital expenditures for which the City agrees to pay the actual cost of the work done, plus 15 percent for engineering and supervision.

The system is immediately adjacent to the company's systems Norwalk "A" and "B" which have approximately 5,200 customers. The personnel used to operate these systems is being used to operate the City's water system. The company has not hired any additional personnel for this operation and does not intend to do so. Likewise the company is anxious to continue this operation in order to forestall any further expansion of the municipal operations.

A consideration of all of the evidence adduced in this matter leads us to find that approval of the contract will not be adverse to the public interest and, therefore, it will be approved in the ensuing order.

The applicant and the City of Norwalk are hereby placed upon notice that this Commission will exercise continuing jurisdiction over this contract and the operations covered by said contract, and that the continued operation pursuant to the authority herein granted shall be deemed a consent to such jurisdiction.

O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the Commission being fully advised in the premises and hereby finding it to be not adverse to the public interest,

IT IS ORDERED that the contract dated January 30, 1959, between the City of Norwalk, a municipal corporation, and Southern

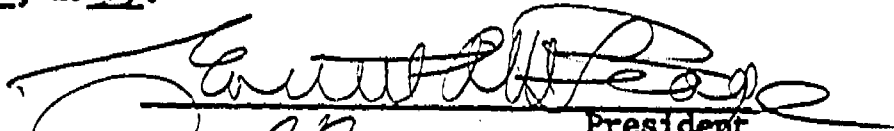
California Water Company, covering the operation of a City-owned water distribution system, be and it hereby is approved.

IT IS HEREBY FURTHER ORDERED that applicant shall:

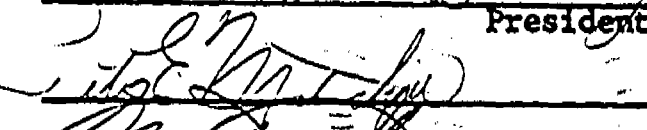
1. File with the Commission, within thirty days after the effective date of this order, two certified copies of the contract as executed, together with a statement of the date on which the contract is deemed to have become effective.
2. Notify this Commission of the date of termination of said contract within thirty days from and after said date of termination.

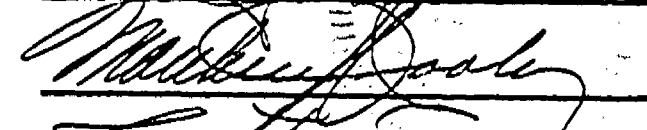
The effective date of this order shall be twenty days after the date hereof.

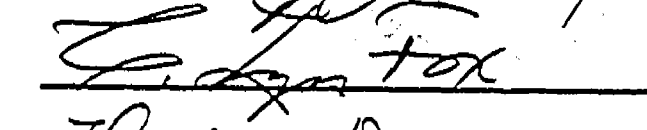
Dated at San Francisco, California, this 29th day of December, 1959.

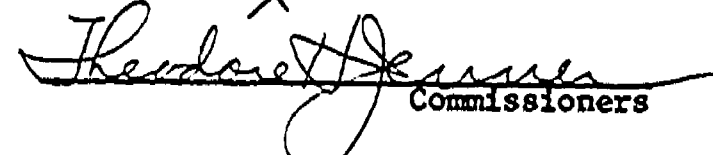


President









Commissioners