

ORIGINAL

Decision No. 60754

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations, service, and practices of COUNTY WATER COMPANY, INC., and into the adequacy of its finances, water supply and facilities.

Case No. 6412

Application of the COUNTY WATER COMPANY, a corporation, for authority to extend its water system into additional areas to operate such extended system in public utility water company service, and to exercise rights under County Franchise.

Application No. 41635

Application of the COUNTY WATER COMPANY, A corporation, for authority to extend its water system into additional areas to operate such extended system in public utility water company service, and to exercise rights under County Franchise.

Application No. 42107

John A. Erickson for applicant and respondent.
Sam E. McGuffin for Southern California Water Company; William S. Cook for Park Water Company; Lathon B. Brewer for the Los Angeles County Fire Department; and Edwin W. Medley for the City of Artesia; interested parties.
William C. Bricca, Chester Newman and Richard R. Entwistle for the Commission staff.

O P I N I O N

Pursuant to authority from this Commission, County Water Company (applicant and respondent) is authorized to render service as a water corporation (Decision No. 53568, dated August 7, 1956, in Application No. 37768). The service area is in and around the Cities of Artesia and Norwalk, California, and is bounded as follows:

Alondra Boulevard on the north, a line approximately 200 feet east of Pioneer Boulevard on the west, 170th Street on the south, and Elaine Avenue and Horst Avenue on the east.

Decision No. 53568 provided as a condition:

"The authority herein granted is subject to the restriction that applicant shall not extend its service area without further order of this Commission."

Said Decision No. 53568 has not been modified except that applicant was authorized by Decision No. 59593, dated February 1, 1960, in Application No. 37768, to refrain from installing certain mains required by said decision on 166th Street and on Elaine Avenue.

On September 28, 1954, the Main Extension Rule (Decision No. 50580) was enacted by this Commission, and effective October 9, 1956, the applicant incorporated said rule in its tariff (Rule No. 15).

In July 1957 Mr. John A. Erickson, President of the applicant, acquired all of its capital stock. On October 2, 1959, applicant filed Application No. 41635 herein. By said application it seeks authority to serve several tracts of land non-contiguous to its authorized service area, approval of certain water service agreements, authority to acquire a water system outside its certificated area, and authority to exercise a county franchise.

By a document filed on March 16, 1960, applicant amended the application by requesting that it be authorized to issue common stock to the holder of a water main extension agreement and to cancel said agreement. The agreement provides for the long-term refunding of an advance for construction related to the installation of a water distribution system in one of the extended areas.

On January 26, 1960, the Commission filed its order instituting investigation herein (Case No. 6412) to determine:

1. Whether respondent has extended or is extending its service area without proper authority from this Commission into territory other than that for which it has been granted a certificate.

2. Whether respondent should be ordered to cease and desist from unauthorized extensions of its service area.
3. Whether respondent's service sources of supply, transmission, distribution, storage or other facilities are inadequate, insufficient or improper, and whether respondent should be directed to make improvements, repairs or changes in, or additions to, its water system or to erect new structures in order to secure adequate facilities or service, or whether any other appropriate order or orders should be issued by this Commission in the lawful exercise of its jurisdiction.

These matters were consolidated for hearing, and public hearings were held before Examiner Kent C. Rogers in Artesia on February 26, 1960, and in Los Angeles on March 16, 1960. Prior to the first day of hearing notice thereof was mailed to all consumers and published as required by this Commission.

On March 24, 1960, the applicant filed a document entitled "Second Amendment to Application No. 41635", containing new evidentiary matter not presented at the prior hearing. The Commission thereupon made its "Order Reopening for Further Hearing", relative to Application No. 41635 and Case No. 6412 on April 12, 1960.

On April 5, 1960, applicant filed Application No. 42107, seeking authority to extend service to two parcels of land.

On May 10, 1960, a hearing was held on the two applications and Case No. 6412 in Artesia, before Examiner Kent C. Rogers. All three matters were consolidated for the purposes of this hearing.

In Application No. 41635 applicant alleges the exercise of a franchise was authorized by Decision No. 53568, and asks that such authority be extended to include the area requested herein. The referred to decision says nothing about a franchise from the County of Los Angeles. On the last day of the hearing herein the applicant stated that the franchise referred to was acquired by

applicant's predecessor, Starter House Corporation. It appears that the County requires a franchise and, therefore, applicant should secure such and thereafter apply to this Commission for authority for its exercise.

The Service Area

Authorized

Exhibits Nos. 2 and 3 herein show the presently certificated area. There are therein approximately 370 metered and non-metered customers. These exhibits also show the existing mains which vary in sizes from 8-inch to 2-inch. A well and an 83,000-gallon storage tank are shown on Exhibit No. 2 and are located at 167th Street and Clarkdale Avenue. The production of this well was 276 gallons per minute when tested on January 13, 1960, and is claimed by the applicant to be 380 gallons per minute. The Ralph Nottingham School occupies that portion of the Exhibit No. 3 area bounded by Clarkdale Avenue, 164th Street, 162nd Street and Elaine Avenue.

Hodges & Hodges Construction Co. installed the water system in most of the balance of the Exhibit No. 3 area.

Proposed

Application No. 41635

Although applicant's certificate specifically prohibits it from extending service, it has extended its mains, acquired new sources of supply and undertaken to serve several tracts of land and a manufacturing company west of and non-contiguous to the service area. The eastern edge of the proposed new service area is approximately 1140 feet west of the western edge of the certificated area. Exhibit No. 4 shows seven subdivisions located between 166th Street,

Flallon Avenue, Harvest Avenue and 160th Street. Therein there are a total of 507 homes, 503 of which were occupied on February 26, 1960. Immediately east thereof, and bounded by Harvest Avenue on the east, 165th Street on the south, Alora Avenue on the west, and 163rd Street on the north, is Tract No. 24984 containing 149 lots of which only 109 may be occupied at present due to an uncovered storm drain (Exhibit No. 5). South of Tract No. 24984 and bounded by 166th Street on the north, 167th Street on the south, Elmcroft Avenue on the west and Mapes Street on the east, is the service area of the American Home Water Company containing 41 services (Exhibit No. 5a). This latter company has a small well and a 10,000-gallon pressure tank located on Graystone Avenue and 166th Street, and the applicant has drilled a new well in the same well site. The new well produces approximately 610 gallons of water per minute and the old well approximately 58 gallons of water per minute. The latter two wells are approximately 10 feet apart.

There is a 4-inch transmission line in the American Home area and 4-inch and 6-inch mains in the eight numbered tracts referred to herein. An 8-inch main along 165th and 166th Streets and a 6-inch main on Clarkdale Avenue connects the three wells.

The applicant plans to meter all of the new services as fast as possible, with the exception of the American Home area.

Application No. 42107.

As filed, Application No. 42107 sought to serve a 5-acre tract located between Pioneer Boulevard, Alburtis Avenue, 161st Street and 163rd Street, and a 40-acre parcel of land, including the proposed site of the John H. Niemcs School located south of 166th Street and north of the proposed Artesia Freeway (Exhibit B

in Application No. 42107). In addition to the school, the latter area will contain homes and a market. The request for authority to serve the 5-acre parcel was withdrawn at the hearing.

The applicant will, if given permission, drill a 250-gallon per minute, or more, well on the school grounds and connect a distribution system, installed pursuant to the Main Extension Rule, to this well and to the existing 8-inch main on 166th Street.

Rates

The rates in the extended areas are to be the same as in the existing service area and applicant proposes, in addition, haulage rates and construction rates. Since the latter two categories are for a new type of service not heretofore rendered, the requested rates for haulage and construction may be filed by advice letter pursuant to Section V of General Order No. 96 of this Commission. Applicant's present rates need be refiled only for the purpose of revising the statement thereon of the territory served.

These rates appear reasonable and applicant will be permitted to file tariffs containing such rates and to make them applicable in the service area.

Financing

The applicant has issued 26,400 shares of one dollar par value common stock, all of which are presently held by John A. Erickson, its president. It was authorized by Decision No. 53568 to issue not to exceed 28,000 shares of one dollar par value common stock. It proposes to extend service to nine new tracts, an existing water company service area, a manufacturing corporation, and a school, and seeks authority to issue stock in exchange for the water system in seven of the new tracts and the assets of the water company, and to enter into standard or non-standard main extension agreements with respect to service to the manufacturing corporation and two subdivisions. In addition, applicant seeks approval of a main extension agreement which would replace an unapproved non-standard

agreement heretofore entered into by applicant and a subdivider in applicant's certificated area, and a contract to serve water to a school in said area. In considering these various requests it is necessary that the Commission consider applicant's ability to serve the area, basically, its water supply. There are no protests by other water corporations. Also to be considered are the facts that applicant's record shows consistent operating losses, and that in the past it has been unwilling to comply with this Commission's orders.

The Existing Service Area

Ralph Nottingham School

This school, in the Norwalk-La Mirada City School District, is located in that portion of applicant's certificated area bounded by 162nd Street on the north, Clarkdale Avenue on the west, 164th Street on the south, and Elaine Avenue on the east. Applicant agreed,¹ on August 18, 1958, to extend service to this school on the same basis as a main extension to serve subdivisions, tracts, housing projects, industrial developments or organized service districts. This appears appropriate. The cost of the extension was \$5,420, and as of January 1, 1960, applicant has refunded to the school district \$137.55. In addition, the school district furnished the meter. There is nothing in the record to show how this refund was computed, although the evidence shows that approximately five houses have been connected to the school main. No reason appears why the school district should not be entitled to refunds based upon a percentage of all revenue resulting from direct attachments to the main installed to serve the school, as provided in Section C.2.b. of applicant's filed Rule 15. Applicant will, therefore, be required to enter into an agreement with the Norwalk-La Mirada City School District in accordance with its Section B.2. of filed Main Extension Rule 15. All payments for water service by the said school shall be in conformance with applicant's filed tariff and refunds shall be pursuant to Section C 2b of Main Extension Rule 15 only, whether or

¹ Exhibit No. 1, Appendix B.

not an agreement is signed by said school district. Applicant will be required to reimburse the school district for the cost of the meter, to conform with Section C.1. of applicant's filed Rule 15.

Hodges & Hodges Construction Co. Agreement

This company is a partnership. The partners have installed the mains in the majority of the balance of the portion of the service area which is not occupied by the Nottingham School and is bounded by Alondra Avenue on the north, Elaine Avenue on the east, 166th Street on the south, and Pioneer Boulevard on the west (Exhibit No. 3).

This company entered into a contract with the utility on April 19, 1957, said contract providing for the installation of mains in applicant's certificated area. Hodges & Hodges Construction Company retained ownership and control of the use of these mains. This contract is not in accordance with the utility's filed Main Extension Rule 15, effective October 9, 1956, and has not been submitted to this Commission for approval.

The applicant and the partners have entered into a revised agreement, dated March 10, 1960, subject to approval by this Commission (Exhibit 8 on Second Amendment to Application No. 41635), whereby applicant will refund \$20,602 pursuant to Section C.2.b. of applicant's Main Extension Rule 15. This ~~new~~ agreement covers main installations since April 19, 1957, the date of the previous contract. Consequently, the 20-year term of the new agreement should commence April 19, 1957. Refunds should reflect the average utility revenue and number of customers actually served directly by these lines during each month for the period subsequent to April 19, 1957. This agreement is approved subject to conditions set forth in the order herein.

The Proposed Service Area

Tracts Nos. 24702, 24703, 24704,
24705, 24706, 24717 and 23180

S & S Construction Company is the subdivider of the seven tracts above listed, which contain a total of 507 homes. On January 12, 1959, applicant and S & S Construction Company entered into a subdivision Main Extension Agreement (Exhibit "B" on Application No. 41635) whereby the applicant agreed to install a water system in the above-numbered tracts; and the construction company agreed to pay applicant \$70,000 as the cost thereof. This system was completely installed prior to October 23, 1959, and on or prior to said date the applicant was paid the \$70,000 by the construction company. Under the original agreement referred to, this \$70,000 was an advance for construction and was to be refunded on the basis of 22 percent per annum over a period of twenty years. The applicant at the hearing stated that the construction company is willing to accept stock on a dollar for dollar basis, i.e., 70,000 shares of \$1.00 per share par value stock in exchange for the system and that the applicant desires that the stock issue be authorized. It is pointed out that Section A.12 of applicant's filed Main Extension Rule provides a basis for refunding advances before they become due, reflecting a discounted amount which recognizes the present worth of such future refunds. Applicant's proposal to refund the full amount of \$70,000 in stock is not in the public interest and, consistent with a number of recent decisions² on this subject, will be denied.

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Decision No. 59356, dated December 8, 1959, in Application No. 41126; Decision No. 59624, dated February 2, 1960, in Application No. 41450; and Decision No. 59777, dated March 15, 1960, in Application No. 41154.

Tract No. 24984

This tract is immediately west of the seven tracts referred to supra, and is bounded by Harvest Avenue on the east, 163rd Street on the north, Alora Avenue on the west, and 165th Street on the south (Exhibit No. 5). The tract is not yet completed but contains 147 lots, of which 40 are unusable. Applicant and S & S Construction Company have entered into a main extension agreement (Exhibit No. 1, Appendix F, pages 7-9), whereby the subdivider will install the system at a cost of \$14,600, and applicant will refund said sum on the basis of 22 percent per annum over a period of 20 years. The mains are shown on Exhibit No. 5 herein.

Applicant has violated the order of this Commission that it extend service to no additional area without further order of this Commission. The primary reason for the restriction in the order was the lack of a showing of the ability of applicant to furnish the water. It now appears that applicant has extended service to over 600 homes in the eight tracts referred to, supra, and that there are occupants in most of the homes who are receiving water from applicant. The record herein shows that other water companies in the area do not desire to serve these tracts and that if service thereto is not authorized the home owners will be without domestic water. It appears that there has not been developed sufficient water to guarantee a continuous supply of water to the entire area and that an additional well providing at least 400 gallons of water per minute must be drilled and placed in production by the applicant.

American Home Water Company

This company serves an area on Mapes Avenue, Graystone Avenue, and Alora Avenue by a system supplied from a 58-gallon per minute well (Exhibit No. 5a). The owners of this company have requested that applicant acquire the system in exchange for 8,000 shares of its one dollar par value stock. At present service is on flat rates which are the same as applicant's. Exhibit No. 6 on Second Amendment to Application No. 41635 contains an appraisal of this system showing the depreciated value of the system to be \$9,152. The requested authority will be granted.

Artesia Door Company

This company is situated on the south side of 166th Street and east of Gridley Avenue. In April 1959, when applicant extended service to the seven S & S tracts referred to supra, applicant or its agent extended an 8-inch line 650 feet to this company, with no meter. The cost of this line was \$2,750, and applicant requests approval of an agreement whereby said company will pay applicant \$54 per month and applicant will apply \$50 toward the cost of this line (Exhibit No. 9, Second Amendment to Application No. 41635). No good reason appears for any variance from Section C. of applicant's filed Main Extension Rule, and service will be at filed tariff rates and the refund will be on the basis of an industrial main extension only. Applicant shall meter this service.

Application No. 42107

As amended, the application seeks authority to extend service to a school and a subdivision contiguous to the proposed extended areas set forth above. The total area, including the school, contains approximately 40 acres and is south of 166th Street and west of Pioneer Boulevard (Exhibit B on Application No. 42107). There will be approximately 111 homes in the subdivision. It is proposed to extend service using the 166th Street main in place,

and the drilling of a new well having a production of at least 250 gallons per minute. Service will be pursuant to the applicant's filed Main Extension Rule. Authority to serve pursuant to this application will be withheld until applicant has placed its system in its certificated service area, as described in Decision No. 53568 dated August 7, 1956, in Application No. 37768, in conformance with the requirements of this Commission as specified in the order herein.

Water Supply

Disregarding the fact that the applicant was specifically ordered not to extend service beyond its certificated area without further order of this Commission, there is a substantial doubt about applicant's ability to furnish water to the entire outside area.

At the present time applicant has three wells and a standby supply from Park Water Company. The three wells are interconnected by 6-inch and 8-inch mains. It would drill at least one well to serve the territory included in Application No. 42107.

Clarkdale Well

Applicant's Clarkdale well is located at 167th Street and Clarkdale Avenue. This well discharges into an 83,000-gallon storage tank. A 350-gallon per minute booster pump delivers the water from that tank through a 10,000-gallon hydropneumatic tank into a 6-inch distribution main. The well pump was tested on January 13, 1960, and pumped 276 gallons per minute into the storage tank.

Graystone Wells

The applicant has or can acquire two wells on Graystone Avenue near 166th Street in the American Home Water Company area. One of these wells is the original supply of the 41 homes in the American Home area, and produces 58 gallons of water per minute. Applicant has drilled a new well 10 feet from the old well which, as presently equipped, produces 610 gallons of water per minute. Both wells discharge into a 10,000-gallon hydropneumatic tank. The

small Graystone well is to be used as a standby, but the staff engineer stated that each draws from the same underground storage. This was disputed by the applicant but the dispute was not verified by any hydraulic engineer. In addition, the staff estimated that the addition of a storage tank and a booster pump at the new Graystone well would increase the well pump capacity by approximately 80 gallons per minute, but would appreciably reduce its efficiency.

Meter Requirements.

While the applicant intends to meter the new subdivisions which will contain approximately 656 customers (plus 111 and a school in the Application No. 42107 area which will have its own well), the existing area containing 370 customers is only partly metered, and the American Home area is not metered and will not be metered. The staff estimated the average water use per customer will be 2,000 cubic feet per month in the new subdivision and 1,500 cubic feet per month in the American Home area and the existing certificated service area of applicant, and that if unmetered the peak hour use would be approximately 2,000 gallons per minute, or 1,920,000 gallons per day, and if all were metered, 1,120 gallons per minute or 1,080,900 gallons per day. Neither figure is applicable, of course, as the system will be only partly metered.

The staff concluded that the total daily water supply is adequate to supply the estimated peak-day requirements for a completely metered system, but the estimated peak-hour requirement of 1,120 gallons per minute cannot be met by the existing production of 886 gallons per minute (disregarding the small Graystone well). The staff also estimated that the present water supply is not adequate to supply the estimated peak-day requirements for a metered system during emergency shutdown of either well for a period of 24 hours.

There are approximately 507 homes in the seven tracts of S & S Construction Company, the occupants of which are now securing their water from the applicant, and it appears that applicant cannot at present serve these people, plus Tract No. 24984, the Artesia Door Company and the American Home Water Company customers, in addition to its existing service area, without danger. Extension to any other areas, including the S & S Tract south of 166th Street and the Artesia School District area south of 166th Street, should not be made until further order of this Commission.

Violations

As heretofore stated, applicant has made illegal extensions and extensions of its system, both in and out of the certificated area, which are not in compliance with General Order No. 103. It had no excuse for such conduct. Such violations are outlined in Chapter 4 of Exhibit No. 1. Applicant will be required to correct these items before any further extensions are made to serve any new customers other than those it is authorized to serve by the order herein. Applicant is hereby placed on notice that its actions resulting in violations of the constitution and laws of this State could subject it to a contempt proceeding or a penalty action under Sections 2107 and 2111 of the Public Utilities Code wherein the penalty prescribed is not less than \$500 nor more than \$2,000 for each offense. Any recurrence of such infractions will cause the Commission to take immediate punitive action.

Findings and Conclusions

After consideration of the record herein, the Commission is of the opinion and finds that public convenience and necessity require that applicant extend service to S & S Construction Company Tracts Nos. 24702, 24703, 24704, 24705, 24706, 24717, 23180 and 24984 as shown on Exhibits Nos. 4 and 5 herein, to the American Home Water Company tract, as shown on Exhibit No. 5a, and to the Artesia Door Company, as shown on Exhibit No. 4. This certificate is subject to the following provision of law and to the conditions contained in the order herein:

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.

The Commission also finds that applicant and Hodges & Hodges Construction Co. should enter into a refund agreement as proposed relative to an existing extension of service into the area bounded by Alondra Avenue, Elaine Avenue, 166th Street, and Pioneer Boulevard, except that the effective date for determining refunds should be April 19, 1957, and that such agreement is not adverse to the public interest.

The Commission also finds that the agreement between the applicant and the Norwalk-La Mirada City School District, relative to the Ralph Nottingham School at 11960 East 162nd Street, is not adverse to the public interest provided such agreement is modified to conform with Sections B.2., C.1. and C.2.b. of applicant's filed Rule 15 as hereinbefore discussed. Applicant will be required to revise said agreement in accordance with the views expressed herein.

The Commission is also of the opinion and finds that the money, property or labor to be procured or paid for by the issue of the securities herein authorized is reasonably required for the purposes set forth herein, and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

The Commission is also of the opinion and finds that applicant-respondent has violated the provisions of Decision No.53568, supra, in that it has extended its service area without authority from this Commission, and has violated the provisions of General Order

No. 103 of this Commission in that it has installed smaller mains than required by said general order, and has installed uncovered mains in some instances, and these violations shall be corrected.

O R D E R

Applications and order of investigation having been filed, public hearings having been held thereon, and the Commission having made the foregoing findings and based on said findings,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it hereby is granted to County Water Company, a corporation, to acquire, construct and operate a public utility water system in Tracts Nos. 24702, 24703, 24704, 24705, 24706, 24717, 23180 and 24984, Los Angeles County, California, as shown on Exhibits Nos. 4 and 5 herein, including service to the Artesia Door Company located at 11456 East 166th Street, Norwalk, California, and to the existing service area of the American Home Water Company bounded by 166th Street, Elmcroft Avenue, 167th Street, and Mapes Street.

IT IS FURTHER ORDERED:

(1) That applicant may issue not to exceed the following number of shares of its one dollar par value capital stock to the following persons or corporations for the following purpose:

Applicant may issue not to exceed 8,000 shares of its one dollar par value stock to M. H. Armstrong, J. A. Erickson, and E. L. Hodges, or either of them, in exchange for the water system of the American Home Water Company;

provided that the amount of stock hereby authorized to be issued by this ordering paragraph (1) shall not be construed to be a finding of value for rate-making purposes of the systems or facilities to be acquired under any proceedings before this Commission.

(2) That applicant and Hodges & Hodges Construction Co. may, within ten days after the effective date hereof, execute the main extension agreement in the form of Exhibit No. 8 attached to the Second Amendment to Application No. 41635 except that the

effective date for determining refunds shall be April 19, 1957. A true copy of said agreement as executed shall be filed with this Commission within ten days thereafter. It is further ordered that simultaneously with the filing of said agreement applicant shall file a map showing the installed facilities, an inventory showing the costs of the facilities, and a map of the lots supplied from the mains. The costs of the facilities shall be supported by time sheets and inventories.

(3) That the applicant shall revise its agreements with the Artesia Door Company and the Norwalk-La Mirada City Schools District in conformance with the views expressed in the foregoing opinion.

(4) That applicant-respondent shall, within six months after the effective date of this order, replace enough of the following 2-inch mains to make the length thereof conform to the Commission's requirements as set forth in General Order No. 103:

<u>Street</u>	<u>Description</u>
(a) Alagardi	2" line extending west from end of 4" line (west of Clarkdale)
(b) 161st Street	West of Clarkdale - 2" line extending west from 6" line in Clarkdale East of Clarkdale - 2" line extending east from 6" line in Clarkdale
(c) Chesterton	West of Clarkdale - 2" line extending west from end of 4" line
(d) Cedervale	West of Clarkdale - 2" line extending from end of 4" line East of Clarkdale - 2" line extending from end of 4" line
(e) 166th Street	West of Clarkdale - 2" line extending from end of 4" line East of Clarkdale - 2" line extending east from end of 4" line

(5) That applicant shall develop a well and equip it with a pump having a capacity of at least 400 gpm. Said well and pump shall be connected to the distribution system and placed in operation within nine months after the effective date of this order. No future requests for extension of the certificated area will be considered by this Commission until this condition is satisfied.

(6) That the 6-inch steel line running from the Graystone well pressure tank to the 8-inch main on 166th Street shall, within 6 months after the effective date hereof, be removed and replaced to conform to the provisions of General Order No. 103 relating to steel mains. Within ten days after compliance with this provision, applicant-respondent shall advise this Commission in writing thereof.

(7) That each month, commencing thirty days after the effective date of the order herein, applicant-respondent shall advise this Commission in writing of the progress it has made toward conformance with paragraphs (4), (5) and (6) herein.

(8) That applicant shall, within thirty days after the effective date hereof, file standard forms of main extension agreements to serve individuals and subdividers.

(9) That, within six months after the effective date hereof, applicant shall meter all services in Tracts Nos. 24702, 24703, 24704, 24705, 24706, 24717 23180 and 24984, shall meter the Artesia Door Company service, and shall reimburse the Ralph Nottingham School for the cost of the meter installed by said school. Applicant shall, within sixty days after the completion of the metering and reimbursement required herein, advise this Commission in writing thereof.

(10) That applicant is authorized to apply, after the effective date of this order, its presently effective tariff schedules to the area certificated herein.

(11) That if the authority herein granted is exercised, applicant shall file in quadruplicate with this Commission within ten days thereafter and in conformity with General Order No. 96, revised tariff schedules acceptable to this Commission, including tariff service area maps to provide for the application of said tariff schedules to the area certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

(12) That applicant 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 600 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various system properties of the applicant.

(13) That applicant shall submit by March 1, 1961, the results of its depreciation review as of January 1, 1961. This review is to be made pursuant to ordering paragraph (6) of Decision No. 53568, which required applicant to use the straight-line remaining life method, beginning with the year 1956, and to make depreciation reviews at intervals of not more than five years.

(14) That applicant shall not extend service to any area not specifically authorized by the order herein without further order of this Commission and said applicant is hereby enjoined and restrained from any such extension of service without first securing authority from this Commission to so extend such service.

(15) That Application No. 42107 is denied in its entirety, without prejudice.

(16) That, except as specifically granted by the decision herein, Application No. 41635 is denied.

(17) That applicant shall file a report, or reports, of the issue of the stock herein authorized, as required by General Order No. 24A.

The effective date of this order shall be twenty days after service of a copy of this decision upon applicant-respondent.

Dated at San Francisco, California, this 13th day of SEPTEMBER, 1960.

Ernest B. Page
President
John L. Mitchell
E. J. [unclear]

Commissioners

Matthew J. Dooley
Commissioner; Theodore H. Jenner being
necessarily absent, did not participate
in the disposition of this proceeding.