

Decision No. 61066

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the COUNTY WATER COMPANY, a corporation, for Approval of a Contract for Fire Hydrants between County Water Company and the County of Los Angeles Fire Department, by the Public Utilities Commissioner.

Application No. 42079

O P I N I O N

Introductory

County Water Company¹, a corporation, by application filed March 25, 1960, seeks approval by this Commission of an agreement, dated December 8, 1959, with the Board of Supervisors of the County of Los Angeles, acting as the governing body of the Consolidated County Fire Protection District², which relates to the furnishing of fire hydrant service to District within a portion of the City of Norwalk, Los Angeles County.

The application states that the area in which the hydrants are located is shown in detail on maps attached to Application No. 41635. By Decision No. 60754, dated September 13, 1960, in the foregoing application, Utility was granted a certificate of public convenience and necessity to provide water service in certain specific areas in Los Angeles County, Utility previously having been restricted from extending its service area without further order of this Commission. Reference to the exhibits attached to the application herein indicates that all proposed hydrant locations are within areas now certificated to Utility.

¹ Sometimes herein called Utility.

² Sometimes herein called District.

Provisions of Proposed Agreement

According to the terms of the agreement, a copy of which is attached to the application as Exhibit B, the monthly rate for the proposed service is to be \$1.75 per hydrant. It is agreed that 16 existing hydrants, after specified relocation of two of them, are acceptable to District, although ownership thereof is to be retained by Utility. Within 18 months of the effective date of the agreement, 17 additional hydrants are to be installed by Utility. Installation of additional hydrants is to be effected by Utility at its own expense, exclusive of the cost of the hydrants, but such installation is to be mutually agreed upon and accomplished only upon written order from District. Hydrant maintenance and relocation is to be at the expense of the party at whose request it is performed. Water is to be delivered for fire protection purposes only, and Utility need supply only such water at such pressure as may be available from time to time as a result of its normal operation of the water system.

The agreement contains a provision that it shall, at all times, be subject to such change or modification by the Commission as the Commission may direct in the exercise of its jurisdiction. The agreement is to be effective for a period of one year, beginning December 1, 1959, and is to remain in effect from year to year thereafter, subject to cancellation by either party upon written notice at least 30 days prior to the expiration of any such period.

Section IV of the agreement provides that water mains smaller in diameter than 6-inches will not be acceptable in any future main extension, except in those few cases authorized by District. The application herein does not indicate what the effect of such section would be upon Utility's future capital expenditures, nor is there any showing that the proposed monthly rate for fire hydrants would be compensatory for the resulting extra investment, if main sizes conform

to such minimum diameter. It appears that authorization of the reference Section IV might result in a burden on other customers of Utility. In addition, while it may be that future main extensions will be undertaken under conditions that would warrant mains no smaller than 6-inches, the requirements for such future extensions cannot be established at this time. Accordingly, authorization to carry out the terms and conditions of Section IV of the agreement will specifically be withheld from the order which follows. Since approval of this section is to be withheld, it will be necessary for the parties to enter into an amended agreement from which this section has been deleted, if it is desired to exercise the authorization herein granted.

Revenue Effect

The application states that the total revenue from all hydrants covered by the agreement is estimated to be \$57.75 per month, which amounts to less than 2% of Utility's total monthly gross revenue, based upon revenues for the month of January, 1960.

Conclusions

The Commission has considered the request of applicant and is of the opinion, and so finds, that, with the exception of the provisions of Section IV thereof, authorization should be granted to carry out the terms and conditions of the agreement, and that a public hearing is not necessary.

O R D E R

The above-entitled application having been considered, a public hearing not being necessary; therefore,

IT IS HEREBY ORDERED that County Water Company, a corporation, be and it hereby is authorized, except as hereinafter noted, to carry out the terms and conditions of the agreement dated December 8, 1959,

with the Board of Supervisors of the County of Los Angeles, acting as the governing body of the Consolidated County Fire Protection District, a copy of which agreement is attached to the application as Exhibit B, which exhibit is made a part of this order by reference.

Authorization is specifically withheld to carry out the terms and conditions of Section IV of said agreement, which section relates to minimum size of mains for future main extension installations.

If the authority herein granted is exercised, IT IS HEREBY FURTHER ORDERED that County Water Company shall:

1. File with this Commission within ninety days after the effective date of this order, two certified copies of an executed agreement, amended as hereinabove indicated, together with a statement of the date on which said agreement is deemed to have become effective.
2. Notify this Commission of the date of termination of said agreement 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 15th day of November, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners