

ORIGINAL

Decision No. 63522

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 and approving)
an agreement by and between appli-)
cant and County of Los Angeles)
transferring from said County to)
applicant the Hammerton Tract)
water distribution system.)

Application No. 44141
(Filed January 25, 1962)

O P I N I O N

Applicant is a public utility, and it and its predecessor, Dominguez Water Company, a corporation, for many years have been distributing domestic water in an area containing approximately 35 square miles, including portions of the Cities of Torrance, Long Beach and Los Angeles and a portion of the County of Los Angeles. As of January 31, 1962, it had 19,200 active service connections. Included in its service area is the Hammerton Tract in Los Angeles County territory. This tract is bounded by James Street on the north, a line 190 feet east of North Walnut Avenue on the east, a line 150 feet south of East Road on the south, and Normandie Avenue on the west. In addition, the tract includes an area 360 feet in width, extending east from North Walnut Avenue on each side of East Road, a distance of approximately 1,100 feet. Commencing on April 11, 1927, this area received, and now receives, water via lines therein owned by the County of Los Angeles, and leased to applicant's predecessor in interest and applicant. By this lease agreement the

County owns the mains, hydrants, and fittings in the tract, and a main on Normandie Avenue supplying water thereto, and the applicant's predecessor installed and owned, and the applicant now owns, the meters and services therein. This agreement as modified from time to time is presently in effect. The mains heretofore referred to are unlined Belgian cast-iron ballast pipe, are approximately 13,825 feet in length and of the following sizes: 1,025 feet of 8-inch, 7,100 feet of 6-inch, and 5,700 feet of 4-inch. These mains are in a deteriorated condition, according to the allegations of the application. As a result, and in order to continue the water supply, on September 25, 1961, the applicant and the County executed an agreement for the transfer to the applicant, without any cash consideration, of the mains and appurtenances in the Hammerton Tract, it being agreed that the applicant would rehabilitate the system therein, the County having determined that the value of the real property in said tract was not sufficient to justify an assessment thereon to raise funds for the rehabilitation of the system (Exhibit "D" to the application).

On September 25, 1961, the County of Los Angeles and applicant executed a lease agreement (Exhibit "E" to the application) leasing to applicant for 99 years from September 25, 1961, the right to flow and transport water through certain immovable cast-iron pipe line totaling 1,437 feet in length consisting of 1,296 feet of 4-inch and 141 feet of 2-inch extending under the surface of Normandie Avenue between 208th Street and a point 141 feet north of 204th Street. The purpose of said line is to enable applicant to provide

water to the Hammerton Tract. Applicant now has no pipe line which it can use to transport water to said area, and consumers have been supplied through the said 4- and 2-inch cast-iron line pursuant to existing lease agreements with the County of Los Angeles. On October 31, 1961, the County of Los Angeles executed a quitclaim deed and bill of sale transferring to applicant all of its right, title and interest in the water mains, pipes, connections, and other facilities, installed and used for distributing water to the Hammerton Tract.

Applicant alleges that its reasons for requesting authority to execute the agreements and leases referred to are that the Hammerton Tract system is within the service area of the applicant and its predecessor in interest; that through the leasing arrangements referred to applicant has served and distributed water to the consumers in the tract; and that the County of Los Angeles does not desire to rehabilitate the system. Applicant further alleges that it has the means and the water with which to provide service to the consumers, and that the service will be at applicant's filed tariff rates.

Applicant requests that the Commission: (1) approve the beforementioned transfer and lease agreements executed on September 25, 1961 by applicant and the County of Los Angeles; and (2) authorize applicant to accept the quitclaim deed and bill of sale executed by the County in favor of applicant on October 31, 1961 (Exhibit "F" to the application).

A Commission staff engineer investigated this matter and determined that there are 435 meters within the area; that the cost of rehabilitating the system in conformance with General Order 103

standards will be approximately \$42,000; that the applicant plans to rehabilitate the system over a period of five years; and that the financing of the improvements will be included within its normal arrangement for additional plant. The results of the engineer's investigation indicate that the acquisition and rehabilitation of the plant by applicant will not result in any burden upon applicant's other customers and that no main extension charges should apply to existing customers within the tract.

We find that the granting of the requested authority is not adverse to the public interest. The applicant will be authorized to carry out said agreements and to accept said quitclaim deed and bill of sale. A public hearing is not necessary.

O R D E R

Good cause appearing, IT IS ORDERED that:

1. Applicant is authorized to carry out the terms and conditions of the transfer and lease agreements (Exhibits "D" and "E" to the application) executed by applicant and the County of Los Angeles on September 25, 1961.

2. Applicant is authorized to accept the quitclaim deed and bill of sale (Exhibit "F" to the application) executed by said County in the applicant's favor on October 31, 1961.

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

Dated at SAN FRANCISCO, California, this 1st day of MAY, 1962.

Charles W. Bean
President
W. E. Hatcher
S. Lynn Fox
George H. Grover
Frederic B. Holmberg
Commissioners