

**ORIGINAL**Decision No. 65539

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Harold J. Eck  
(dba Community Water Service)  
for the following purposes:

- I) A certificate of public convenience and necessity to continue to operate a water system in Tract 2558, Paramount, California; and to continue the present flat rate of \$3.75 per month;
- II) To purchase from the City of Lakewood a small portion of its distribution system consisting of 104 metered customers in Tract 1338, partially in the cities of Paramount and Bellflower, California; and to continue the present rates now in effect.

Application No. 44965  
(Filed November 21, 1962)

(Amended January 24, 1963)  
(Amended April 8, 1963)

O P I N I O N

Applicant requests the issuance of a certificate of public convenience and necessity to construct and operate a public utility water system in Tract No. 2558, Los Angeles County, California, and to acquire from the City of Lakewood, Los Angeles County, California, and operate a public utility water system in Tract No. 1338 in the Cities of Paramount and Bellflower. The consideration for the acquisition is to be cash. The two tracts are approximately 3/4 of a mile apart.

Tract No. 2558 is divided into 119 lots and is in the City of Paramount. The area was subdivided about six years ago and water was supplied by the subdivider, but no certificate was

requested from or granted by this Commission. On November 30, 1960, applicant acquired the water system for \$8,000.

Tract No. 1338, known as Artesia Acres, a subdivision with 104 customers, is located partly in the City of Bellflower and partly in the City of Paramount. The water system therein was originally owned and operated by Ideal Petroleum Company, which sold the facilities to the City of Lakewood pursuant to authority granted by the Commission's Decision No. 63470, dated March 27, 1962, in Application No. 44242.

Applicant has executed an agreement whereby the system in Tract No. 1338 is to be acquired from the City of Lakewood for \$9,000 cash. The reason for the sale is that the tract is outside the Lakewood city limits.

Paramount County Water District (District) serves the area adjacent to each tract and supplies water to applicant for resale. The District has no objection to the proposal.

The only public utility water company in the area is the Peerless Land and Water Co., Inc., which has no objection to the proposal.

The water supply for the area is secured from District through two meters:

- (a) Tract No. 2558 is supplied through a 4-inch meter, with a capacity of 450 gpm.
- (b) Tract No. 1338 is supplied through a 3-inch meter with a capacity of 315 gpm.

The District has 9 wells and a Metropolitan Water District connection. It maintains a pressure of approximately 50 psi in the vicinity of the two tracts.

Applicant has a water supply permit for Tract No. 2558.

The distribution system in each tract consists, in part, of 2-inch, 2½-inch, and 4-inch bare steel pipes which do not meet the minimum standards of General Order No. 103. After acquiring the system in Tract No. 2558, applicant installed 930 feet of 4-inch asbestos-cement pipe. He intends to replace the 2½-inch steel pipe in Tract No. 1338 with 4-inch asbestos-cement pipe on a five-year replacement program.

Company operations are conducted from the applicant's residence at 9609 Richeon Avenue in Downey, approximately 6 miles from the tracts. Maintenance and repairs are performed by a local plumber who has done such work for other utilities. Applicant is a certified accountant. His sole water company experience is the period he has operated the system in Tract No. 2558.

Applicant proposes to charge monthly flat rates of \$3.25 per customer, which is higher than the rates of other public utility water companies in the area, but applicant voluntarily reduced the flat rate from \$3.75 per month in Tract No. 2558.

The metered rates in Tract No. 1338 are those now charged by the City of Lakewood, which rates are higher than were charged by Ideal Petroleum Company when it served the tract, but lower than those charged by Peerless Land and Water Co., Inc., in an adjacent tract.

Applicant will make both types of rates applicable throughout both areas, and will install meters wherever requested.

Findings:

Upon consideration of the evidence, the Commission finds as follows:

- (1) Applicant possesses the financial resources to acquire, construct, and operate the water system.
- (2) Public convenience and necessity require that the application be granted as set forth in the ensuing order.
- (3) The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.
- (4) Applicant's water supply and distribution facilities will provide reasonable service for the proposed certificated areas, but some portions thereof do not meet the minimum requirements of General Order No. 103.
- (5) Applicant needs a water supply permit for Tract No. 1338, but has such a permit for Tract No. 2558.
- (6) The authorization herein granted shall not be considered as a finding of the value of the rights and properties herein authorized to be transferred.
- (7) A public hearing is not necessary.

The certificate herein granted shall be subject to the following provision of law:

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 action taken herein is for the issuance of a certificate of public convenience and necessity only, and is not to be considered as indicative of amounts to be included in a future proceeding for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Harold J. Eck to construct and operate a public utility water system for the distribution and sale of water within Tracts Nos. 1338 and 2558, Los Angeles County.
2. Within one year after the effective date of this order, Harold J. Eck may purchase from the City of Lakewood the water system located in Tract No. 1338, partially in the Cities of Paramount and Bellflower, in accordance with the terms and conditions of the agreement dated October 30, 1962, attached to the application.
3. Applicant shall not extend service outside the areas herein certificated without further order of this Commission.
4. Within thirty days after the effective date of this order, applicant shall file the rates set forth in Appendix A attached to this order, together with rules and a tariff service area map. Such filing shall comply with General Order No. 96-A, and the rates, rules and tariff service area map, if acceptable to this Commission, shall become effective on the fourth day after the date of filing.
5. Within thirty days after the effective date of this order, applicant shall file four copies of a comprehensive map, drawn to an indicated scale of not more than 400 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 water system properties of applicant.

6. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

7. Applicant shall determine accruals for depreciation by dividing the original cost of the depreciable utility plant, less estimated future net salvage and less depreciation reserve, by the estimated remaining life of the utility plant. Applicant shall review the accruals as of January 1, following the date service is first rendered to the public under the rates and rules authorized herein and thereafter when major changes in depreciable utility plant composition occur, and at intervals of not more than three years. Results of these reviews shall be submitted to this Commission.

8. Applicant shall, within thirty days after the effective date hereof, apply to the health authority having jurisdiction for a water supply permit for the area included in Tract No. 1338 and report to the Commission, in writing, that application has been made for such permit.

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

Dated at San Francisco, California, this 11<sup>th</sup> day of JUNE, 1963.

George T. Brown  
President

Fredrick B. Holshoff

William C. Bennett

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the deliberation of Commissioners

APPENDIX A  
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Portions of Paramount and Bellflower, Los Angeles County.

RATES

Quantity Rates:

Per Meter  
Per Month

First	600 cu.ft. or less .....	\$ 1.55
Next	1,400 cu.ft., per 100 cu.ft. ....	.22
Next	8,000 cu.ft., per 100 cu.ft. ....	.20
Next	25,000 cu.ft., per 100 cu.ft. ....	.15
Over	35,000 cu.ft., per 100 cu.ft. ....	.13

Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$ 1.55
For	3/4-inch meter .....	2.25
For	1-inch meter .....	3.00
For	1 1/2-inch meter .....	5.50
For	2-inch meter .....	8.50
For	3-inch meter .....	17.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rat residential water service.

TERRITORY

Portions of Paramount and Bellflower, Los Angeles County.

RATE

	<u>Per Service Connection Per Month</u>
For a single-family residential unit, including premises .....	\$ 3.25

SPECIAL CONDITIONS

1. The above residential flat rate applies to service connections not larger than one inch in diameter.
2. All service not covered by the above classification shall be furnished only on a metered basis.
3. For service covered by the above classification, if either the utility or customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.