

**ORIGINAL**Decision No. 70447

## 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 granting it  
a certificate declaring that the  
public convenience and necessity  
require the exercise by it of  
rights and privileges conferred  
under the franchise granted by  
Ordinance No. 8889 of the County  
of Los Angeles.

Application No. 48184  
(Filed January 14, 1966)

O P I N I O N

Southern California Water Company requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the County of Los Angeles, permitting the installation, maintenance, operation and repair of pipes and pipelines in, under, along or across any or all highways in the unincorporated territory of said County for the transportation and distribution of water.

The franchise, a copy of which is attached to the application and designated Exhibit A, has a term of 25 years and provides for the payment each year to the County of (a) 2 percent of the gross annual receipts arising from the use, operation or possession of the franchise, and (b) an initial construction charge of \$25 per mile, or fraction thereof, for new mains laid during that year.

Applicant is a public utility water corporation and has operated water systems in certain areas of the County of Los Angeles under various franchises granted by said County. In order to consolidate these franchises into one franchise, and because certain of such franchises have expired, applicant sought and obtained the new franchise which is county-wide in area. This new franchise, granted by Ordinance No. 8889 of Los Angeles County, adopted July 13, 1965,

became effective on August 13, 1965. The ordinance provides, in effect, that all of applicant's existing franchises with respect to unincorporated territory within the County (except as to highways which are included within the highway system of the State of California as state highways) are to be rendered inoperative to the extent that the new franchise grants rights owned by applicant by reason of such existing franchises.

On the basis of operations conducted during the year ended December 31, 1964, applicant estimates that had the new franchise been operative for such period the annual payment to the County, exclusive of any initial construction charge, would have been approximately \$24,900. This is the same amount that would have been paid to the County for that period under the existing franchises.

Applicant operates water systems in unincorporated areas in Los Angeles County in the vicinities of Culver City, South San Gabriel, South Arcadia, Claremont, Torrance, Huntington Park, Artesia and Norwalk. On December 31, 1964 the total number of applicant's customers within Los Angeles County was 97,185, of which approximately 30,564 were located within unincorporated portions of the County. At that date the gross operating plant of applicant in Los Angeles County was \$32,754,458, of which approximately \$10,301,277 was located within unincorporated portions of the County. No objection to the granting of the requested certificate has been received and a public hearing is not necessary.

After consideration the Commission finds that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 8889 of the County of Los Angeles in connection with water systems operated by applicant pursuant to authorities granted under Section 1001 of the Public Utilities Code.

The certificate of public convenience and necessity herein granted is subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Southern California Water Company to exercise the rights and privileges granted by the County of Los Angeles by Ordinance No. 8889, adopted July 13, 1965.

2. The authority granted herein shall not rescind, waive or modify any restriction, limitation or condition of service imposed upon applicant by any order of the Commission.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of MARCH, 1966.

Frederick B. Helms  
President  
Paul E. Adair  
Morgan  
William W. Bennett  
Commissioners

Commissioner George G. Grover  
present but not voting.