

**ORIGINAL**Decision No. 50038

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PARK LANE WATER COMPANY, )  
 a corporation, for a certificate of )  
 public convenience and necessity to )  
 supply water within Tract No. 1593 and )  
 Tract No. 1773, Orange County, Tracts )  
 New Indio No. 1 and No. 2, Riverside )  
 County; for the establishment of rates )  
 for water service; for permission to )  
 issue securities; and to acquire water )  
 works systems. )

Application No. 35063

Eagleton & Petterson, attorneys, by Gail H. Eagleton, for applicant.  
Arlyne Lansdale, attorney, for Dyke Water Company, protestant.  
James F. Wilson and Robert M. Mann, for the Commission staff.

INTERIM OPINION

Park Lane Water Company, a corporation, by the above-entitled application filed January 15, 1954 seeks a certificate of public convenience and necessity to construct and operate public utility water systems in Tracts Nos. 1773 and 1593 in unincorporated territory in the vicinity of Garden Grove, Orange County, and in New Indio Tracts Nos. 1 and 2 in the City of Indio, Riverside County. The establishment of rates for water service, and authority to issue securities for the acquisition of water system properties are also sought.

A public hearing in this matter was held before Examiner Warner on April 8, 1954 in Santa Ana. The matter was consolidated for hearing with Application No. 35205, Dyke Water Company, for a certificate of public convenience and necessity covering territory in the vicinity of the instant application. At the request of

applicant the matter of the portion of the application pertaining to water system properties in Riverside County was continued to a date to be set. The portion pertaining to Orange County properties has been submitted.

General Information

Park Lane Water Company was granted a certificate of public convenience and necessity by Decision No. 47190 dated May 27, 1952, in Application No. 33238. The area authorized to be served is 600 feet east of Brookhurst Street and south of Chapman Avenue, and is shown in solid blue on the map, Exhibit No. 1, filed at the hearing. At the present time water service is being furnished to 47 consumers in this area.

Application to Serve Tract No. 1773

Applicant is furnishing water service to 134 consumers in Tract No. 1773 which comprises approximately 30 acres and is located on the north side of Chapman Avenue between Dale and Magnolia Avenues as shown by the blue slant-hatching on Exhibit No. 1. The source of water supply for this area is a 12-inch well 552 feet deep in which is installed a pump driven by a 40-hp motor. The pumping plant installation has a production capacity of between 485 and 550 gallons per minute, and water is discharged by said pump into a 5,000-gallon pressure tank and from there is distributed through 6- and 4-inch, class-100, Transite, pipelines.

Applicant submitted as Exhibit No. 2 a letter from the subdivider of Tract No. 2060 and tentative Tract No. 2183 requesting water service thereto. Said tracts contain a total of approximately 50 acres and are located immediately adjacent to Tract No. 1773 on the west at the northwest corner of Chapman and Dale Avenues.

Application for a Certificate Covering Tract No. 1593

Applicant is furnishing water service to 220 consumers in Tract No. 1593 which is located at the northwest corner of Chapman and Stanton Avenues. The source of water supply for this tract is a well 670 feet deep in which is installed a pump driven by a 40-hp motor. The pumping plant installation has a production capacity of between 485 and 550 gallons per minute.

Applicant proposes to connect the water system in Tracts Nos. 1773 and 1593 by installing a pipeline along Chapman Avenue between Dale and Stanton Avenues.

Rates

Applicant proposes to apply its presently filed rates for flat and general metered service to the areas requested to be certificated.

Proposed Financing

Applicant requests authority to issue 275 shares of its common class A capital stock of an aggregate par value of \$27,500 and its notes in a total sum of \$49,558.74 to acquire the water systems covered by the application. Exhibit D-3, attached to the application, shows the cost of the water system in Tract No. 1593 to have been \$39,208.79. Exhibit E-2, attached to the application, shows the cost of the water system in Tract No. 1773 to have been \$17,915.04. Exhibit F-3 shows the cost of the water system in New Indio Tracts Nos. 1 and 2 to have been \$19,773.82.

Protest of Dyke Water Company

In its Application No. 35205, heard concurrently herewith, Dyke Water Company requested a certificate of public convenience and necessity covering some 36 tracts north and south of Garden Grove in the vicinity of its presently certificated areas including Tract No. 2060 referred to in Exhibit No. 2.

Conclusion

From a review of the record it appears that the sources of water supply and distribution pipelines installed and proposed to be installed by applicant are adequate to serve the proposed areas.

The Commission is of the opinion that a certificate of public convenience and necessity should be granted to Park Lane Water Company to construct and operate a public utility water system in Tracts Nos. 1773 and 1593 as requested in the application subject to the following provision of law:

That 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 shall not be construed to be a finding of the value of the property herein described.

Although Exhibit No. 2 shows that the prospective subdivider of Tract No. 2060 and Tentative Tract No. 2183 requested water service from applicant, Park Lane's application did not cover these tracts. The record shows, on the other hand, that Tract No. 2060 was included in Dyke's application.

The certificate granted to applicant by the order hereinafter will not cover Tract No. 2060 and Tentative Tract No. 2183. Further, in order to prevent unbridled competition with Dyke the order will provide that Park Lane shall not expand in the area bounded by Dale, Stanton, Orangewood and Chapman Avenues without further order from the Commission.

Applicant's request to issue 179 shares of common stock and revenue notes in the amount of \$39,309.54 covering the acquisition of

properties in Orange County, will be approved by the order which follows.

INTERIM ORDER

Application as above-entitled having been filed, a public hearing having been held, the matter with respect to the water system properties in Riverside County having been continued to a date to be set, the matter with respect to the water system properties in Orange County having been submitted, and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require that a certificate of public convenience and necessity to construct and operate a public utility water system be granted to Park Lane Water Company, a corporation, covering Tracts Nos. 1773 and 1593, Orange County, as shown on the map, Exhibit No. 1, filed at the hearing; therefore,

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is granted to Park Lane Water Company covering the area hereinabove described, provided that no extensions shall be made in the area bounded by Chapman, Dale, Orangewood and Stanton Avenues without further order of the Commission.
2. That applicant be, and it is, authorized to apply its presently filed rates for water service to the areas certificated by this order.
3. That applicant shall refile within thirty days after the effective date of this order, in conformity with the provisions of General Order No. 96, its presently filed tariff schedules, including the tariff service area map, to provide for the application of said tariff schedules for water service in the areas certificated by this order.
4. That applicant shall file within forty days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale of not smaller than 200 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of various properties of applicant.

5. That applicant shall base the accruals to depreciation upon spreading the original cost of the plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property; applicant shall review the accruals when major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.
6. That applicant be, and it is, authorized to issue 179 shares of common class A stock for the aggregate sum of \$17,900, and a revenue note to Little Mansions, Inc., in the amount of \$28,515.62 and its revenue note to The January Company, Inc., in the amount of \$10,793.92 for a total of \$39,309.54 for the purposes indicated in the opinion preceding this order, the Commission being of the opinion that the money, property or labor to be procured or paid for by the issuance of said stock and revenue notes is reasonably required by applicant for the purposes herein stated and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.
7. That Park Lane Water Company shall file with the Commission a report or reports as required by the Commission's General Order 24-A, which order in so far as applicable is made a part of this order.
8. That the authority herein granted shall expire if not exercised on or before October 15, 1954.
9. That the authority herein granted will become effective when Park Lane Water Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$40.

Dated at Los Angeles, California, this 11<sup>th</sup> day of May, 1954.

[Signature]  
 President  
[Signature]  
[Signature]  
[Signature]

Commissioners

