

ORIGINALDecision No. 50041

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 DYKE WATER COMPANY, a corporation,)
 for authority to extend its water)
 service to additional territory in)
 the vicinity of Garden Grove, in)
 unincorporated territory, County of)
 Orange, under Section 1001, Public)
 Utilities Code of the State of)
 California.)

Application No. 35205

Arlyne Lansdale, attorney, for applicant.
Eagleton & Petterson, attorneys, by Gail H. Eagleton, for Park Lane Water Company, protestant.
Willis H. Warner, Chairman, Orange County Board of Supervisors, Joe Ogle, County Counsel, and Gail Ellis, Managing Editor, Garden Grove News, for Orange County Water Works District No. 3, protestants as to overlapping territory within Orange County Water Works District boundaries.
James F. Wilson and Robert M. Mann, for the Commission staff.

O P I N I O N

Dyke Water Company, a corporation, by the above-entitled application filed February 24, 1954 seeks a certificate of public convenience and necessity to extend its public utility water system and to construct and operate a public utility water system in areas north and south of the unincorporated community of Garden Grove, Orange County, as shown in red slant-hatching on the map, Exhibit No. 1, attached to the application.

A public hearing in this matter was held before Examiner Warner on April 8, 1954 at Santa Ana. The matter was consolidated for hearing with Application No. 35063, Park Lane Water Company, which sought a certificate of public convenience and

necessity in an area in the same vicinity. Park Lane Water Company protested the granting of Dyke's application covering Tract No. 2060, and Orange County Water Works District No. 3 protested the expansion of applicant's water system within the County Water District's boundaries.

General Information

Dyke Water Company has been granted certificates of public convenience and necessity by Decisions Nos. 46758, 47058 and 49393, ^{Exhibit No. 1 en} covering the areas shown in solid red on the north side of Chapman Avenue at Euclid Avenue, on the north side of Chapman Avenue in Edgewood Circle, on the north side of Chapman Avenue between Magnolia Avenue and Gilbert Street, and north of Katella Avenue between Gilbert and West Streets. It is now furnishing water service to approximately 1,000 customers in these areas and in the areas requested to be certificated.

Scope of Application

The application herein being considered covers 36 tracts and applicant estimates that there will be a total of approximately 4,250 customers when the subdivisions of such tracts have been completed.

Sources of Water Supply

Applicant's sources of water supply comprise a series of wells each of which is or is proposed to be interconnected with the other. Applicant proposes to effect and has applied for three connections with Metropolitan Water District pipelines at two points along Lewis Street and at another point near Katella Avenue and Brookhurst Street. Applicant proposes to construct a two to three million gallon cement-lined, underground, reservoir in the area north of Katella Avenue and interconnect such reservoir with its system south thereof through the installation of a transmission pipeline south on Brookhurst Street.

The record shows that applicant's distribution mains are all six inches in diameter except for mains laid in cul de sacs and used for interconnections. Applicant has installed double-headed fire hydrants spaced at intervals of 500 to 600 feet throughout its system. A total of 15 employees are employed full time, and applicant operates a radio system in its office, trucks, and pumping areas and a mobile telephone is installed in office cars.

The record shows that no complaints have been received by applicant regarding the quality of water, water pressures or water service except for breaks in service caused by construction operations.

Water system installations in the tracts enumerated in the application in most instances have been made under contract with subdividers under applicant's rules and regulations for the extension of its water system on file with the Commission.

Protest of Orange County Water Works District No. 3

Witnesses for the Orange County Water Works District No. 3 testified that applicant was furnishing water service to several tracts within its boundaries as shown on the map, Exhibit No. 1, filed at the hearing. They protested the expansion of applicant's water system within the boundaries of the County Water Works District on the grounds that property owners of said water district were paying a tax in support of the capital expenditures thereof, and water users of the district were paying through their rates for the operation of the County Water Works District system. They stated that there would be a duplication of costs and water system facilities if applicant expanded its water system.

Orange County Water Works District is governed by the Orange County Board of Supervisors and has numerous wells throughout

its area which constitute its present sources of water supply. It proposes soon to effect a connection with Metropolitan Water District pipelines of the Orange County Municipal Water District and the record shows that Orange County Water Works District No. 3 is ready, willing, and able to serve all customers within its boundaries.

Protest of Park Lane Water Company

Park Lane Water Company protested the granting of applicant's request to serve Tract No. 2060 since Park Lane was presently furnishing water service in Tract No. 1773, immediately adjacent to Tract No. 2060 on the east, had applied for a certificate to cover such Tract ^{No. 1773,} and had received a written request (Exhibit No. 2) from the subdividers for water service to Tract No. 2060 and tentative Tract No. 2183.

Conclusion

From a review of the record it is evident that the sources of water supply, storage, transmission and distribution facilities installed and proposed to be installed by applicant are adequate to serve the areas requested to be certificated by this application. The Commission is of the opinion that a certificate of public convenience and necessity should be granted to Dyke Water Company to serve the area requested in the application, except Tract No. 2060 on the north side of Chapman Avenue and west of Dale Avenue, 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.

Applicant will be authorized to apply its presently filed rates for water service to the area certificated hereinafter.

Although it is evident that Dyke Water Company is presently furnishing water service through its own water systems and has contracted with subdividers to install water systems and furnish water service within the boundaries of Orange County Water Works District No. 3, applicant's present water system installations and contracts were not protested by the District.

The order which follows will provide that applicant shall not further extend or expand its water system within the boundaries of Orange County Water Works District No. 3 as such boundaries are shown on the map, Exhibit No. 9, filed at the hearing or enter into any further contracts for water service within such boundaries without further order of the Commission.

O R D E R

Application as above-entitled having been filed, a public hearing having been held, the matter 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 be granted to Dyke Water Company, a corporation, covering the areas delineated by red slant-hatching on Exhibit No. 1 attached to the application, except that Tract No. 2060 on the north side of Chapman Avenue between Stanton and Dale Avenues shall be excluded therefrom, therefore,

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and is granted to Dyke Water Company to construct and operate a public utility water system and to extend its water system in the area hereinabove described.

2. That applicant be, and it is, authorized to apply its presently filed rates for water service to the area 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 not further extend its water system in the area bounded by Dale, Chapman, Stanton and Orangewood Avenues, excluding the portion of Tract No. 1934 certificated hereinabove, without further order of the Commission.
6. That applicant shall not further expand or extend its water system within the boundaries of the Orange County Water Works District No. 3 as such boundaries are delineated on the map, Exhibit No. 9, filed at the hearing in this matter, or enter into any further contracts for water service within such boundaries without further order of the Commission.
7. 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.

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

Dated at Los Angeles, California, this 11th day of May, 1954.

John E. Marshall
President
Justus J. O'Brien
Kenneth Pottel
Gene Roggins

Commissioners.