

ORIGINALDecision No. 50683

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CORDOVA WATER COMPANY)	
for a certificate of public conven-)	
ience and necessity to purchase,)	
construct and operate a water system)	Application No. 35640
in the County of Sacramento, California,)	First Supplemental
to establish rates and for a permit to)	
issue stock.)	
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FIRST SUPPLEMENTAL OPINION

The original application for a certificate herein was denied without prejudice, after hearing, due to applicant's failure, in the Commission's opinion, to present a feasible plan for acquisition of water facilities from Rancho Cordova Corporation, owner and developer of the tract in which applicant requests authority to render public utility service. (Decision No. 50672, October 19, 1954.)

A first supplemental application, filed October 21, 1954, alleges that applicant has now engaged to acquire the water system, including well-sites, wells, casing, pumps, motors, tanks and distribution facilities in existence, listed at \$20,656.65 in the pro forma balance sheet annexed to the supplemental application, in exchange for 300 shares of applicant's capital stock.

A revised pro forma operating statement submitted by applicant for the initial unit in the tract, based on a full year's operation at the requested rates, indicates gross revenue of \$4,380, and net operating profit, after taxes and depreciation, of \$1,816.73. We hereby find the rates proposed by applicant, as incorporated in Appendix A attached to this decision, to be reasonable.

Applicant requests a certificate at this time covering only Units Numbers One, Two and Six of Rancho Cordova subdivision. Additional authority, applicant states, will be requested in a further supplemental application.

The record shows that applicant possesses a franchise from The Board of Supervisors of Sacramento County to construct, operate and maintain a water supply system in a portion of Sacramento County described in the original application.

Upon consideration of the First Supplemental Application herein we conclude that applicant should be granted a certificate, as requested, limited to Units Numbers One, Two and Six of Rancho Cordova subdivision. Authority to serve additional units, as stated by applicant, will be sought in future applications to the Commission. Applicant is placed on notice that it may not, without further order of the Commission, extend service beyond the boundaries of Units Numbers One, Two and Six of Rancho Cordova subdivision as said units are delineated upon a map which applicant will hereinafter be directed to file.

A public hearing is not necessary.

The certificate of public convenience and necessity issued herein is 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.

FIRST SUPPLEMENTAL ORDER

The above-entitled First Supplemental Application having been considered and the Commission now being fully advised,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction and operation of a public utility water system by Cordova Water Company, a corporation, in Units Numbers One, Two and Six only of Rancho Cordova subdivision, which subdivision is located in that portion of the County of Sacramento, State of California, more particularly described as follows:

Beginning at the intersection of the center line of Citrus Road with the center line of U. S. Highway 50 (Folsom Boulevard) thence southwesterly along the center line of U. S. Highway 50 to the center line of Coloma Road; thence northwesterly along the said center line of Coloma Road and the northwesterly projection thereof to the southerly bank of the Natomas Water Company irrigation ditch; thence meandering northeasterly along the said southerly bank of said ditch to the center line of said Citrus Road; thence southeasterly along said center line to the point of beginning.

IT IS HEREBY FURTHER FOUND AS A FACT that the money, property, or labor to be procured or paid for by the issuance of 300 shares of stock herein authorized, is reasonably required by Cordova Water Company for the purposes herein stated, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED that:

1. A certificate of public convenience and necessity be and it is hereby granted Cordova Water Company to construct and operate a public utility water system in Units Numbers One, Two and Six of the subdivision hereinbefore described; provided, however, that the certificate of public convenience and necessity herein granted to Cordova Water Company shall be subject to the condition that it shall not make extensions into other territory contiguous to Units Numbers One, Two and Six of the subdivision hereinbefore described without authority first having been obtained from this Commission.

2. Applicant is authorized to file the rates set forth in Appendix A attached to this order to be effective on or before the date service is first rendered to the public, together with rules and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such rates, rules and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.
3. Applicant shall notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.
4. Applicant shall file within forty days after the system is placed in operation four copies of a comprehensive map, drawn to an indicated scale not smaller than 200 feet to the inch, delineating by appropriate markings the various tracts of land and territory served for which this certificate is issued; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.
5. 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.(a) Applicant, after the effective date hereof and on or before December 31, 1954, may issue 300 shares of its capital stock in exchange for the properties described in the foregoing opinion.

(b) Applicant shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
7. The authorization herein granted will lapse if not exercised within one year from the date hereof.

Finding it to be not adverse to the public interest
to make this order effective as soon as practicable,

IT IS FURTHER ORDERED that the effective date of this
order shall be the date hereof.

Dated at Los Angeles, California, this 26th day
of OCTOBER, 1954.

Walter E. Mitchell
President

Justin J. Casner

Kenneth P. Patten

James Higgins

Raylo Luterman
Commissioners

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Units Numbers One, Two and Six of an unincorporated area known as Rancho Cordova located adjacent to U.S. Highway 50 approximately 13 miles east of the City of Sacramento, Sacramento County.

RATES

Quantity Rates:		Per Meter Per Month
First	800 cu.ft. or less	\$2.00
Next	1,200 cu.ft., per 100 cu.ft.195
Next	3,000 cu.ft., per 100 cu.ft.17
Next	5,000 cu.ft., per 100 cu.ft.14
Over	10,000 cu.ft., per 100 cu.ft.12
Minimum Charge:		
For	5/8 x 3/4-inch meter	\$2.00
For	3/4-inch meter	2.50
For	1-inch meter	3.50

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

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service rendered to residential consumers on a flat rate basis.

TERRITORY

Units Numbers One, Two and Six of an unincorporated area known as Rancho Cordova located adjacent to U.S. Highway 50 approximately 13 miles east of the City of Sacramento, Sacramento County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>
1. For each single family residence of two bedrooms or less on a single subdivision lot	\$3.00
2. In addition, for each bedroom in excess of two50
3. In addition, for each additional residential unit on premises served from the same service connection	1.00

SPECIAL CONDITIONS

1. The above rates apply only to 3/4-inch and 1-inch service connections.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. Meters may be installed at option of utility or consumer for above classifications in which event service thereafter will be rendered only on the basis of Schedule No. 1, General Metered Service.