

Decision No. 50894**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Rio Plaza Water Company,)
 Inc. to operate a water system in the) Application No. 35533
 vicinity of El Rio, Ventura County,)
 California, and to establish rates.)

Samuel Oschin, president; Marvin Berke, William Reppy, attorney; Edgar Phillip Kurtzman, vice president; and Arthur Sherman, engineer, for applicant.
Reginald H. Knaggs, for the Commission staff.

O P I N I O N

Rio Plaza Water Company, Inc., a corporation, by the above-entitled application filed June 21, 1954, seeks a certificate of public convenience and necessity to construct and operate a public utility water system in unincorporated territory about seven miles east of Ventura, three miles north of Oxnard and two miles south of Saticoy in Ventura County. The map, Exhibit B attached to the application, shows the location of the proposed service area with respect to Oxnard and vicinity. The establishment of rates for water service is also sought.

A public hearing in this matter was held before Examiner Stewart C. Warner on November 4, 1954 at Ventura. There were no protests to the granting of the application.

General Information

Applicant's Articles of Incorporation were filed with the Secretary of State on June 17, 1954. Its first directors, as set out in said articles, are Samuel Oschin and Irving Oschin, Culver City, and Marvin J. Berke, Los Angeles. Its present officers are

Samuel Oschin, President; Edgar Phillip Kurtzman, Vice President; and Irving Oschin, Secretary-Treasurer. The principal offices are maintained at 12038 Washington Boulevard, Culver City. Applicant is authorized by its articles to issue 1,500 shares of one class of stock of the par value of \$50.00 per share, and of an aggregate par value of \$75,000. No authority to issue stock is requested by the instant application although applicant's witness testified that such an application was in the process of preparation.

Description of Proposed Service Area

Applicant's proposed service area comprises 114 acres plus 11 acres set aside for a school site, all as shown on the map Exhibit No. 2 filed at the hearing. As of the date of the hearing 55 acres had been subdivided and were under development, and 92 service connections had been completed with 150 additional units and potential service connections under construction. The terrain of the area is flat. The west portion of the area has been reserved for commercial purposes and borders Vineyard Avenue, a principal thoroughfare.

Description of Water System

Applicant's source of water supply comprises a recently drilled deep well located just outside and north of the proposed service area.^{1/} The presently installed pumping plant installation, comprising a 40-hp electric motor direct-connected to a Wintroath deep well turbine pump, has a tested production capacity of 1,438 gallons per minute. During the well test the static water level was 91 feet with a drawdown of 7 feet. In addition, applicant

^{1/} This well was acquired by applicant from the United Water Conservation District by exchange, plus a consideration, of a well in a less favorable location owned by applicant.

proposes to effect a standby connection with the water spreading operations of the United Water Conservation District for emergency purposes.

Water is pumped directly from the well into a 21,000-gallon storage tank and a 40-hp electric motor direct-connected to a booster pump operates from a 10,000-gallon pressure tank which maintains operating pressures of from 50 to 70 pounds per square inch, with automatic controls. Distribution pipelines comprise 3-, 4-, 6-, and 8-inch steel mains. As of the date of the hearing no consumers were being served but applicant's witness testified that service would be commenced about December 25, 1954, all lots and houses under construction having been sold prior to the start of actual construction. Applicant proposes to install 14 fire hydrants and proposes to enter into an agreement with, and for the furnishing of fire hydrant service to, the Ventura County Fire Protection District.

The record shows that the source of water supply has been tested by Ventura County Health Department authorities and found to be potable.

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

Rates

Applicant proposes to charge a flat rate of \$5.00 per month for each residence, \$2.50 per month for each 2,000 square feet of commercial space served, and \$5.00 per month for each 4,000 square feet of commercial space served.

Applicant also proposes the following quantity rates.

<u>Quantity Rates</u>	<u>Per Meter per Month</u>
First 1,400 cubic feet or less	\$4.00
Next 2,600 cubic feet, per 100 cubic feet20
Next 4,000 cubic feet, per 100 cubic feet15
Over 8,000 cubic feet, per 100 cubic feet10

Financing

Applicant's president has advanced approximately \$40,000 for the presently installed water system facilities, including the acquisition of the well and well site. Samar Developers, Inc., subdividers of the proposed area, will advance approximately \$28,000 for the construction of the balance of the water system. Such advance will be made according to the subdivider's extension rule which applicant proposes to adopt and file when this certificate is granted.

Conclusion

The Commission has considered this application for a certificate of public convenience and necessity and is of the opinion that it should be granted 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.

The rates requested by applicant are higher than those authorized for comparable public utility water companies in the

vicinity and the schedules of rates hereinafter authorized are accordingly lower than those requested for metered and flat rate service.

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 Rio Plaza Water Company, Inc., a corporation, be granted a certificate of public convenience and necessity to construct and operate a public utility water system in unincorporated territory about seven miles east of Ventura, three miles north of Oxnard, and two miles south of Saticoy, Ventura County, in the area shown on the map Exhibit A attached to the application and on the map Exhibit No. 2 filed at the hearing, therefore,

IT IS HEREBY ORDERED as follows:

1. That Rio Plaza Water Company, Inc., a corporation, be and it is granted a certificate of public convenience and necessity to construct and operate a public utility water system in the area described hereinabove.
2. That applicant be, and it 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. That applicant shall file, within forty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map drawn to an indicated scale not smaller than 300 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.

4. 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 the Commission.

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

Dated at San Francisco, California, this 21st day of December, 1954.

John E. McMillan
President

Justin J. Casner

Kenneth Fottler

James Higgins

Ray L. Intereven
Commissioners

APPENDIX A
Page 1 of 3

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Rio Plaza subdivision in the vicinity of El Rio, Ventura County.

RATES

	<u>Per Meter per Month</u>
Quantity Rates:	
First 700 cu.ft. or less	\$3.00
Next 1,300 cu.ft., per 100 cu.ft.....	.20
Next 3,000 cu.ft., per 100 cu.ft.....	.15
Over 5,000 cu.ft., per 100 cu.ft.....	.10
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.00
For 3/4-inch meter	3.50
For 1-inch meter	4.50
For 1-1/4-inch meter	6.00
For 1-1/2-inch meter	7.50
For 2-inch meter	10.00
For 3-inch meter	15.00
For 4-inch meter	25.00

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

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Rio Plaza subdivision in the vicinity of El Rio, Ventura County.

RATES

	<u>Per 3/4-Inch Service Connection per Month</u>
For each single family residence on a single lot	\$4.00

SPECIAL CONDITIONS

1. All service not covered by the above classification will be furnished only on a metered basis.
2. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be rendered only on the basis of Schedule No. 1, General Metered Service.

Schedule No. 3

PUBLIC FIRE HYDRANT SERVICEAPPLICABILITY

Applicable to all fire hydrant service rendered to duly organized county fire protection districts or other political subdivisions of the state.

TERRITORY

The unincorporated area known as Rio Plaza subdivision in the vicinity of El Rio, Ventura County.

RATES

	<u>Per Hydrant per Month</u>
1. From a main less than 4-inch diameter	\$0.50
2. From a 4-inch main, risers 3-inch diameter or less...	1.00
3. From a 6-inch main, risers 3-inch diameter or less...	1.00
4. 4 x 2-1/2-inch single outlet from 4-inch main.....	1.25
5. 4 x 2-1/2-inch single outlet from 6-inch main.....	1.50
6. 4 x 2-1/2-inch single outlet from 8-inch main.....	2.00
7. 4 x 2-1/2-inch double outlet from 6-inch main.....	2.50
8. 4 x 2-1/2-inch double outlet from 8-inch main.....	3.00

SPECIAL CONDITIONS

1. The cost of installation and maintenance of hydrants will be borne by the utility.
2. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of its water system.