

ORIGINAL

Decision No. 50869

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of)
CORDOVA WATER COMPANY for a Certificate)
of Public Convenience and Necessity to) Application No. 35640,
Purchase, Construct and Operate a Water) 2nd and 3rd Supplemental
System in the County of Sacramento,)
California, to Establish Rates and for)
a Permit to Issue Stock.)

O P I N I O N

The Commission, on October 26, 1954, granted a certificate of public convenience and necessity to Cordova Water Company to construct and operate a water system limited to Units Nos. 1, 2 and 6 of Rancho Cordova subdivision, located east of the City of Sacramento between the American River and U. S. Highway 50. The order also authorized the company to establish rates for water service and to issue and sell 300 shares of its capital stock in exchange for water production and distribution facilities, costing \$20,656.65, installed by the subdivider, Rancho Cordova Corporation. (Dec. No. 50683, Application No. 35640 - 1st Supp.)^{1/}

On November 16, 1954, the company filed a Second Supplemental Application in which it alleged that it had delivered 300 shares of its capital stock to Rancho Cordova Corporation in exchange for a bill of sale to all the equipment and physical assets of the water system; that the company was in a position to supply water to consumers and to extend its facilities throughout the rest of the subdivision, described in Exhibit A attached to the Second Supplemental Application. A certificate was requested covering the balance of the area sought to be served. No proposal was

^{1/} The original application herein was denied without prejudice for failure to submit a feasible financial program. (Dec. No. 50672, October 19, 1954).

submitted in that application for financing the purchase of facilities for the additional units of the subdivision, estimated to cost \$72,599.10.

The company's Third Supplemental Application filed December 15, 1954--in effect, an amendment of the previous pleading with respect to financing the project--alleges that the company has engaged to acquire from Rancho Cordova Corporation a water system for all the area proposed to be served, comprising Rancho Cordova Units Nos. 1-15, in exchange for 100 shares of applicant's capital stock for each one of the units. As stated, the Commission has already authorized issuance of 300 shares of stock in exchange for facilities to serve Units Nos. 1, 2 and 6. Authority is now requested to issue to Rancho Cordova Corporation 1,200 shares of applicant's capital stock in exchange for facilities required to serve the 12 remaining units of the tract.

We have considered the Second and Third Supplemental Applications herein and we conclude that, since the proposed method of financing appears to be reasonable, applicant should now be granted a certificate to serve the whole area for which authority is requested.

The following order will provide, among other matters, for issuance of a new certificate covering Units Nos. 1-15 of Rancho Cordova subdivision, in lieu of the certificate heretofore granted by Decision No. 50683, which was limited to Units Nos. 1, 2 and 6.

A public hearing is not deemed necessary.

O R D E R

The Second and Third Supplemental Applications of Cordova Water Company 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 all that certain land, including Units Nos. One to Fifteen, inclusive, of Rancho Cordova subdivision, situated in the County of Sacramento, State of California, which land is more particularly described as follows:

Beginning at the intersection of the center line of Cordova Lane and the center line of Coloma Road; thence southeasterly along the center line of Cordova Lane to the center line of Folsom Boulevard (U. S. Highway 50); thence southwesterly along the center line of Folsom Boulevard to the center line of Coloma Road; thence northwesterly and northeasterly along the center line of Coloma Road to the point of beginning, EXCEPTING therefrom the properties of Frank Chilton, Joseph M. Mendonca and Fenton Williamson.

IT IS HEREBY FURTHER FOUND AS A FACT that the money, property or labor to be procured or paid for by the issuance of 1,200 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, in the place and stead of the certificate heretofore granted to said company by Decision No. 50683 herein, to construct and operate a public utility system for the sale and distribution of water within the territory hereinbefore described.
2. Applicant is authorized to file the rates set forth in Appendix A attached to said Decision No. 50683, revised, however, to include the area for which this certificate is granted, 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.


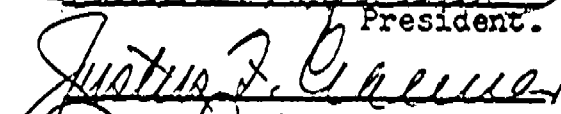
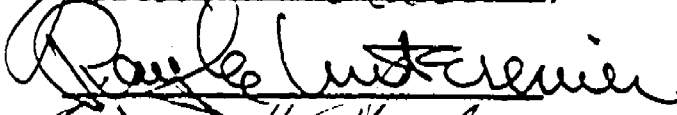
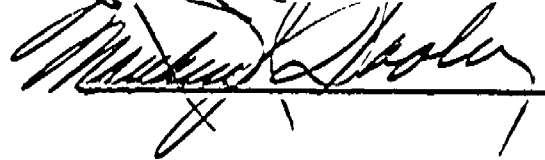
3. Applicant shall notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.
4. Applicant shall file within forty days after the system is placed in operation four copies of a comprehensive map, drawn to an indicated scale 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 June 1, 1955, may issue not exceeding 1,200 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.
8. The filing by Cordova Water Company of rates, rules and maps authorized or required by the foregoing order, relating to the entire system for which this certificate is granted, shall be deemed to effect compliance with corresponding provisions of the order in Decision No. 50683, relating solely to Units Nos. One, Two and Six of Rancho Cordova subdivision.

Finding that the public interest will not be adversely affected thereby,

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

Dated at San Francisco, California, this 10th day of JANUARY, 1955.


President.




Commissioners.