

ORIGINAL

Decision No. 54278

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFIC WATER CO., a California )  
 corporation, for a certificate of )  
 public convenience and necessity )  
 under Section 1001 of the Public ) Application No. 38189  
 Utilities Code for land adjoining )  
 its Westside Water System, San )  
 Bernardino County, California. )

Moss, Lyon and Dunn, by George C. Lyon, for  
 applicant.  
Verle N. Fry, for Builders Control Service Company,  
 interested party.  
Charles W. Drake, for the Commission staff.

O P I N I O N

The applicant, Pacific Water Co., a California corpora-  
 tion, has authority from this Commission to operate public utility  
 water systems in Los Angeles, Orange, Kern and San Bernardino  
 Counties. Included is authority to serve an area in San Bernardino  
 County lying about four miles west of the City of Barstow and  
 designated by applicant as its Westside Water System. This system  
 serves an area of approximately 550 acres located in Sections 5, 8  
 and 17, Township 9 North, Range 2 West, S.B.B. and M.<sup>1/</sup> The area  
 is shown on Exhibit No. 3 herein.

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<sup>1/</sup> Decision No. 41619, dated May 25, 1948, in Application  
 No. 28642; and Decision No. 50095, dated June 1, 1954, in  
 Case No. 5514 and Application No. 35290.

By the application, filed with this Commission on June 26, 1956, applicant seeks authority to extend service to all of Sections 8, 9, 10, 15, 16 and 17, Township 9 North, Range 2 West, S.B.B. and M., which area includes all of applicant's presently certificated Westside service area except that portion in Section 5 which applicant will continue to serve. The proposed service area is shown on Exhibit A attached to the application. There are no competing public utility water companies in the area. Applicant also seeks authority to make effective in the proposed service area the rates now in effect in its Westside system, and to purchase a presently existing, but incomplete and nonoperative, water system in a portion of the proposed service area.

A public hearing on the application was held in Barstow on October 23, 1956, before Examiner Kent C. Rogers, and the matter was submitted subject to the filing of Exhibit No. 4 and of points and authorities. These items have been filed and the matter is ready for decision. Prior to the hearing, a notice thereof was published as required by this Commission.

The Service Area

The proposed certificated area consists of six sections of land bisected by U. S. Highway No. 66. Applicant's Westside system serves various contiguous housing tracts in Sections 8 and 17. Included in the proposed service area are an unincorporated community known as Lenwood, lying south of U. S. Highway No. 66 and west of the Westside system but noncontiguous thereto, Tracts

Nos. 5053, 2930, 4552 and 5080, an unsubdivided piece of property owned by a Mrs. Bird, and an unsubdivided piece of property owned by Sunland Properties, Inc. (see page 22 of Exhibit No. 2).

Tracts Nos. 5053 and 2930 are contiguous to each other, and Tract No. 5053 is contiguous to and immediately east of the Westside system.

Existing Facilities in the Westside System

The Westside system's source of supply consists of two wells, pumping plants and pressure tanks, all located north of the service area.

Pumping Plant No. 1 consists of a well and pumping equipment capable of providing 237 gallons of water per minute, together with a 5,400-gallon pressure tank. Pumping Plant No. 2 consists of a well and pumping equipment capable of producing 600 gallons per minute, together with a 2,200-gallon pressure tank.

Applicant owns a 100,000-gallon storage tank about 750 feet south of the Westside service area, together with a 7½-horsepower booster pump approximately 2,000 feet north of the storage tank.

There were 312 active service connections and 23 inactive service connections in the system on June 30, 1956. The system, together with transmission lines, is shown on Exhibit No. 3 herein.

The Department of Public Health of the State of California granted applicant a water supply permit for the system on August 8, 1955.

Rates

If applicant is granted authority to serve the area, it proposes to assess its effective Westside rates. These rates are as follows:

Schedule No. WS - 1  
Westside Tariff Area  
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated territory including Tract Nos. 3705, 4126, 3396 and 3817, approximately four miles west of the town of Barstow, San Bernardino County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
<u>Quantity Rates:</u>	
First 900 cu.ft. or less. . . . .	\$ 1.75
Next 4,100 cu.ft., per 100 cu.ft.. . . . .	.15
Over 5,000 cu.ft., per 100 cu.ft.. . . . .	.10
 <u>Minimum Charge:</u>	
For 5/8 x 3/4-inch meter . . . . .	1.75
For 3/4-inch meter . . . . .	2.00
For 1-inch meter . . . . .	2.50
For 1 1/2-inch meter . . . . .	5.00
For 2-inch meter . . . . .	10.00

The minimum charge will entitle the customer to the quantity of water which that minimum charge will purchase at the quantity rates.

Schedule No. WS - 2

Westside Tariff Area

MONTHLY FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service furnished on a flat rate basis.

TERRITORY

The unincorporated territory including Tract Nos. 3705, 4126, 3396 and 3817, approximately four miles west of the town of Barstow, San Bernardino County.

RATES

	<u>Monthly Flat Rates</u>
For 3/4-inch service connection, per single family unit . . . . .	\$ 3.00
or single lot not in excess of 10,000 square feet and \$0.04 per month for sprinkling or irrigation of each additional 100 square feet.	
For each additional dwelling . . . . .	2.00
For 1-inch service connection, per single-family unit or single lot not in excess of 10,000 square feet and \$0.04 per month for sprinkling or irrigation of each additional 100 square feet. . . . .	3.75
For each additional dwelling . . . . .	2.00

All services are to be metered.

Applicant has pending before this Commission an application for authority to increase the rates in the existing and proposed service area, (Application No. 38441).

Public Convenience and Necessity

The applicant's witness testified that applicant has been requested to furnish water to 233 lots in Tract No. 5053; to 198 lots in Tract No. 2930; to 44 lots in Tract No. 5080, a portion of original Tract No. 4552; to a 40-acre parcel owned by Mrs. Bird in Section 10; to a tract owned by the Sunland Properties, Inc.; to Tract No. 4552 (original Tract No. 4552, less Tract No. 5080) and an 11-acre parcel and to the remainder of original Tract No. 4552, the 11-acre parcel. In addition, several owners of lots lying in Section 10 east of Tract No. 4552 appeared at the hearing and requested that the applicant be authorized to serve them. The evidence shows that Tract No. 5053 will not be in need of water until after 1960, and that Tract No. 2930 and the Sunland Properties territory will not require water until after 1959. Mrs. Bird is requesting water for her 40 acres, but the record does not show that a subdivision map has been filed or approved. Between 50 and 55 lot owners in the Lenwood area have requested that applicant furnish them with water (Exhibit No. 4). This area is not contiguous to applicant's existing Westside system and the record shows that it would cost a total of approximately \$100,000 for an extension to serve it from applicant's existing system.

Original Tract No. 4552 consisted of 92 lots on 25 acres of ground. Thirteen homes were constructed in this tract on three acres early in 1956. At the time the 13 houses were constructed, a well and a transmission line were installed, but no pump and storage facilities were provided. The homes and system were taken over by the interested party, Builders Control Service Company. This company requests that a certificate of public convenience and necessity be granted to applicant at the earliest possible time in order to minimize damage to the 13 constructed but unoccupied homes, and in order that the homes may be sold.

Inasmuch as there is no public utility water company in the proposed certificated area, upon the record herein we find that public convenience and necessity require that applicant be granted the authority it has requested. If the Lenwood residents desire service, applicant is required to provide service pursuant to the applicable provisions of its main extension rule. Tracts Nos. 5053 and 2930, the Sunland Properties' land, and Mrs. Bird's land are not ready for improvement at the present time. For this reason authority to serve these areas will be subject to a condition, set forth in the order herein, requiring a further showing prior to service therein.

Tract No. 4552 and Unsubdivided Parcels  
of Land East Thereof

Tract No. 4552, the contiguous parcels of land, and an existing well and distribution system are shown on page 12 of Exhibit No. 2.

The well is in the northeast portion of Section 10 near The Atchison, Topeka and Santa Fe Railway track and Robinson Road. This well is 10½ inches in diameter and 100 feet in depth. There is no pump or tank. A test of this well made in November 1955 yielded 732 gallons per minute against a total pumping head of 73.8 feet with a drawdown of 16 feet. The distribution facilities consist of approximately 3,600 feet of 6-inch, 12-gauge, dipped and wrapped steel pipe extending from the well along Robinson Road across U. S. Highway No. 66, through the individually owned lots east of Tract No. 4552 and through said tract. (See page 12 of Exhibit No. 2.) Service connections have been installed for the 13 houses in the tract. The applicant proposes to acquire the existing well and distribution system from the Builders Control Service Company for the sum of \$1.00 and install the necessary facilities to serve the tract. According to the applicant, the

original cost of the existing system was \$13,980.84 (pages 14 and 15 of Exhibit No. 2). The staff estimated this cost at \$13,674 (page 9 of Exhibit No. 5). The excess of the original cost of the plant over the \$1.00 paid by the applicant is a "contribution in aid of construction", and must be set up on the books of the corporation as required by the Uniform System of Accounts for Water Utilities (Class A, Class B and Class C). In order to provide service to the 13 houses in Tract No. 4552 applicant will be required to install a pump in the well and a pressure tank. The Commission staff recommended that a standby well be provided and that applicant be granted authority to serve the entire original Tract No. 4552, plus the six individuals residing along the transmission line to the east thereof. The staff estimated that the cost to applicant of installing the necessary standby well, pumping equipment, pressure tank and meters for the existing houses, will be approximately \$8,050 (page 9 of Exhibit No. 5), exclusive of the cost of any service to the lots east of Tract No. 4552.

The staff recommended that the application be granted subject to certain conditions. This recommendation will be followed. The applicant has stated that it intends to apply the Westside rates in the entire service area and the testimony shows that the application of such rates will not result in an excessive rate of return to the applicant.

Conclusion

From the evidence presented we conclude that public convenience and necessity require that applicant be authorized to provide water service to the area requested in the herein application, provided that pending further order of the Commission, applicant shall extend service only to (1) the Lenwood area, (2) original Tract No. 4552 (Tract No. 4552, Tract No. 5080 and an 11-acre parcel), and (3) the six lots on the transmission line

between Tract No. 4552 and the well serving said tract. Said service shall be subject to the conditions set out in the order herein and to the following provision of law:

The Commission shall have no power to authorize the capitalization of the 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 order which follows will provide for the revision of applicant's Westside water system rates. Such filing will be authorized subject to review and revision by this Commission at the time it determines the application for an increase in rates in applicant's Westside system (Application No. 38441, filed on October 3, 1956).

O R D E R

An application having been filed, a public hearing having been held thereon, the matter having been submitted, and now being ready for decision, and the Commission having made the foregoing findings and based upon such findings,

IT IS ORDERED as follows:

(1) That Pacific Water Co., 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, subject to the following conditions:

- (a) Applicant shall obtain a water supply permit as required by the Health and Safety Code of California, prior to the sale of water pursuant to this certificate, and shall file a copy of such permit with this Commission within ten days of its issuance. Such permit shall include all water supply facilities to be acquired or constructed as a result of this authorization herein granted which are not already included in applicant's water supply permit granted August 8, 1955.

- (b) Applicant shall not extend service beyond its existing Westside service area to any area other than (1) the Lenwood area, (2) original Tract No. 4552, and (3) the improved lots along the existing transmission line east of Tract No. 4552 and south of U. S. Highway No. 66, without further order of this Commission. Such order may be applied for by supplemental application or applications, which shall include a proper showing as to an adequately engineered water system, an adequate water supply, and adequate financing. Whether or not a public hearing will be required on any of such applications will be determined when each application is filed.
- (c) Prior to the commencement of service pursuant to the authority herein granted, applicant shall drill and place in production an additional or standby well and pumping unit, which well shall be connected to the system serving Tract No. 4552.

(2) That applicant be, and it is, hereby authorized and directed to revise its presently filed tariff schedules for its Westside system, including its tariff service area map, in accordance with the procedure prescribed by General Order No. 96, to provide for the application of said tariff schedules in the territories being certificated by this order, such revised tariff sheets to be effective on or before service is first furnished to the public in said territories. Such rates, rules and tariff service area map shall become effective on five days' notice to the Commission and to the public after filing as hereinabove provided.

(3) That applicant shall file, within ninety 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 of not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served for which this certificate is issued, the source of water supply and the distribution facilities, and the location of the various properties of the applicant in its Westside system.

(4) That applicant may acquire the uncompleted water facilities in Tract No. 4552 for the sum of \$1.00. The difference between said sum and the depreciated historical cost, estimated if not known, of said facilities shall be shown on applicant's books as a "contribution in aid of construction".

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

Dated at San Francisco, California, this 18<sup>th</sup> day of DECEMBER, 1956.

John E. Mitchell  
President  
Ray G. Hutchins  
William D. ...  
R. H. ...  
E. J. Fox  
Commissioners