



necessity to construct and operate a water system in the County of Sacramento, (b) granting a certificate of public convenience and necessity to exercise franchise rights granted by the County of Sacramento, and (c) authorizing it to issue and sell for cash 15,000 shares of its stock having an aggregate par value of \$150,000.

By its application, as amended, Arlington Water Company (sometimes hereinafter referred to as Arlington) requests an order of this Commission (a) granting a certificate of public convenience and necessity to construct and operate a water system in the County of Sacramento and (b) authorizing the issue and sale of 626 shares of its capital stock having an aggregate par value of \$62,600.

The proposed area of Arlington is entirely within the service area proposed by Oakvale, as a result a consolidated hearing was held before Examiner Thomas E. Daly on October 10, 1956, and further hearing for Oakvale was held on October 25, 1956, both at Sacramento.

#### Oakvale's Proposed Service

Oakvale is presently rendering water service in an area known as Whitney Village in Sacramento County. It seeks authority to extend its service to an extensive area adjacent thereto. Five subdivisions are presently scheduled for development within the enlarged area and a number of others are anticipated in the future. Applicant has received many requests from subdividers to extend its service.

Oakvale proposes to charge the same rates as those applicable in its presently certificated area.

The estimated cost of the proposed water system, including work within its presently certificated area in Whitney Village No. 2, is \$250,403.47. Oakvale intends to finance its costs through the issue of \$150,000 of its capital stock and the balance

by subdividers' advances under its Rule 15. The Commission by Decision No. 53950, dated October 23, 1956, in Application No. 38312 authorized the issue of \$40,000 of said \$150,000 par value of capital stock for the purpose of financing the construction of a water system in the presently certificated area of Whitney Village No. 2.

Arlington's Proposed Service

Arlington was formed by certain subdividers for the primary purpose of supplying water to an area consisting of approximately 220 acres. The original system has been completely installed by the subdividers at an estimated cost of \$55,066, exclusive of land, and will serve 145 homes. Arlington ultimately expects to serve 800 homes. No charge is now being made for service, but Arlington has proposed both flat rates and meter rates for the service to be rendered.

Whereas Arlington originally requested authorization to issue and sell 550.66 shares of its capital stock to the subdividers, at the hearing it amended its application to request authorization for the issuance of additional stock to finance the purchase of land and certain organization costs, which items were not included in Arlington's original proposal, to make a total of 600 shares to be issued to cover the purchase price of the facilities including land and organization costs.

The system in place will be transferred to Arlington in consideration for the issue of 600 shares of its capital stock of a par value of \$100 a share and the issue and sale of 26 additional shares of capital stock for cash at par.

Protest

Application No. 38485 was filed on October 8, 1956, by Lincoln Oaks Water Co., Inc. (sometimes hereinafter referred to as Lincoln), by which it also seeks authority to provide a water service within the proposed service area of Oakvale. This system was also installed at the instance of a subdivider and is presently rendering service without charge. In close proximity to the Lincoln system is the presently certificated water system of Royal Oaks Water Company (sometimes hereinafter referred to as Royal Oaks). The record discloses that Citizens Utilities Company, a Delaware corporation, is soon to gain control of Lincoln and Royal Oaks through the purchase of their outstanding capital stock and will subsequently effect the merger of said systems.

The certificate hereinafter granted to Oakvale will exclude a reasonable service area for the merged Lincoln and Royal Oaks systems and certain additional area for which no immediate need for water service has been shown.

After consideration the Commission is of the opinion and so finds that public convenience and necessity require the construction and operation of public utility water systems by Oakvale and Arlington. The Commission further finds that public convenience and necessity require the exercise by Oakvale of the rights, privileges and franchises granted to Oakvale by Ordinances Nos. 499, 523 and 540 of the County of Sacramento. We are not advised as to whether or not Arlington is required to obtain a franchise from the County of Sacramento. That being a matter between Arlington and the County, we will grant to applicant a certificate covering the territory described in the application. It further finds that the proposed rates are just and reasonable, that the proposed issues of stock should be approved, that the money, property or labor to be procured or paid for through the issue of the stocks herein authorized is reasonably required for the purposes set forth herein and that such purposes are not in whole or in part reasonably chargeable to operating expense or to income.

The certificates of public convenience and necessity herein granted are subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of the franchises involved herein or these certificates of public convenience and necessity or the right to own, operate or enjoy such franchises or certificates of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchises, certificates of public convenience and necessity or right.

O R D E R

Applications having been filed and the Commission being informed in the premises,

IT IS ORDERED:

1. That a certificate of public convenience and necessity is hereby granted to Oakvale Water Company to extend, construct and operate a public utility water system for the distribution and sale of water within the territory described as follows:

The area located in Sacramento County beginning at the intersection of Greenback Lane and Auburn Boulevard centerlines; thence southwesterly along centerline of Auburn Boulevard to the intersection of Auburn Boulevard and Palm Avenue; thence west along centerline of Palm Avenue to the intersection of Palm Avenue and U.S. 40 (Freeway); thence southwesterly along centerline of said Freeway to the intersection of Myrtle Avenue and said Freeway; thence west along the centerline of Myrtle Avenue to the intersection of Watt Avenue and Myrtle Avenue; thence south along the centerline of Watt Avenue to the intersection of Auburn Boulevard and Watt Avenue; thence northeasterly along the centerline of Auburn Boulevard to the intersection of Norris Avenue and Auburn Boulevard; thence south along centerline of Norris Avenue to the intersection of Whitney Avenue and Norris Avenue; thence east along the centerline of Whitney Avenue to the intersection of Walnut Avenue and Whitney Avenue; thence north

along centerline of Walnut Avenue to the intersection of Engle Road and Walnut Avenue; thence east along centerline of Engle Road to the westerly boundary line of the Carmichael Irrigation District; thence north along said boundary line to the northerly boundary line of C.I.D.; thence east along said boundary line to the westerly boundary line of the San Juan Suburban Water District; thence northerly along said boundary line to the center of Section 3, R6E, T9N; thence north from center of said section along centerline of Dewey Drive to the intersection of Greenback Lane and Dewey Drive centerlines; thence west along centerline of Greenback Lane to the point of beginning.

Oakvale Water Company shall not extend water service outside of the territory certificated herein without authority first having been obtained from this Commission.

2. That a certificate of public convenience and necessity is hereby granted to Oakvale Water Company to exercise the rights and privileges granted by the County of Sacramento by Ordinances Nos. 499, 523 and 540.

3. That a certificate of public convenience and necessity is hereby granted to Arlington Water Company to construct and operate a public utility water system for the distribution and sale of water within the territory described in Exhibit D attached to Application No. 38451, as amended. Arlington Water Company shall not extend water service outside of the territory certificated herein without authority first having been obtained from this Commission.

4. That Oakvale Water Company is authorized to revise its presently filed tariff schedules, including tariff service area map, in accordance with the procedure prescribed by General Order No. 96, to provide for the application of said tariff schedules for water service in the area being certificated to Oakvale by this order, such revised tariff sheets to become effective on or before

service is first furnished to the public under the authority herein granted. The hereinabove-mentioned tariff sheets shall become effective on or after the effective date of this order on five days' notice to the Commission and to the public after filing as hereinabove provided.

5. That Arlington Water Company is authorized to file, after the effective date of this order, 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 under the authority herein granted, together with rules and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Said 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.

6. That each applicant shall notify this Commission in writing of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.

7. That each applicant shall file within forty days after its 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 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served for which the respective certificates are issued; the principal water production, storage and distribution facilities; and the location of the various properties of the respective applicants.

8. That each applicant shall base the accruals to depreciation upon spreading the original cost of its plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property; each 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.

9. That Oakvale Water Company, after the effective date hereof and on or before May 15, 1957, may issue not exceeding \$110,000 par value of its capital stock for the purposes described in the foregoing opinion.

10. That Arlington Water Company, after the effective date hereof and on or before May 15, 1957, may issue not exceeding \$62,600 par value of its capital stock for the purposes described in the foregoing opinion.

11. That each applicant shall file with the Commission monthly reports, as required by General Order No. 24-A, which order, in so far as applicable, is hereby made a part of this order.

12. That if the authorization herein granted to Arlington Water Company is exercised, it shall procure and dedicate to water utility purposes the land on which the well, pump and tank are located, together with all necessary rights of way, easements or permits for the water pipeline connecting said facilities with the distribution system, and shall file, within thirty days after the system is first placed in operation under the rates and rules authorized herein, one copy of each appropriate document showing such procurement, dedication, rights of way, easements or permits.

13. That in all other respects the application of Oakvale Water Company be, and it is, denied.



14. That the authorization granted to each applicant herein will expire if not exercised within one year from the date hereof.

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

Dated at San Francisco, California, this 11th day of February, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including Arlington Heights Subdivision located adjacent to Auburn Boulevard approximately 4 miles southerly of Roseville, Sacramento County.

RATES

		<u>Per Motor per Month</u>
Quantity Rates:		
First	700 cu.ft. or less .....	\$ 2.75
Next	1,300 cu.ft., per 100 cu.ft.....	.18
Next	3,000 cu.ft., per 100 cu.ft.....	.14
Next	5,000 cu.ft., per 100 cu.ft.....	.10
Over	10,000 cu.ft., per 100 cu.ft.....	.09

Minimum Charge:

For	5/8 x 3/4-inch motor .....	\$ 2.75
For	3/4-inch motor .....	3.25
For	1-inch motor .....	4.25
For	1-1/2-inch motor .....	6.75
For	2-inch motor .....	8.50
For	3-inch motor .....	13.00
For	4-inch motor .....	22.50

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

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including Arlington Heights Subdivision located adjacent to Auburn Boulevard approximately 4 miles southerly of Roseville, Sacramento County.

RATES

	<u>Per Service Connection per Month</u>
For a single family residence, including promises having an area of:	
First 7,000 sq.ft or less .....	\$3.00
Over 7,000 to 9,000 sq.ft.....	3.25
Over 9,000 to 12,000 sq.ft.....	3.50
Over 12,000 sq.ft., for each additional 100 sq.ft.....	.02
For each additional residence on the same promises and served from the same service connection .....	1.75

SPECIAL CONDITIONS

1. All service not covered by the above classifications will be furnished only on a metered basis.
2. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
3. A meter may be installed at option of utility or customer for above classifications, in which event service will thereafter be furnished only on the basis of Schedule No. 1, General Metered Service.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to public fire hydrant service furnished to duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area including Arlington Heights Subdivision located adjacent to Auburn Boulevard approximately 4 miles southerly of Roseville, Sacramento County.

RATE

	<u>Per Month</u>
For each hydrant .....	\$1.50

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 the result of its normal operation of the system.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.