

Decision No. 54627**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 John Moore Robinson and S. I. Robinson
 doing business as LA MIRADA WATER CO.,
 to change name to PUBLIC WATER CO.,
 for certificate of public convenience
 and necessity to serve domestic water
 in the Riverside area and for the
 establishment of rates thereunder.

Application No. 37007
 (Amended)

Eric C. Pepys and John Moore Robinson, for applicant.
Best, Best and Krieger, by James H. Krieger, for
Highlanders Water Company and Western Municipal Water
District; John Von Rader, for Highlanders Water
Company; Mrs. E. M. Stevens, for Frank C. Sheldon, Inc.,
and John A. Cunningham, and Mrs. O. B. Curry, in propria
personae; interested parties.
Charles W. Drake, for the Commission staff.

O P I N I O N O N R E H E A R I N G

By its order dated August 29, 1956, in the above-entitled application, the Commission granted applicants a rehearing on the issues pertinent to that portion of the application which is concerned with seeking a certificate of public convenience and necessity to serve domestic water in the so-called "Dickinson" area.

A public hearing on this matter was held before Examiner Stewart C. Warner on January 21, 1957, at Riverside. No protest to the granting of the application was entered, the matter was submitted, and is now ready for decision.

Description of Proposed Area and Request for Water Service from Subdividers

At the rehearing, and by an amendment to the application filed January 29, 1957, applicants reduced the size of the area sought to be certificated and submitted a map, Exhibit D, upon which the amended proposed area is delineated. Said amended area now

comprises approximately 80 acres, including ten acres occupied by State Highway No. 395, and ten acres constituting Lot 29 on which the Midland School is located. The proposed area as amended now includes Lots 28, 29, 31, 32, 34, 36, and 38, of Tract No. 12, Riverside County, being a subdivision of Section 3, Township 3 South, Range 4 West, SBB&M. Said lots comprise the southerly 630 feet of said Tract No. 12 which was the originally requested area.

The proposed area is near the unincorporated community of Edgemont at the top of Box Springs grade between Riverside and March Air Force Base. At the present time water is being served to three consumers. A portion of the proposed area has been subdivided by Sherwood Highlands Unit No. 1, a limited partnership composed of Frank C. Sheldon, Inc., a California corporation, general partner, Palo Verde Development Co., a California corporation, limited partner, and Wilbert Corporation, Inc., a California corporation, limited partner, as Unit No. 1 of Sherwood Highlands. Said Unit No. 1 has been subdivided into 43 lots. In addition thereto, three model homes have been constructed on Eucalyptus Avenue and on property which is not a part of the subdivision unit. These three homes are occupied. A representative of the subdivider testified that all that was holding up development of the area was the lack of a public utility water supply. This witness testified that numerous inquiries had been received from persons who saw the model homes, from the Midland School superintendent, who had inquired regarding residences for residents of the school district, teachers, and from other people living in and near the area.

Sources of Water Supply

The present source of water supply is a well located on Lot 32, drilled in 1913 but rehabilitated in 1953. This well, in which is installed a pump driven by a 7-1/2 horsepower motor, is

606 feet in depth, and its presently installed pumping plant capacity is 85 gallons per minute. Another well, hereinafter referred to as Well No. 2, located just north of Lot 29 in Lot 27, was drilled in 1953 to a depth of approximately 600 feet, but it collapsed at a depth of between 210 to 220 feet where an obstruction was encountered. Applicants propose to acquire each of these wells and well sites from George W. Dickinson, the former owner of the property now subdivided as Sherwood Highlands, and the present owner of the balance of Tract No. 12, except a 5-acre parcel. Applicants have entered into an agreement, dated May 11, 1955, with Dickinson & Son, realtors and owners of the Dickinson property, for the acquisition of said wells and well sites. A copy of said agreement was submitted as Exhibit E at the rehearing. Applicants propose to acquire a well site in Lot 28, if rehabilitation of Well No. 2, located in Lot 27, is not successful, and to drill a new well thereon.

Applicant John Moore Robinson stipulated that he was agreeable to the placing by the Commission of a restriction on any extension of their water service outside the proposed certificated area without further order of the Commission due to the limited sources of water supply which exist at the present time.

Rates

Applicants propose the following rates for general metered service:

<u>Monthly Quantity Rates:</u>	<u>Per Meter Per Month</u>
First 500 cubic feet or less	\$2.50
Next 1500 cubic feet, per 100 cubic feet20
Next 2000 cubic feet, per 100 cubic feet18
Over 4000 cubic feet, per 100 cubic feet15

Financing

The record shows that applicants are financially able to sustain their responsibility as public utility water system owners

and operators in this area.

Findings and Conclusions

The Commission has carefully reviewed the evidence of record in the reopened proceeding and finds that public convenience and necessity require that the application, as amended, of John Moore Robinson and S. I. Robinson, doing business as Public Water Company, for a certificate of public convenience and necessity to serve domestic water in the so-called "Dickinson" area should be granted, and the order which follows will so provide. The certificate of public convenience and necessity granted hereinafter shall be 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 acquired or to be acquired.

From a review of the record it appears that the sources of water supply proposed to be acquired by applicants are adequate to serve the proposed area and to meet its current needs, and that applicants' plans for the rehabilitation of a well to be acquired, or the development of a new well, will provide adequate sources of water supply for the proposed area as amended. The Commission finds and concludes that in view of the now-limited sources of water supply, and in acceptance of applicants' stipulation relating thereto, applicants should be restricted from furnishing water service outside the area certificated hereinafter without further order of the Commission.

Applicants will be authorized to file the schedule of rates proposed in the application. Such rates for water service will be subject to review as to their reasonableness at all times.

ORDER ON REHEARING

Application as amended having been filed, a public rehearing having been held, the matter having been submitted, and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. That John Moore Robinson and S. I. Robinson, individuals, doing business as Public Water Company be, and they are, granted a certificate of public convenience and necessity to construct and operate a public utility water system in the so-called "Dickinson" area comprising the southerly 630 feet of Tract No. 12 Riverside County including Lots 28, 29, 31, 32, 34, 36, and 38, as shown on the map Exhibit D filed at the rehearing.
2. That applicants shall not extend their water system outside the area certificated herein without further order of the Commission.
3. That applicants be, and they are, 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, together with rules and a 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.
4. That applicants shall notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.
5. That applicants 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 applicants.

- 6. That applicants 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; applicants 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 5th day of March, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The southerly 630 feet of Tract No. 12, including Lots 28, 29, 31, 32, 34, 36, and 38, located on both sides of State Highway No. 395, just north-westerly of the unincorporated community of Edgemont, Riverside County.

RATES

	<u>For Meter per Month</u>
Quantity Rates:	
First 500 cu.ft. or less	\$ 2.50
Next 1,500 cu.ft., per 100 cu.ft.....	.20
Next 2,000 cu.ft., per 100 cu.ft.....	.18
Over 4,000 cu.ft., per 100 cu.ft.....	.15
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 2.50
For 3/4-inch meter	3.00
For 1-inch meter	3.75
For 1-1/2-inch meter	5.00
For 2-inch meter	7.50
For 4-inch meter	50.00
For 6-inch meter	100.00

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