

decision provided that applicant should not extend its water system outside its certificated service area boundaries, as shown on Appendix "A" (supra), without further order of the Commission. The instant-captioned application, in effect, seeks the lifting of the restriction imposed by the aforementioned provisions of the Commission's order insofar as said restriction prohibits an extension by applicant into Tract No. 2928.

A public hearing on this matter was held before Examiner Stewart C. Warner, on February 20, 1957, at Santa Ana. The city attorney of the City of Anaheim appeared in protest to the application on behalf of the Light, Power, and Water Department of said city.

Tract No. 2928 comprises 47 lots upon which homes are being, or are about to be constructed. Applicant has purchased a well site inside the tract, has cleaned out the well, and is ready to have the pumps installed therein. Said well, however, would supplement applicant's major system water supplies, only, and Tract No. 2928 would be connected to and operated in conjunction with applicant's major water system which is comprised of some 75 to 80 wells. Two 6-inch water mains of applicant have been installed in Orange Avenue, and have been and are furnishing water service to several subdivisions south of Orange Avenue, north of Broadway, between Hall Street and Brookhurst Avenue. Applicant's president testified that it would take approximately one week to put the well in Tract No. 2928 into operation, and that it would take one day to connect the tract to applicant's existing water mains in Orange Avenue.

Exhibit No. 1 is a statement of agreement which modifies the agreement Exhibit "A" attached to the application to conform

said Exhibit "A" to applicant's main extension rule on file with the Commission. Exhibit "A" is a copy of an agreement, dated August 16, 1956, between George D. Buccola Company, Inc., a corporation and the subdivider of Tract No. 2928, and applicant setting forth the terms under which applicant agreed to furnish water service to the Buccola subdivision.

Applicant proposes to apply its presently filed rates for water service to Tract No. 2928. Said rates may be either flat rates of \$3.00 per month, or meter rates as follows:

<u>Quantity Rates:</u>	<u>Per Meter Per Month</u>
First 1,000 cu. ft., or less	\$ 2.50
Next 1,000 cu. ft., per 100 cu. ft.15
Next 1,000 cu. ft., per 100 cu. ft.14
Over 3,000 cu. ft., per 100 cu. ft.12

Applicant's witness testified that applicant is embarking on an extensive metering program of its water system as a whole, and that, to date, out of some 16,000 consumers, between 300 and 500 domestic consumers have been metered. Said witness further testified that applicant will continue to install meters at the rate of between 200 and 300 per month, and that said metering program is being effected in compliance with the Commission's order in Decision No. 53858 (supra).

A witness for the City of Anaheim, the City's Utilities Director of its Light, Power, and Water Department, testified that, although Tract No. 2928 was not within the city limits of Anaheim, said tract was bounded, generally, on three sides by said city limits, and that the city had installed a 16-inch main in Orange Avenue, running east and west for some distance and contiguous to Tract No. 2928 on the south, and had installed an 8-inch main in Broadway, extending east from the city limits at Broadway and

Gilbert Street, some 1,400 feet, to within a short distance of the northerly boundary and northwesterly corner of Tract No. 2928. The city's witness testified that its construction program contemplated extending a 12-inch main in Broadway west from Brookhurst Avenue, also a city limit boundary, past the northern boundary of Tract No. 2928, within 120 days.

The city's witness testified that water service was being furnished by the city's water department to a school, a church, a filling station, and a residence on the north side of Orange Avenue between Gilbert Street and Brookhurst Avenue, but that no water service was being furnished by the city south of Orange Avenue. The city's rates for water service, outside its city limits, through a 5/8 x 3/4-inch meter, are as follows:

<u>Quantity Rates:</u>	<u>Per Meter</u>
	<u>Per Month</u>
First 750 cu. ft., or less	\$ 4.00
Over 750 cu. ft., per 100 cu. ft.20

The city's water system is 100 per cent metered. According to the city's rules, the customer pays for the meter and pays \$2.00 per front foot of property for a water service connection. A water system in a subdivision is constructed by the subdivider, who pays for the construction and turns the water system over to the city without charge.

The record shows that the area in which Tract No. 2928 is located was within an area proposed to be annexed to the City of Anaheim, but that on November 20, 1956, an election was held and the annexation proposition was defeated by vote of 649 to 203.

Counsel for the City of Anaheim argued that there was a likelihood that Tract No. 2928 might be annexed to the city soon. However, the record shows that the subdivider and the prospective purchasers of homes within Tract No. 2928 will require immediate

water service; that the subdivider has requested water service from applicant; that the subdivider has agreed to the terms of water service, which appear to be in conformity with the Commission's prescribed terms for main extensions to subdivisions which are applicable generally throughout the state and are applicable generally throughout the applicant's water system; that applicant's rates, on either a flat-rate basis or meter basis, are substantially lower than those of the city; that it appears that applicant has adequate sources of water supply to meet the requirements of Tract No. 2928. The Commission, therefore, finds and concludes that public convenience and necessity require that the application should be granted. The order which follows will so provide. The certificate of public convenience and necessity granted hereinafter is 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.

ORDER

First supplemental application as above entitled and as amended having been filed, a public hearing having been held, the matter having been submitted and now being ready for decision.

IT IS HEREBY ORDERED as follows:

1. That paragraph 1(a) of Decision No. 53858, dated October 1, 1956, be modified to the extent that Dyke Water Company, a corporation, be and it is granted a certificate of public convenience and necessity to construct and extend its water system in Tract

No. 2928, Orange County, in the area north of Orange Avenue south of Broadway, east of Gilbert Street, and west of Brookhurst Avenue; in the area shown on the map Exhibit "B" attached to the application; provided, that applicant shall not extend its water system farther without further order of the Commission.

2. (a) That applicant, on and after the effective date hereof, is authorized and directed to charge its presently filed schedules of rates for water service in the area certificated herein and to apply in such certificated area its rules which are on file with the Commission.

(b) That applicant, shall, within forty days after the effective date hereof, revise its presently effective tariff schedules to provide for the application of its rates and rules in the area certificated herein, including tariff service area maps, all in accordance with the procedure prescribed by General Order No. 96. Such rates, rules, and tariff service area maps 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 forty days after the system in Tract No. 2928 is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map including said tract 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; the principal water production, storage and distribution facilities; and the location of the various properties of applicant therein.

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 occur, or in any event 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 Los Angeles, California, this 24th day of March, 1957.

[Signature]
President
[Signature]
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Commissioners