

**ORIGINAL**

Decision No. 55279

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 RANCHO RAMON WATER CO., a California  
 corporation, for Certificates of  
 Public Convenience and Necessity to  
 serve domestic water in the North  
 Palm Springs, Thousand Palms, Cathedral  
 City, Indio, Palm Springs, and  
 Paradise Valley areas of Riverside and  
 San Bernardino Counties and for estab-  
 lishment of rates thereunder, to issue  
 and sell debentures, and to issue and  
 sell stock.

Application No. 37389  
 Amended

THIRD INTERIM OPINION

Rancho Ramon Water Co., a corporation, by the above-entitled application, filed October 10, 1955, sought a certificate of public convenience and necessity covering its areas designated "A" through "Y", inclusive, in the North Palm Springs, Thousand Palms, Cathedral City, Indio and Palm Springs areas. By an amendment, filed January 6, 1956, areas "Z" and "AA" were added; area "Z" being in Paradise Valley in San Bernardino County. By Decision No. 52621, dated February 14, 1956, a certificate was granted covering area "J". On March 6, 1956, applicant filed its ~~second amendment~~ for certificate covering area "BB". A third amendment was filed April 2, 1956, which corrected the original application and eliminated areas "A" and "Q" therefrom. On July 16, 1956, certificates were granted covering areas "E", "K", "W", "X", "Y", "BB", and "Z", and authority was granted to issue debentures and common stock by Decision No. 53451. A fourth

amendment was filed July 30, 1956, seeking a certificate covering area "CC", and a fifth amendment was filed January 29, 1957, covering areas "C", "M", and "S", and submitting a new proposed schedule of rates to be applied to all of applicant's water systems.<sup>1/</sup> In its original application, and the five amendments thereto, applicant sought authority to issue and sell debentures and stock for the acquisition of certain of the water systems acquired by it in certain of the above-lettered areas.

A public hearing on area "J" was held on January 13, 1956. Adjourned hearings on areas "E", "K", "W", "X", "Y", "BB", and "Z" were held on March 21 and 22, 1956. Further adjourned hearings were held on December 12 and 13, 1956, during which evidence was received with respect to the granting of a certificate of public convenience and necessity covering areas "B", "C", "D", "F", "G", "M", "N", "O", "R", "S", "T", "U", "V", "AA", and "CC". The instant decision will concern itself solely with the last-named and lettered areas. The matter of the consideration of the establishment of new and increased rates for all of applicant's areas, except Garnet Gardens, was continued at the original hearing on Application No. 38833 (footnote 1/ ) and adjourned hearings on the instant captioned application which were held on April 24 and 25, 1957, at Palm Springs, before Commissioner Ray E. Untereiner

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<sup>1/</sup> Application No. 38833, filed February 18, 1957, a public hearing on which was held in Palm Springs on April 24 and 25, 1957, sought authority to apply applicant's rates shown in Exhibit A of its Fifth Amendment to its Garnet Gardens area formerly designated as its area "A". By Decision No. 52479, dated January 16, 1956, in Application No. 37452, applicant was authorized to acquire the certificate of public convenience and necessity issued to C. C. Covey and Mayme Jester Covey, doing business as Garnet Gardens Water Company, by Decision No. 41093, dated January 6, 1948, in Application No. 28411, and to acquire and operate the public utility water system of said Coveys in Garnet Gardens. Decision No. 52479, (supra), provided that the Covey rates for water service be continued in effect without increase or change.

and Examiner Stewart C. Warner. Said consideration of increased rates was continued until October 16, 17, and 18, 1957, in order to receive into evidence applicant's showing of the need for such increased rates and a Commission staff report of its investigation thereinto. No objections to the granting of the instant captioned application, as said application pertains to the request for a certificate of public convenience and necessity covering the areas now under consideration, were entered at either the December, 1956 or the April, 1957 hearings.

Applicant has withdrawn, at one hearing or another, its original request for a certificate covering areas "H", "I", "L", "P", and "Q", and the portion of area "AA" consisting of Sections 29 and 31, T.4 S., R.6 E., SBB&M.

General Information

Applicant now operates 25 water systems for which it has received or now requests a certificate to so operate. <sup>2/</sup> Applicant's officers and directors are S. I. Robinson, president, and John Moore Robinson, secretary-treasurer. The office of vice president is vacant. Applicant's corporate address is 15075 Stage Road, La Mirada, California; its accounting control office address is 650 South Spring Street, Los Angeles 14; and its operational office is Shangri La, P. O. Box 214, Thousand Palms, California.

Chapter 1 of Exhibit No. 144, which was received in evidence on December 13, 1956, is a Commission staff engineering report on all of applicant's present and proposed operating areas. The staff segregated applicant's operations into three areas. The north area includes areas "A", "N", "O", "S", "T", "U", "V", "W", "X", "Y" and "BB". (The locations of the water systems in said areas

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<sup>2/</sup> Appendix A, attached to the order hereinafter, is a map which shows the location of all areas for which applicant has received or has requested a certificate of public convenience and necessity including applicant's originally certificated area, its area "A", those covered by the instant application, and those withdrawn. Also shown are the locations of other existing public utility water companies in the area.

are shown in Exhibit No. 72, and applicant's water wells in the north area are shown in Exhibit No. 142.) The central area as segregated by the staff includes areas "B", "C", "D", "L", "M", "R", and applicant's originally certificated area; and the south area includes areas "E", "F", "G", "H", "I", "K", and "AA" (Exhibit No. 73 shows the location of the central and south areas and also includes the location of area "J"; Exhibit No. 143 shows the location of applicant's wells in the central and south areas, and in area "J"). Area "Z" in Paradise Valley, San Bernardino County, is not included in or shown on either Exhibits Nos. 72 or 73; its location is approximately 20 miles northeast of Desert Hot Springs.

Sources of Water Supply and Water Systems

Exhibit No. 144 (supra) shows the following data with respect to the north, central and south areas:

<u>Area</u>	<u>Gallons per Minute Pump Production</u>	<u>Total Storage</u>	<u>Number of Customers</u>
North	1,094	101,700	106
Central	1,184	29,000	82
South	1,498	88,500	151

The record shows that applicant has interconnected or intends to interconnect its various systems within each of the aforementioned operating areas, except that area "BB" will not be connected to the other systems in the north area, nor will the "J" system be connected to the systems in the south area. The status of area "CC" will be discussed separately hereinafter.

From a review of the record it appears that the sources of water supply owned, acquired or proposed to be acquired,

and proposed to be developed by applicant, the transmission and distribution mains acquired or proposed to be installed by applicant, the storage facilities installed or proposed to be installed by applicant, are adequate for the north, central and south areas; except that a standby source of water supply should be obtained by applicant for area "AA".

The record shows that applicant has applied for, or obtained, state health permits, and county certificates of the potability of its water supplies.

Area "CC"

Applicant's proposed area "CC" is located  $2\frac{1}{2}$  miles east and 2 miles south of Desert Hot Springs,  $\frac{1}{2}$  mile north of Dillon Road. Its west boundary is Lone Canyon Road.

This area comprises the  $W\frac{1}{2}$  of Sec. 3, T.3S, R.5E. SBB&M, a total of 320 acres, to be subdivided into 36 five-acre parcels by Tierra Vista Corporation.

The record shows that no water system has been installed either by applicant or by the subdivider in area "CC"; that of the 6 wells located in and in the vicinity of the area, all are wells which produce hot waters as a result of their having been drilled on or near the north branch of the San Andreas Fault. The so-called Greene Eldridge well near the southwest corner of Section 3 will produce water with a temperature of 76 degrees Fahrenheit, but temperature of the water from all other wells ranges from 97 degrees to 100 degrees Fahrenheit. The Greene Eldridge well will produce only about 60 gallons of water per minute.

Applicant's then president requested the issuance of a limited certificate, only, with conditions attached thereto based upon a

showing of an adequate and sufficient supply of water and an agreement between the subdivider and applicant.

A review of the record shows, and the Commission finds and concludes, that the sources of water supply for domestic consumption purposes in area "CC" are inadequate, and that a full and complete showing of public convenience and necessity is lacking. The order which follows will provide that the application as it pertains to area "CC" be denied.

Financing

The record herein discloses complicated and miscellaneous proposals for the issuance by applicant of its securities for the financing of the water systems acquired or proposed to be acquired by it in the areas under consideration herein. In its third amendment to the application filed April 2, 1956 (supra), applicant alleged that, prior to the hearing on said application, applicant would file with the Commission detailed schedules showing the form and terms and amount of such securities. Such detailed filing has not been made of record in the proceedings, although the record shows that, in accordance with a letter from applicant to the Commission staff, dated December 6, 1956, applicant had plans to issue certain of its debentures to certain parties for certain purposes. Such plans are not yet of record in the proceedings.

North Area (Exhibit No. 72, supra)

The financing in area "A" is covered by Decision No. 52479 (supra).

In area "N", applicant executed a refund agreement, dated September 20, 1956 with Desert Springs Estates, Inc., in the

amount of \$14,867.80, for the installation by applicant of a water system in Desert Springs Estates Unit No. 3, a copy of which was submitted as Exhibit No. 97. Said exhibit contains an assignment by Desert Springs Estates, Inc., of said refund agreement, without cost, to Caleasco, Inc., a family corporate affiliate of applicant's president. Because of such family affiliation, applicant intends to treat this sum as a donation in aid of construction in accounting for the transaction.

In area "O", applicant executed purchase and refund agreements, dated August 31, 1956 and September 24, 1956, with Desert Springs Mutual Water Company, in the amount of \$20,439, copies of which were introduced as Exhibits Nos. 91 and 92. The record shows in Exhibit No. 95, that on August 31, 1956, Caleasco, Inc., (supra), had bought this agreement for \$5,000 cash, and that the mutual water company had transferred, assigned and set over, without recourse, its rights to refunds under Exhibit No. 91 (supra). Notwithstanding such transfer and assignment there is no further agreement in the record between Caleasco, Inc., and applicant to convert this agreement into debentures or stock, nor any request therefor in the application as amended or in the record.

The financing in area "S" is covered by Exhibits Nos. 80 and 81 which are a purchase agreement and a refund agreement, respectively, dated May 11, 1956, between Ira L. Moore and Celia K. Moore and applicant. Said exhibits provide for the refund to the Moores by applicant of \$17,014 out of 22 percent of the estimated annual revenue received by applicant from the water consumers in said area over a 20-year period. Applicant made no formal request on the record to issue either notes, debentures, or

stock to the subdividers for the refund agreement, and no such request is contained in the fifth amendment to the application covering this area.

The financing in areas "T", "U", "V", "W", "X", and "Y" is covered by Decision No. 53451 (supra).

The financing in area "BB" is covered by Decision No. 53451 (supra).

Central Area (Exhibit No. 73 supra)

In area "B", applicant executed a purchase and refund agreement, dated August 9, 1956, with Rancho Vista Mutual Water Co., in the amount of \$26,000, a copy of which was submitted as Exhibit No. 126. Applicant proposes to issue its debentures to the mutual water company to be distributed by it to the many stockholders of said mutual water company, and the third amendment to the application seeks authority for such issue.

In area "C", applicant executed a conditional sales contract, dated December 14, 1955, a copy of which was introduced as Exhibit No. 111, with The Ramon-Palm Mutual Water Company, in the amount of \$29,770, for the purchase by applicant of a water system covering Ramon Palms No. 1 Tract, Ramon Palms No. 2 Tract, Ramon Palms No. 3 Tract, Desert Retreat Estates Tract, Cathy Estates Tract, plus 55 acres belonging to Saul Ruskin, an individual. In its fifth amendment to the application, applicant requests authority to issue debentures payable over a period not to exceed twenty years in annual installments of a sum equal to 22 percent of the annual revenue derived from the customers connected to the water system in said tracts; said debentures to bear interest at 1 percent per annum.



In area "D", applicant executed a conditional sales contract, dated September 23, 1955, with Date Palm Road Mutual Water Company, in the amount of \$27,226.55, for the purchase by applicant of a water system, copy of which was submitted as Exhibit No. 107. Exhibit No. 108A is a copy of a refund agreement, dated November 17, 1955, with Charles Mathews, in the amount of \$3,280.85, covering Cathedral Estates No. 3; Exhibit No. 108B is a copy of a refund agreement, dated July 16, 1956, with J. Clark White in the amount of \$5,700, covering White Sands Estates Unit No. 1; Exhibit 108C is a copy of a refund agreement, dated June 14, 1956, with Charles J. Mathews in the amount of \$4,167.35, covering Cathedral Estates No. 4 and an 8-inch transmission line; and Exhibit No. 109 is a copy of a refund agreement, dated December 5, 1956, with Charles J. Mathews in the amount of \$3,319, covering Cathedral Estates No. 5. There is no request by applicant, either in the application or record, for the issuance of notes, debentures, or stock covering this area.

In area "M", applicant executed a purchase agreement, dated November 9, 1955, a copy of which was submitted as Exhibit No. 132, with Desert Subdividers, Inc., in the amount of \$11,238.94, for a water system to serve Palm View Estates, and issued its promissory demand note, of the same date, at an interest rate of 1 percent per annum, in the same amount, to Desert Subdividers, Inc. A copy of said note, dated November 9, 1955, was submitted as Exhibit No. 133. Said purchase agreement and note were assigned on said date by Desert Subdividers, Inc., to Caleasco, Inc., (supra), for \$100 as shown in Exhibit No. 134.

In area "R", applicant executed a refund agreement, which does not show a month and day but does show the year 1956, with Victor Dabah and Simi Dabah, a copy of which was submitted as Exhibit No. 141, in the amount of \$16,380, for the installation by applicant of a water system in Rancho Vista Estates No. 3. No request to issue its notes, debentures, or stock for this agreement is contained in the application, as amended, or is of record.

South Area (Exhibit No. 73 supra)

The financing in areas "E" and "K" is covered by Decision No. 53451 (supra).

In area "F", applicant has issued its promissory demand note, dated October 1, 1955, to Thousand Palms Mutual Water Association, in the amount of \$8,000, to be paid out of 22 percent of the gross revenues deriving from the sales of water to consumers in said area over a period of twenty years. Copies of the purchase and sale agreements between applicant and said mutual water association, which refer to said promissory note, were introduced as Exhibits Nos. 117 and 118. Applicant seeks approval of the issuance of said note in its third amendment to the application.

In area "G", negotiations are under way between applicant and the property owners in said area for the acquisition by applicant of the so-called Stella Davis well and the water system in connection therewith. Said negotiations had not been completed as of the date of the April, 1957 hearings.

In area "AA", applicant intends to execute some 40 separate refund agreements with consumers for water main extensions to their properties. Said agreements are not in evidence, and

applicant has not requested authority to finance them by the issuance of notes, debentures, or common stock.

The financing in area "J" is covered by Decision No. 52621 (supra).

The financing in area "Z" is covered by Decision No. 53451 (supra).

As noted hereinbefore, areas "H", "I", "L", "P", and "Q" have been withdrawn and the application covering area "CC" will be denied.

By Decision No. 48421, dated March 30, 1953, in Application No. 34028, applicant was granted a certificate of public convenience and necessity to construct and operate a public utility water system in Rancho Ramon Tracts Nos. 1, 2, 3, and 4, Riverside County. This area is applicant's so-called original area. There are no water consumers therein. Authority to issue \$25,000 in stock was granted by said decision, and said authority was exercised to the amount of \$16,000 as of February 23, 1954. Authority to issue the balance of \$9,000 expired on February 28, 1954.

From the record as it now stands regarding applicant's proposed financing as outlined hereinabove, it is evident that applicant requests authority in its third amendment to the application to issue its debenture to Rancho Vista Mutual Water Co. in the amount of \$26,000 covering the water system in area "B" as shown in Exhibit No. 126, (supra); that applicant requests authority in its fifth amendment to the application to issue its debenture to The Ramon-Palm Mutual Water Company in the amount of \$29,770 covering the water system in area "C" as shown in Exhibit No. 111, (supra); that applicant requests authority in its fifth amendment

to the application to issue and seeks approval of its promissory demand note to Desert Subdividers, Inc. in the amount of \$11,238.94, covering the water system in area "M", as shown in Exhibits Nos. 132, 133 and 134, (supra) (said note was assigned to Caleasco, Inc. on November 9, 1955, for \$100.); and that applicant in its third amendment to the application requests authority to issue and seeks approval of its promissory demand note to Thousand Palms Mutual Water Association in the amount of \$8,000 covering the water system in area "F" as shown in Exhibits Nos. 117 and 118, (supra).

Other financing agreements and arrangements covering other areas may be outstanding, but either do not involve the issuance of notes, debentures or common stock, or such arrangements are under negotiation, or further requests for financing are pending, or may be entered at the adjourned hearings in October, 1957 when the subject of applicant's rates for water service in all its areas except area "A", its Garnet Gardens district, is to be considered.

As noted in Decision No. 52621 (supra) which covered area "J", Wilbert, Inc. acquired all of applicant's stock in October, 1955. Said corporation is a subsidiary of Caleasco, Inc., Passmore Development Company, and Lido Vista Homes, of which John Moore Robinson, applicant's secretary-treasurer, is an officer, and in all of which the Robinson family owns stock directly or indirectly. Robinson testified at the hearing on January 13, 1956, that future financing of applicant would be through the issuance of debentures. However, his testimony was modified at subsequent hearings by a statement that applicant would issue notes or common stock as well as debentures, depending on the demands of sellers of water systems which applicant might acquire or attempt to acquire. It should be noted that Robinson is also president of La Mirada

Water Company, a public utility water corporation, with between 2,000 and 3,000 consumers in Los Angeles and Orange Counties, and that J. M. Robinson and S. I. Robinson, (wife), are also doing business as a public water company and are furnishing water service in Edgemont, Riverside County, in accordance with Decision No. 54627, dated March 5, 1957.

Applicant's then president, John Moore Robinson, now secretary-treasurer, stipulated at the March, 1956 hearings, and it is recited in Decision No. 53451 (supra), that if applicant, or any related or affiliated corporation, directly or indirectly acquires any facilities, stocks, or obligations at less than the cost thereof on the books of applicant, the later acquisition cost should prevail and should be used solely and only for the determination of earnings and rate-making purposes.

#### Findings and Conclusions

The Commission is of the opinion, and so finds and concludes, that public convenience and necessity requires that a certificate of public convenience and necessity be granted to applicant covering areas "B", "C", "D", "F", "G", "M", "N", "O", "R", "S", "T", "U", "V", and "AA" (except Sections 29 and 31, T.4S., R.6E. SBB&M), as delineated on the maps as follows: Exhibit No. 110, (areas "B", "M" and "C"), Exhibit No. 104 (area "D"), Exhibit No. 125 (area "F"), Exhibit No. 113 (area "G"), Exhibit No. 96 (area "N"), Exhibit No. 89 (area "O"), Exhibit No. 140 (area "R") including the E $\frac{1}{2}$  of the SW $\frac{1}{4}$  of Sec. 15, T.4 S., R.5 E. SBB&M, and Exhibit No. 79 (area "S"). Area "T" includes 80 acres comprising the E $\frac{1}{2}$  of the SW $\frac{1}{4}$  of Sec. 26, T.2 S., R.4 E. SBB&M; area "U" includes 160 acres comprising the SW $\frac{1}{4}$  of

Sec. 25 T.2 S., R.4 E. SBB&M; and area "V" includes 240 acres in the S $\frac{1}{2}$  of Sec. 35 T.2 S., R.4 E. SBB&M, (the balance of the S $\frac{1}{2}$  of Sec. 35 was certificated as area "W" by Decision No. 53451, supra). Exhibits Nos. 72 and 73 show the locations of the three last named areas and also show the locations of the other areas more particularly delineated on the maps heretofore referred to. Exhibit No. 99 is a map of area "AA" which will include Sec. 30, only, T.4 S., R.6 E. SBB&M. The certificate covering area "AA" will be subject to the provision that applicant shall secure a standby source of water supply within 180 days after the effective date of the order which follows, and shall so report to the Commission in writing within thirty days after having complied with such provision.

The certificate 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.

The Commission further finds as a fact and the Commission concludes that applicant has improved the water service conditions in the areas in which it has acquired or installed water systems and that to grant applicant's request to issue its notes and debentures will be in the public interest. The order which follows will authorize their issuance.

Applicant will be authorized to apply its presently filed rates, as established for its originally certificated area by Decision No. 48421, supra, to areas "B", "C", "D", "F", "G", "M", "N", "O", "R", "S", "T", "U", "V" and "AA" as requested. Such rate filing authorization will be on an interim basis subject to the issuance of the Commission's decision on the instant-captioned application, which will follow the October, 1957 hearings.

THIRD INTERIM ORDER

Application as amended through the fifth amendment having been filed, public hearings having been held with respect to areas "B", "C", "D", "F", "G", "M", "N", "O", "R", "S", "T", "U", "V", "AA" and "CC" of said amended application, the portion of the application with respect to applicant's request for a certificate of public convenience and necessity covering said areas having been submitted, and now being ready for a third interim decision based on the evidence of record and findings,

IT IS HEREBY ORDERED as follows:

- 1.a. That Rancho Ramon Water Co., a corporation, be and it is granted a certificate of public convenience and necessity to acquire, construct, and operate public utility water systems in the areas designated as its areas "B", "C", "D", "F", "G", "M", "N", "O", "R", "S", "T", "U", "V", and "AA" in the preceding opinion and as shown on the maps Exhibits Nos. 72, 73, and 110, 104, 125, 113, 96, 89, 140, 79, 99, filed at the December, 1956 hearings, subject to the provision with respect to area "AA" that applicant shall within 180 days after the effective date hereof secure a standby source of water supply for area "AA" and shall report to the Commission in writing, within thirty days after complying with this provision, said report to include such details as the location of the standby source of water supply, the quantity available, and the capacity of the installed production facilities.
- b. That applicant's request for a certificate of public convenience and necessity covering its proposed area "CC", as outlined in the preceding opinion, be and it is denied.

- 2.a. That applicant be and it is authorized to issue a debenture in the face amount of \$26,000 to Rancho Vista Mutual Water Co., in substantially the form shown in Exhibit No. 126, in exchange for the refund agreement dated August 9, 1956, with Rancho Vista Mutual Water Co., covering the water system in area "B".
  - b. That applicant be and it is authorized to issue a debenture in the amount of \$29,770 to The Ramon-Palm Mutual Water Company in substantially the form shown in Exhibit No. 111, for the purchase by applicant of the conditional sales contract covering a water system in area "C".
  - c. That applicant be and it is authorized to issue its promissory demand note in the amount of \$11,238.94 to Desert Subdividers, Inc., in substantially the form shown in Exhibit No. 133 in exchange for the refund agreement, Exhibit No. 132, covering the water system in area "M".
  - d. That applicant be and it is authorized to issue its promissory demand note in the amount of \$8,000 to Thousand Palms Mutual Water Association in substantially the form shown in Exhibits Nos. 117 and 118, covering the refund agreements for and acquisition by applicant of the water system in area "F".
  - e. That applicant be and it is authorized to use the proceeds from the issuance of the debentures and notes authorized hereinbefore for the purposes set forth in the preceding opinion, the Commission being of the opinion that the money, property, or labor to be procured or paid for by the issue of the debentures and notes herein authorized is reasonably required by applicant for the purposes specified herein and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.
3. That the foregoing authorization is without prejudice to the authority of this Commission with respect to rates, service, accounts, valuation, estimates, or determinations of cost which may come before this Commission.
  4. That applicant shall file with the Commission monthly reports as required by General Order No. 24A, which order, in so far as applicable, is made a part of this order.



5. That the authority to issue debentures and notes herein granted will become effective when applicant has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$76.
- 6.a. That applicant, on and after the effective date hereof, is authorized and directed to charge in the service areas certificated herein its presently filed schedule of rates for water service as established for its original service area by Decision No. 48421, and to apply in its said service areas certificated herein its rules which are on file with the Commission for its said original service area.
  - 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 areas certificated herein, together with revised tariff service area maps, acceptable to this Commission, 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.
  - c. That applicant, within ten days after each of the systems in the areas certificated herein is placed in operation under the rates and rules authorized herein, shall notify the Commission in writing of the date when such operation began in each of the said areas.
  - d. That applicant shall file, within forty days after each of the systems in the areas certificated herein is placed in operation under the rates and rules authorized herein, four copies of appropriate comprehensive maps of said areas, drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and property served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.
7. 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, and 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, except as it relates to ordering paragraph 5 above, shall be twenty days after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of July, 1957.

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 President ( Ray G. Wilcox  
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W. H. ...  
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R. H. ...  
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C. L. ...  
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 Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

PUBLIC UTILITIES COMMISSION  
 STATE OF CALIFORNIA  
 11626  
 JUL 19 1957  
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 BY W. H. ...

# RANCHO RAMON WATER CO.

