

**ORIGINAL**

Decision No. 58243

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 APPLE VALLEY RANCHOS WATER CO. for )  
 a certificate of public convenience )  
 and necessity permitting it to extend )  
 its service into noncontiguous areas. )

Application No. 40581  
 Amended

Joseph A. Ball for applicant.  
Cyril M. Saroyan for the Commission staff.

O P I N I O N

Hearing in the above-entitled matter was held before Examiner Grant E. Syphers on February 25, 1959, in Apple Valley, California, at which time evidence was adduced and the matter submitted subject to the filing of a balance sheet and profit and loss statement of the applicant as a late-filed exhibit. This now has been filed and the matter is ready for decision.

The applicant is engaged in operations as a public utility water corporation in the Apple Valley area of San Bernardino County, California, under a certificate of public convenience and necessity granted by this Commission as of June 17, 1947 (Decision No. 40424 in Application No. 28187).

On January 9, 1957, there was filed and recorded, a map of Tract No. 5041 consisting of approximately 24.74 acres in the Northwest ½ of Section 34, Township 6 North, Range 4 West, S.B.B.&M., San Bernardino County, California. In this tract, the subdivider installed a water distribution system at a cost of \$12,774.06. This disbribution system was connected to a well, located southwesterly

of the tract, which was drilled and cased at a cost of \$8,490.62. These facilities, including the land upon which the well was drilled, were transferred to applicant by the subdivider. A test of the well, made October 5, 1956, shows that it is capable of producing from about 1385 to 1492 gallons per minute. A test of the well equipment, made April 23, 1957, disclosed that it was capable of producing 427 gallons per minute. The well is connected to a 10,000-gallon pressure tank which was installed by the applicant. At the present time there are 51 lots in this subdivision and 50 houses have been built thereon.

A revenue and expense statement, for the period April 9, 1957 to December 31, 1958, discloses that this tract yielded a gross revenue of \$3,530.78, the expenses were \$1,998.03, and the net income was \$1,532.75.

In the instant application authority is requested to permit continuation of service to Tract No. 5041.

Additionally, authority is requested to install service into an additional noncontiguous Tract No. 5205, a map of which was recorded on October 6, 1958. This tract consists of the west 62 acres in the Northwest  $\frac{1}{4}$  of Section 3, Township 5 North, Range 3 West, S.B.B.&M., San Bernardino County, California, being a portion of Government Lots 1 and 2, except the northerly 350 feet of the easterly 330 feet of the said west 62 acres. It is proposed to subdivide this tract into 108 lots, 107 of which will be offered for sale to the general public.

The owner of this tract, the Claretian Theological Seminary, has deeded the property to be subdivided to the Security Title Insurance Company as Trustee, which Trustee will act as subdivider. This Trustee has entered into an agreement, dated October 3, 1958,

under the terms of which the Apple Valley Building and Development Company, as agent for the Trustee, will "install an adequate water system". It is estimated that this installation will cost approximately \$18,853.30.

On this Tract No. 5205, there is presently located a well which, according to a test made August 22, 1958, is capable of producing 612 to 782 gallons per minute. There is presently installed on this well, certain pumping equipment and a test made thereof on August 15, 1958, showed that this equipment would produce 199 gallons per minute.

The agreement, dated October 3, 1958, previously referred to, further commits the Security Title Insurance Company, as Trustee, to convey to its agent, the Apple Valley Building and Development Company or its nominee, the lot upon which the well and pumping plant are now located. Under dates of February 14, 1958 and February 17, 1958, by letters, the Apple Valley Building and Development Company has agreed to convey the water distribution system, the well site, well, and pumping equipment to the applicant and the applicant has agreed to accept this transfer provided the well and facilities meet certain minimum standards. ✓

The evidence discloses that the pumping equipment and distribution systems in both Tracts Nos. 5041 and 5205 meet the requirements of General Order No. 103 of this Commission. It should be noted that the applicant intends to install a 2500-gallon pressure tank in connection with the well on Tract No. 5205, and also to apply for a Health Permit to cover this system.

Since the water supply in each tract is from a single well with no storage, the applicant proposes to provide an emergency stand-by supply by hauling water in tank trucks. The applicant will be required to file with this Commission the details of such plans for each tract.

An examination of the financial statement of the applicant discloses that it is financially qualified to conduct the proposed operations. There are no other water services in either the area of Tract No. 5041 or Tract No. 5205.

There was no opposition to the proposed certificate and in the light of all of the evidence in this record, we find that public convenience and necessity justify the issuance of a certificate as requested.

The certificate hereinafter granted 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 rates proposed to be charged are those presently in effect in the balance of applicant's system, which rates became effective September 1, 1958, and will be authorized in the two new tracts.

O R D E R

Application as above entitled having been filed, public hearing having been held, and the Commission having made the foregoing findings,

IT IS ORDERED:

(1) That Apple Valley Ranchos Water Co., a corporation, be and it hereby is granted a certificate of public convenience and necessity to construct and operate public utility water systems in Tract No. 5041 consisting of approximately 24.74 acres in the Northwest  $\frac{1}{2}$  of Section 34, Township 6 North, Range 4 West, S.B.B.&M., San Bernardino County, California, and in Tract No. 5205 consisting of the west 62 acres of the Northwest  $\frac{1}{2}$  of Section 3, Township 5 North, Range 3 West, S.B.B.&M., San Bernardino County, California.

(2) a. That applicant is authorized to apply, after the effective date of this order, its presently effective tariff schedules to Tracts Nos. 5041 and 5205 certificated herein.

b. That applicant shall, after the effective date of this order, and in accordance with the procedure prescribed by General Order No. 96, revise its presently filed tariff schedules, including tariff service area maps, to provide for the application of its present tariff schedules to Tracts Nos. 5041 and 5205, such revised tariff schedules to be effective on or before the date service is first furnished in Tract No. 5205, and to be effective within thirty days after the effective date of this order in Tract No. 5041. Such tariff schedules shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

c. That applicant shall notify this Commission, in writing, of the date service is first furnished to the public in Tract No. 5205 under the rates and rules authorized herein, within ten days thereafter.

(3) That applicant shall, within sixty days after the effective date of this order, file 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, the principal water production, storage and distribution facilities, and the various locations of water properties of applicant in each of Tracts Nos. 5041 and 5205.

(4) That applicant shall, within thirty days after the effective date of this order, file in writing with this Commission

the details of its plans for providing emergency standby water service for each of said tracts certificated herein.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of April, 1959.

E. Lynn Fox  
President

John L. Mitchell

Matthew D. Walsh

Theodore J. Deiner

Everett O. Page  
Commissioners