

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application No. 40991

O P I N I O N

By the application herein, filed with this Commission on March 31, 1959, applicant seeks authority to extend its service territory to approximately 60 acres of land to be known as his Indian Wells Division, situated approximately three miles southeast of the existing service area.

A public hearing on the application was held in Palm Springs on April 24, 1959, before Examiner Kent C. Rogers and the

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matter was submitted. Prior to the hearing, notice thereof was posted and published as required by this Commission. There were no protests.

The Indian Wells Division will be a separate unit not connected to the balance of the service area. The territory is described as the East $\frac{1}{2}$ of the Southwest $\frac{1}{2}$ of Section 23, Township 5 South, Range 6 East, except for a 20-acre parcel in the northwest portion thereof. The proposed service area and the existing service area are depicted on Exhibit No. 2 herein.

Three subdivisions are contemplated. The first unit, known as El Dorado Palms No. 1, has been completed and consists of 51 lots (Exhibit No. 3). Seventeen homes have been constructed therein but are unoccupied pending authority from this Commission. Unit No. 2 will have 35 lots and will be north of Unit No. 1. Unit No. 3 will be west of Unit No. 1 and will contain approximately 65 lots. When completed, there will be 151 lots in the area.

The water supply will consist of two wells and a tie-in with the Indian Wells Mutual Water Company water supply. Both of applicant's present wells are located in the north portion of the proposed service area.

Applicant's Cavanaugh well, also known as its McMillan well, is not presently in use but is expected to produce 199 gallons of water per minute (Exhibit No. 11). If a certificate is granted, this well will be rehabilitated by the applicant or exchanged for a well presently located west of the proposed service area.

The El Dorado well is east of the Cavanaugh well and produces 586 gallons of water per minute (Exhibit No. 8), the water is

potable (Exhibit No. 9), pure (Exhibit No. 10), and a water supply permit has been issued for its use (Exhibit No. 12).

Pumps and motors are on each of these wells.

Applicant and the Indian Wells Mutual Water Company, located immediately east of the proposed service area, have entered into a water exchange agreement whereby each will furnish water to the other if needed (Exhibit No. 13). This mutual water company has three wells providing a total of 1050 gallons per minute. One of these wells is used for domestic purposes only, and two are used for both domestic and golf course irrigation. The mutual now serves approximately 150 lots.

The existing and proposed facilities are shown on Exhibit No. 3 herein. The applicant's wells are not connected at present but the El Dorado well is ready for immediate use and water is available to all completed houses from the tie-in with the mutual water company.

The contemplated and existing pipe and facilities for Unit No. 1 are shown on Exhibit No. 3 herein.

The applicant and the subdivider have entered into an agreement (Exhibit No. 14) whereby the subdivider will acquire and transfer to applicant both well sites and wells, and the pumping equipment at the El Dorado well, together with the necessary mains, services and easements in Subdivision No. 1 at a total estimated cost of \$20,445. The McMillan (Cavanaugh) well is not presently in use or usable and the cost of that well, other than the land, is not included. Some of these facilities are not ordinarily furnished by the subdivider, i.e., the wells and pumps, and the applicant

requests that it be authorized to enter into the agreement reflected by Exhibit No. 14.

Applicant is to furnish the tanks, pumps, meters, and fittings, at an estimated cost of \$11,200 (Exhibit No. 16). Applicant has proprietary capital of \$59,529 and \$25,362 of advances for construction in its certificated area (Exhibit No. 4). With the completion of El Dorado Palms Unit No. 1, applicant will have approximately \$70,729 in proprietary capital and approximately \$45,807 in advances for construction.

Rates in the proposed area will be the same as the applicant's existing rates now on file.

A franchise is not required by the county at present.

From the record herein it appears and we find that public convenience and necessity require the granting of the certificate of public convenience and necessity as hereinafter set forth subject to the conditions set out in the order herein and to the following provision of law:

The Commission shall have no power to authorize the capitalization of the 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.

It further appears and we find that applicant's authorized rates shall be placed in effect in the herein certificated area.

O R D E R

An application having been filed, a public hearing having been held thereon, the matter having been submitted and now being ready for decision, and the Commission having made the foregoing findings and based upon said findings,

IT IS HEREBY ORDERED that Harold J. Hicks, doing business as the Palm Valley Water Company, be and he is granted a certificate of public convenience and necessity to acquire, construct and operate a public utility water company in the following place in Riverside County, California:

The E $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Sec. 23, T.5 S., R.6 E., excepting therefrom a rectangular 20-acre parcel of approximately 1,080 feet north and south and 800 feet east and west situated in the northwest corner of the E $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Sec. 23.

IT IS FURTHER ORDERED:

1. That Harold J. Hicks, doing business as Palm Valley Water Company, is authorized to apply after the effective date of this order his presently effective tariff schedules in the area certificated herein.
2. That applicant shall, after the effective date of this order, revise his presently filed tariff schedules, including tariff service area map, and in accordance with the procedure prescribed by General Order No. 96, and in a manner acceptable to this Commission, to provide for the application of said tariff schedules for water service in the area certificated herein, such revised tariff sheets to be effective on or before the date service is first furnished to the public in the area certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.
3. That applicant shall notify this Commission, in writing, of the date service is first furnished to the public in the area certificated herein, within ten days thereafter.
4. That applicant shall file, within sixty days after service is first furnished to the public in the area certificated herein under the rates and rules authorized herein for said area, four

copies of a comprehensive map drawn to an indicated scale not smaller than 1,000 feet to the inch, delineating by appropriate markings the various tracts of land and territory served pursuant to this decision, the principal water production, storage and distribution facilities in the territory served pursuant to this decision; and the location of the water system properties of applicant in the territory herein certificated.

5. a. That applicant may execute and place in effect, an agreement, copy of which is filed herein as Exhibit No. 14, and may execute and place in effect the interchange agreement, a copy of which is filed herein as Exhibit No. 13.

b. That applicant shall file, within thirty days after service is first furnished to the public in the area certificated herein, two certified copies of each of the agreements as executed, together with a statement of the date on which the agreement is deemed to have become effective.

c. That applicant shall notify this Commission in writing of the date of termination of the agreement identified as Exhibit No. 13 in this proceeding within thirty days from and after said date of termination.

The authorization herein granted 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 22nd day of May, 1959.

E. L. Fox
President
John L. Pitts
William H. Koser
Theodore H. Jensen
Ernest W. Koser
Commissioners