

Decision No. 59486

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LINCOLN OAKS WATER CO., INC., a
California corporation, for a cer-
tificate of public convenience and
necessity authorizing applicant to
furnish public utility water serv-
ice in a portion of Sacramento
County, California, and to exer-
cise franchise rights in connection
therewith.

Application No. 41592

OPINION AND ORDER

By the application herein, filed on October 20, 1959,
Lincoln Oaks Water Co., Inc., a California corporation, requests a
certificate of public convenience and necessity to furnish public
utility water service in two adjacent subdivisions in Sacramento
County.

Applicant's present certificated area consists of approxi-
mately 3,400 acres lying in unincorporated territory northeast of the
City of Sacramento. The certificates of public convenience and
necessity heretofore granted applicant were granted subject to the
condition that applicant not extend water service outside said cer-
tificated territory without authority first having been obtained
from the Commission.¹

Applicant represents that it has received requests for
public utility water service to two adjacent subdivisions lying
outside of the area currently certificated to applicant, but within
applicant's franchise territory. One of the subdivisions contains
approximately 122 acres and is known as Highland Estates. The second

¹ Decision No. 54680, dated March 19, 1957, as amended by Decision
No. 56351, dated March 17, 1958.

subdivision, known as Highland Manor, lies westerly of but adjacent to Highland Estates and contains approximately 40 acres. The two subdivisions are approximately two miles northeast of applicant's presently certificated area. The application reveals that Unit No. 1 of Highland Estates, consisting of 104 single family residential units, and Unit No. 1 of Highland Manor, consisting of 47 single family dwellings, are under immediate construction; that the developers of these two subdivisions plan to complete all units on a continuous basis not later than the end of 1960; that the two subdivisions, when completely developed, will contain a minimum of 640 single family dwellings; and that applicant has advised the subdividers it is ready, willing and able to serve the two subdivisions, subject to approval of the Commission.

The additional proposed territory to be served by applicant encompasses approximately 250 acres and is shown by the map attached to the application as Exhibit A. Said additional proposed service area is particularly described as follows:

Beginning at the center part of the intersection of Watt Avenue and Grant Line Road (U Street); thence northwest along the CL of Watt Avenue to the intersection of the CL's of Watt Avenue and Apache Drive; thence northeast along the CL of Apache Drive to the southeast corner of the Highland Estates Subdivision boundary; thence northwest along the boundary of Highland Estates Subdivision to the intersection of said boundary and the CL of Elverta Road; thence west along the CL of Elverta Road to the intersection of said CL and the CL of 28th Street; thence south along the CL of 28th Street to the intersection of said CL and the CL of Grant Line Road (U Street); thence east along the CL of Grant Line Road (U Street) to the point of beginning.

To serve Unit No. 1 of Highland Estates and Unit No. 1 of Highland Manor, applicant plans the installation of one well and associated pumping equipment. In addition, two well sites have been reserved, according to the application, for installation of wells

when additional water sources are necessary to provide adequate service.

Applicant plans to furnish water service within the proposed additional service area in accordance with its rates, charges and rules now on file with the Commission and in effect for its existing service area. Accordingly, the cost of the required distribution facilities to serve both subdivisions, estimated at \$150,000 when completed, will be advanced by the subdividers in accordance with applicant's Main Extension Rule No. 15, and be subject to refund under paragraph C-2b of said Rule No. 15.

Upon completion of both subdivisions, applicant estimates it will be serving approximately 640 customers within the area for which a certificate is requested with annual gross operating revenues of \$22,000 and annual operating expenses, taxes and depreciation of \$17,000. Applicant plans to finance the cost of back-up facilities either with its own funds or debt funds advanced by its parent corporation, Citizens Utilities Company, a Delaware corporation.

There appear to be no utilities, publicly or privately owned, with which applicant is likely to compete within the area requested.

The Commission has considered this matter and is of the opinion and so finds as a fact that public convenience and necessity will require the services of Lincoln Oaks Water Co., Inc., as a public utility water system in the territory referred to in this application, and as shown in Exhibit A thereto, that the application should be granted, and that a public hearing is not necessary.

The certificate hereinafter granted 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.

IT IS ORDERED that:

1. A certificate of public convenience and necessity be and it hereby is granted to Lincoln Oaks Water Co., Inc., to construct and operate a public utility water system in the territory referred to hereinabove, and as shown on Exhibit A attached to the application.

2. Lincoln Oaks Water Co., Inc., shall not extend service outside of the territory certificated to it without authority first having been obtained from this Commission.

3. Applicant is authorized to apply, after the effective date of this order, its presently effective tariff schedules to the areas certificated herein.

4. If the authority herein granted is exercised, applicant shall file in quadruplicate with this Commission, after the effective date of this order and in conformity with General Order No. 96, revised tariff schedules acceptable to this Commission, including tariff service area maps, to provide for the application of said tariff schedules to the area certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the public after filing as hereinabove provided.

5. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

6. Applicant shall file, within thirty 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 400 feet to the inch, delineating by appropriate markings the tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

7. The authorization herein granted will expire if not exercised within one year after the effective date of this order.

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

Dated at San Francisco, California, this 12th day
of January, 1960

Emmett R. Long
President.
Ed. J. G. G. G. G.
W. H. G. G. G.
E. J. G. G.
Theodore J. G. G.
Commissioners