

Decision No. 60921**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application
of the Southern California Water
Company for an order granting a
Certificate of Public convenience
and Necessity to construct or ex-
tend its plant or system and to
render service in certain terri-
tory in Orange County and for an
order preliminary to issuance of
a Certificate of Public Conven-
ience and Necessity for exercise
of franchise rights.

Application No. 42571
(Amended)

O P I N I O N

By the above-entitled application filed August 12, 1960, and amended on October 5, 1960, Southern California Water Company, a California corporation, requests a certificate of public convenience and necessity to construct and operate a public utility water system in two areas located partly within the cities of Cypress and Dairyland and partly in an unincorporated area of Orange County. Two subdivisions are in the process of development in these areas. A map showing the location of the areas for which a certificate is requested is attached to the application as Exhibit A and a description of these areas is attached thereto as Exhibit B.

A field investigation in connection with this application was made on October 3, 1960, by a Commission staff engineer, at which time the factual data submitted by applicant was verified.

No protests regarding this application have been received by the Commission.

Service Area

The two areas for which a certificate is requested consist of:

Area A

About 46 acres located immediately north of Crescent Avenue and east of Denni Street. Orange County Tract No. 3773, a 111-lot subdivision, will occupy most of this area. It will be adjacent to but not within the present boundaries of the City of Dairyland. Tract No. 3773 has been surveyed and the contractor advises that work will begin as soon as this utility obtains authority to serve this area.

Area B

About 77 acres located immediately north of Cerritos Avenue and east of Moody Street. Orange County Tract No. 3910, a 158-lot unit of a 2,400-lot subdivision in the City of Cypress, is under construction in an area presently certificated to applicant. About 33 of the lots in this unit will be located in Area B and additional units of this subdivision will eventually occupy this requested area.

The requested areas are not presently served by a public utility water system. Pacific Water Company appears to be the public utility closest to the areas requested, serving an area located about one mile to the west.

Area B was excluded from the certificated area granted to applicant by Commission Decision No. 53856, dated October 1, 1956, in Application No. 37172, at the request of the land owner at that time. The amendment to this application filed on October 5, 1960 includes as Exhibit K a letter from the legal owner of this land, Standard Development Corp., stating that it now requests water service from Southern California Water Company.

Water System

According to the application, all water mains are to be cast iron or asbestos-cement and service pipes are to be of copper. Services are to be metered and fire hydrants will be installed as required by local fire protection authorities.

Tract No. 3773 in Area A will ultimately be served by means of a well and ground level storage facilities to be located on the proposed pumping plant site within such area. An eight-inch main is planned to connect the proposed pumping plant with existing facilities on Crescent Avenue, and other mains within the tract will be six inches in diameter.

Tract No. 3910 is the first of several similar units which will be developed in and adjacent to Area B. A well will be drilled and pumping facilities developed on land in this tract and other wells will be drilled as necessary in other units of this development. The mains in this tract will be of eight-, six- and four-inch asbestos cement pipe.

Applicant's estimate of the cost of the facilities necessary to serve Tracts Nos. 3773 and 3910 is summarized in the tabulation below. Tract No. 3773 is entirely within Area A but only a small portion of Tract No. 3910 lies within Area B.

<u>Tract No. 3773</u>	
Water Supply Facilities	\$ 61,000
Distribution Mains	30,760
Services	5,550
Hydrants	4,675
Meters	<u>2,720</u>
Tract Total	104,705
 <u>Tract No. 3910</u>	
Water Supply Facilities	55,000
Distribution Mains	36,650
Services	7,900
Hydrants	6,800
Meters	<u>3,820</u>
Tract Total	110,170
Total, Both Tracts	<u>214,875</u>

Revenues and Expenses

Applicant proposes to furnish water service at meter rates and asks that the tariff schedules presently effective in its Cypress-Los Alamitos-Stanton Tariff Area be authorized by the Commission for water service in these areas. Applicant estimates the costs of operation for the two tracts presently in the initial stages of

planning and construction at \$1,730 and \$2,430 per year, respectively, exclusive of taxes and depreciation, based upon experience in its West Orange District.

Financing

Applicant plans to purchase and install all "backup" facilities required to serve the proposed areas, at its own cost and expense, including such facilities as land, wells, pumping equipment, meters and tanks. The distribution facilities required to serve the subject tracts being developed in the areas requested will be installed in accordance with, and pursuant to, applicant's filed main extension rule (Rule No. 15) and refunds are to be made under the percentage of revenue method option therein.

Franchise

Applicant has been granted a franchise by the County of Orange (Ordinance No. 767, adopted October 4, 1955) to construct and operate a water system for a period of forty years. By Commission Decision No. 53856, dated October 1, 1956, in Application No. 37172, applicant was granted authority to exercise the rights and privileges granted by said ordinance.

Findings and Conclusions

Applicant's distribution facilities, as proposed, appear to be properly designed to ultimately furnish adequate water service in the areas sought and to meet the requirements of this Commission's General Order No. 103.

It appears that applicant has the requisite financial ability to carry out the proposed construction and operation of the water system during the developmental period of the areas requested to be served. The Commission has given consideration to this matter and is of the opinion that a public hearing is not necessary. The Commission finds and concludes that public convenience and necessity require that a certificate be granted for the construction and operation of a water

system in the areas sought. 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 grant of such certificate of public convenience and necessity or right.

Applicant alleges in its amendment that the developers of both areas have proceeded or are ready to proceed immediately with their subdivisions, that water service for construction purposes is urgently required, that further delays will result in severe economic hardships to the developers and request an early decision in this matter. The order which follows will therefore become effective on the date thereof.

O R D E R

The above-entitled application having been filed, investigation having been made and the matter being ready for decision; therefore,

IT IS HEREBY ORDERED that:

1. Southern California Water Company, a corporation, is hereby granted a certificate of public convenience and necessity to construct and operate a public utility water system for the distribution and sale of water in portions of Orange County and the cities of Dairyland and Cypress therein as shown on the map (Exhibit A) and as described (Exhibit B) in the application.

2a. Applicant is authorized to apply in the areas certificated herein its tariff schedules presently effective in its Cypress-Los Alamitos-Stanton Tariff Area.

b. Within thirty days after the effective date of this order, applicant shall file in quadruplicate with this Commission 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 Cypress-Los Alamitos-Stanton tariff schedules to the areas 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. Applicant shall file, within 180 days after the effective date of this order, four copies of a revised comprehensive map of its Cypress service area, drawn to an indicated scale not smaller than 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant in its Cypress system.

The authority herein granted will expire if not exercised within one year from the date hereof.

The effective date of this order will be the date hereof.

Dated at San Francisco, California, this 18th day of OCTOBER, 1960.

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President
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Commissioners