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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
ROSA WATER COMPANY, a corporation,)
for a certificate of Public Conven-)
ience and Necessity authorizing)
applicant to furnish water service)
to additional area in the vicinity)
of Santa Susana, Ventura County,)
California.)

Application No. 43458
(Filed June 1, 1961)

Gibson, Dunn & Crutcher, by Raymond L. Curran, for
the applicant.

Durley, Todd, Cearnal & Marshall, by John D.

Marshall, for protestant.

John O. Sanders, for H. Zinder & Associates, Inc.,
interested party.

Robert C. Durkin, for the Commission staff.

O P I N I O N

This application was heard before Examiner Kent C. Rogers at Simi, California, on September 18, 1961, on which date it was submitted. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. The application was protested by the Tapo Mutual Water Company.

Applicant requests the issuance of a certificate of public convenience and necessity to construct and operate a public utility water system in three separate areas, totaling approximately 49 acres, in Simi Valley, Ventura County, California. Two of these areas are each contiguous to an existing service area of applicant and one is in the vicinity of its Tapo Canyon well. Each service

area is along or contiguous to a portion of applicant's system or supply line. By prior orders of this Commission applicant is prohibited from extending service to any additional territory without a specific order therefor.

Applicant now provides water to approximately 10 tracts or areas in six separate locales in Simi Valley. These service areas total approximately 461 acres and contain about 1,225 customers. At maximum development the existing areas are scheduled to contain approximately 1,670 customers.

The proposed service areas are shown on Exhibit No. 1, herein marked W, L and G.

Area W contains 10 acres, more or less, of flat land in the vicinity of the northwest corner off Los Angeles Avenue (First Street) and Tapo Street in Santa Susana, and is contiguous on the east to a presently certificated area of applicant in the NW $\frac{1}{4}$ of Section 7, T2N, R17W, SBB&M. In area W there are at present six homes, one store building with four tenants, and one unoccupied building. The area also contains a portion of a switching yard of the Southern Pacific Company which is attempting to lease its portion of the area. This area formerly was served by the owner from a well by means of a 900-foot-long 4-inch steel line along Tapo Street. The well became nonusable and water was purchased from an adjoining mutual water company which, in turn, became short of water. Since December, 1960, applicant has been furnishing water to the area, allegedly free of charge, by means of an extension directly across Tapo Street from an 8-inch line of applicant in the NW $\frac{1}{4}$ of Section 7. On December 27, 1960, applicant and the owner

of the 4-inch line entered into a lease thereof (Exhibit No. 4). This lease is for a term of five years at a rental of \$1 per year and thereby the applicant agrees to furnish domestic water to the lessor and other parties presently obtaining water through said 4-inch line. Applicant requests that this agreement be approved and that it be permitted to charge its presently effective metered rates until such time as it is authorized by this Commission to extend service south on Tapo Street to a tract in the southwest corner of Tapo Street and Los Angeles Avenue (First Street). Applicant estimates that an extension to serve the latter tract will be made by it within approximately one year.

Any service to the area referred to as area W is to be at the applicant's filed tariff rates and all services will be metered at applicant's expense. Applicant is unable to estimate the water usage in said area or the estimated revenues therefrom but alleges that it has sufficient water to provide service to the existing customers.

Area L is located on the south side of Los Angeles Avenue (First Street) approximately one mile west of area W and is contiguous on the west to one of applicant's existing service areas, Tract No. 1212. Area L contains approximately 36 acres. There is one connection therein which applicant had undertaken to serve prior to authority from this Commission. In addition to this existing service, the owner of 34 to 35 acres of this area had planned a subdivision (tentative Tract No. 1351) of approximately 130 homes, which were to be built within 12 months from the date of this application. At this subdivider's request, applicant proposed to

construct a water system therein in conformance with General Order No. 103, the cost of which was to be advanced by the subdivider and repaid to him under applicant's subdivision main extension rule. It appears that this subdivider has temporarily suspended these plans and is concentrating on another subdivision. However, the applicant requests that it be authorized to serve this area and estimates that when the tract is fully developed as per tentative plans (approximately 130 customers) it will realize a net profit of about \$3,511 per year therefrom before Federal income taxes (Exhibit No. 3). If authorized to serve this area applicant will meter the services and charge the metered rates set forth in its existing tariff.

Area G consists of 2-1/2 acres of land under one ownership. Applicant's 8-inch Tapo Canyon supply line passes in front of the property into the existing service areas. The owner had been hauling his water and asked the applicant to provide service. Applicant ran a 6-foot-long 2-inch line from the Tapo Canyon line to this property. It is estimated that the maximum usage therefrom will be the equivalent of not to exceed five connections, that the annual revenues will be about \$150, and the annual cost will be about \$50. Service is metered and will be at existing rates.

The applicant secures some of its water from the well in Tapo Canyon in the hills north of Simi Valley. This is brought into the service area by the 8-inch line heretofore referred to. The Tapo Mutual Water Company also secures its water from the Tapo Canyon basin. This latter company claims that it has a prior

right to all of the water in the said basin. At the hearing herein its lawyer stated that it contemplated bringing an action to bar applicant from using water secured from its Tapo Canyon well. Applicant claims it has purchased a right to the water it secures from Tapo Canyon (Exhibit No. 6).

In addition to the Tapo Canyon source of water, applicant has four wells in Simi Valley, and is in the Calleguas Municipal Water District which is scheduled to secure Metropolitan Water District water in 1963.

The applicant presented no public witnesses in support of its request for a certification.

Applicant has a franchise from the County of Ventura (Ordinance No. 840) and has been granted a certificate of public convenience and necessity for the exercise thereof by this Commission subject to certain conditions (Decision No. 60439, dated July 26, 1960).

A Commission engineer investigated the application and the staff appeared at the hearing. The engineer presented Exhibit No. 9 as a report on the operations of Rosa Water Company relative to the application herein.

The staff report states that the only other public utility water company serving in the general area is Royal Water Company which serves an area approximately one mile from area L and slightly west of Tract No. 1212 referred to. Applicant's five wells are each connected so all water produced is usable in the entire system. Collectively they produce approximately 1,215 gallons of water per minute. The water from four of its wells, producing a total of

approximately 415 gallons of water per minute, is generally of poor quality and must be blended with water from its Tapo well (800 gallons per minute) to secure water acceptable to the State Department of Public Health which has given applicant a water supply permit subject to certain blending requirements. A Ventura County ordinance allegedly requires a fire flow of 1,000 gallons per minute for four hours.

The staff engineer concluded that the water supply from applicant's five wells, together with existing storage (798,000 gallons) will be adequate to meet the estimated peak-day requirement under initial development (November 1, 1961), which included, under the information furnished the engineer, 60 customers or customer equivalents in area L, 12 in area W, and 3 in area G. Actually area L will not be developed for a year at least. The engineer stated that the existing 4-inch line in area W does not conform to General Order No. 103 but appears adequate to serve the immediate needs thereof. It should, he said, be replaced as soon as possible.

Findings and Conclusions

The Commission is presented with an unusual situation here in that this is an area with a short supply of water. The supply of water in the area, with the exception of the Tapo well, is of very poor quality. Applicant has been advised by this Commission in its certificates of public convenience and necessity that it may not extend water service beyond particularly authorized service areas without an order from this Commission. Such restrictions were not placed in its certificates to prevent it from making money or furnishing service, but were placed in an attempt to establish a firm supply of water to customers this Commission has authorized the applicant

to serve. Notwithstanding such admonitions, applicant persists in extending service to unauthorized customers, according to it, "free of charge", until it secures authority from this Commission to extend such service. Such conduct not only hurts the applicant financially but endangers service to authorized customers and will not be condoned. The continuance of such course of conduct on the part of the applicant will result in appropriate action being taken by this Commission.

Upon the record herein the Commission finds that public convenience and necessity require that applicant be granted a certificate of public convenience and necessity to acquire, construct, and operate a public utility water system as requested, subject to the conditions and restrictions set forth in the order herein, and to the restrictions that applicant shall not further extend service without further order of this Commission and shall not furnish free water to any customer, or to any other person or company, as an accommodation.

The certificate of public convenience and necessity herein 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.

Applicant will be authorized to apply its filed metered rates for the services herein authorized to be performed, and to execute the lease agreement (Exhibit No. 4).

O R D E R

An application having been filed, public hearings 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 ORDERED:

1. That Rosa Water Company, a corporation, be, and it is, granted a certificate of public convenience and necessity to construct and operate a public utility water system in the unincorporated portions of Ventura County, State of California, described as follows:

Area L

Beginning at a point in the intersection of the center line of Los Angeles Avenue with the west line of Section 12, T 2 N, R 18 W, SBBM, thence east along the center line of Los Angeles Avenue 440.22 ft. to the true point of beginning, thence, East 955.19 ft., thence South 210 ft., thence West 150 ft., thence South 2,038.68 ft., thence West 805.19 ft., to the east line of Tract 1212 of Ventura County, thence North 2,248.68 ft. to the true point of beginning.

Area W

Beginning at the northeast corner of Section 12, T 2 N, R 18 W, SBBM thence South $00^{\circ} 01' W$ 1468.02 ft. to the true point of beginning, thence S $89^{\circ} 58' W$ 341.11 ft., thence S $0^{\circ} 01' W$ 524 ft., thence N $89^{\circ} 58' E$ 153.11 ft., thence S $0^{\circ} 01' W$ 319.21 ft., thence S $89^{\circ} 58' W$ 722 ft., thence S $0^{\circ} 01' W$ 330 ft., thence N $89^{\circ} 58' E$ 910 ft., thence N $0^{\circ} 01' E$ 1,173.21 ft., to the true point of beginning.

Area G

Beginning at the southwest corner of Section 19, T 2 N, R 17 W, SBBM, thence N 0° 02' 40" W 66.68 ft., thence N 51° 08' E 91.11 ft., thence N 48° 20' E 127 ft., thence S 66° 35' E 65.47 ft., thence N 70° 13' E 265.85 ft., thence S 13° 49' E 110.22 ft., thence N 78° 44' E 85.60 ft., thence S 12° 02' E 185.17 ft., thence S 89° 59' 20" W 624.87 ft., to the point of beginning.

2. That applicant shall not extend service to any areas, tracts, parties or connections other than those previously certificated and those listed in paragraph 1. of this order without further order of this Commission.

3. That applicant is authorized to apply after the effective date of this order, its presently filed tariffs to the areas certificated herein.

4. That applicant shall file, within thirty days after the effective date hereof, in quadruplicate with this Commission in conformity with General Order No. 96 and in a manner acceptable to this Commission, such revised tariff sheets including tariff service area maps, as are necessary to provide for the application of its present tariff schedules to the areas certificated herein. Such revised tariff sheets shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

5. That 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 in each of the three separate areas certificated herein.

6. That applicant shall file within ninety days after the effective date hereof four copies of a comprehensive map drawn to an indicated scale not smaller than 300 feet to the inch delineating by appropriate markings the various tracts of land and territories served, the principal water production, storage, transmission and

distribution facilities, and the location of the various properties of applicant, within each of the three areas certificated herein.

7. That applicant is hereby authorized to carry out the terms and conditions of the lease agreement with Mrs. Wright (Exhibit No. 4), provided that two copies of said agreement, as executed, and certified by applicant's secretary, are filed with this Commission on or before the effective date of this order.

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 Los Angeles, California, this 5th day of December, 1961.

Carl H. [Signature]
President
[Signature]
George H. Grover
Fredrick B. Hollohoff
Commissioners

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