

ORIGINAL

Decision No. 64089

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of COWAN HEIGHTS WATER)
COMPANY, to extend its water system)
in the vicinity of El Modena,)
Orange County, California.)

Application No. 44020
Amended

Miller, Nisson, Kogler & Wenke, by C. Arthur
Nisson, Jr., for applicant.
C. O. Newman, for Commission staff.

O P I N I O N

Cowan Heights Water Company, a corporation, by the above-entitled application filed December 13, 1961, as amended that date, seeks a certificate of public convenience and necessity to extend its water system into the so-called Shanahan property of 363 acres comprising Tentative Tracts Nos. 3731, 3732 and 4125 in unincorporated territory of Orange County in the area shown on the tentative tract map, Exhibit A, attached to the application, and into the so-called Marjan property of five acres in unincorporated territory of Orange County in the area shown on the Record of Survey map, Exhibit A-1, attached to the application.

The Shanahan properties comprise 84 residential lots on about 33 acres in Tentative Tract No. 3731; 51 residential lots on about 20 acres in Tentative Tract No. 3732; and 435 residential lots and two commercial lots on about 310 acres in Tentative Tract No. 4125. The Marjan properties comprise 8 lots.

A public hearing was held before Examiner Stewart C. Warner, on May 24, 1962, at Orange. No protests were entered; the matter was submitted and is ready for decision.

By Decision No. 57839, dated January 6, 1959, in Application No. 40060, applicant was granted a certificate of public convenience and necessity to construct and operate a public utility water system in the area known as Cowan Ranch comprising approximately 800 acres, and by Decision No. 60101, dated May 17, 1960, in Application No. 41808, applicant was granted a certificate to serve an additional 17 acres lying approximately 3,000 feet southwest of the original area, known as the Calland Tract. Applicant was restricted to the areas certificated by these decisions.

As of the date of the hearing, applicant was furnishing water service to approximately 200 consumers. The ultimate development of the present certificated areas and those sought to be certificated herein was estimated to be 1,300 consumers within a 5- to 10-year period.

Applicant's sources of water supply include ownership of stock both directly and through a mutual water company, in Tustin Mutual Water Company and in Red Hill Mutual Water Company. Total production capacity of the named mutual water companies' wells is 3,930 gallons per minute, of which the applicant is entitled, by virtue of stock ownership, to 2,129 gallons per minute. Red Hill's Turner, Main, and East Wells, at its Newport plant, have been shut down, and electric power to the pumping plant has been disconnected to save monthly standby charges, but said wells can be made available.

In December 1961, East Orange County Water District was organized. Said District's boundaries include all of applicant's present and proposed service areas. Treated Metropolitan Water District water from the MWD's East Orange County Feeder No. 2 in the amount of 16 second feet will be available to East Orange County Water District upon the completion of said feeder within about two years, and untreated MWD water from Santiago Aqueduct in the amount

of 10 second feet will be available to East Orange County Water District probably by the end of 1962, and after completion by said District of a transmission pipeline from said Aqueduct, a treatment plant, and a 3,500,000-gallon reservoir at the highest point of and within applicant's service area. The location MWD sources of water supply are shown on the map, Exhibit No. 2. Applicant presented testimony that it will be entitled to 1,177 gallons of water per minute from MWD sources.

The subdividers and developers of the Shanahan properties will donate 529 shares of stock of Seven Hills Mutual Water Company to applicant in accordance with the terms of the agreement, dated October 10, 1961, a copy of which is attached to the application as Exhibit C. When applicant owns said shares of Seven Hills' stock, applicant will control Red Hill Mutual Water Company, thus ensuring to applicant a majority of Red Hill's sources of water supply.

Applicant proposes to apply its presently filed tariffs to the proposed areas with no change.

Based on the record the following findings and conclusions are made:

1. Applicant's sources of water supply, those available to it, and those proposed to be developed are and will be adequate to serve the areas sought to be certificated.
2. Public convenience and necessity require that the application be granted.
3. Public convenience and necessity require that the restriction on applicant's extending outside its certificated area should be continued.

The certificate herein 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.

O R D E R

Based on the findings and conclusions hereinbefore set forth,

IT IS ORDERED that:

1. Cowan Heights Water Company is granted a certificate of public convenience and necessity to extend, construct and operate a public utility water system in the so-called Shanahan property, Tentative Tracts Nos. 3731, 3732, and 4125 in unincorporated territory of Orange County, in the area set forth on the map, Exhibit A, attached to the application, and in the so-called Marjan property comprising the Record of Survey in unincorporated territory of Orange County shown on the map, Exhibit A-1, attached to the application.
2. Applicant shall not extend its water system outside its certificated area boundaries without authority first having been obtained from the Commission.
3. Applicant shall make a comprehensive engineering and economic study of the water system to determine the requirements and costs thereof to bring all portions and elements of the water system up to and in accordance with at least the minimum standards prescribed by General Order No. 103, and shall submit such report, in writing, to this Commission within sixty days after the effective date of this order, together with a program for completion of the

necessary improvements. Said program shall be completed within one hundred eighty days after the effective date of this order. Applicant shall notify the Commission, in writing, within five days after said program has been completed.

4. Applicant is authorized to apply its presently filed tariff schedules to the area certificated herein.

5. If the authority herein granted is exercised, applicant shall file with this Commission, after the effective date of this order and prior to the date service is first rendered to the public under the authority herein granted, in conformity with General Order No. 96-A 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 tariff schedules to the area certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the public and to this Commission after filing as hereinabove provided.

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 300 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.

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

8. 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 the date hereof.

Dated at San Francisco, California, this 7th day of August, 1962.

George A. Grover
President

John R. ...

C. ...

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Frederic B. Hallock
Commissioners