

Decision No. 65461

ORIGINAL

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 convenience and necessity authorizing applicant to furnish water service to additional areas near Santa Susana, California and for an order authorizing the issuance of an installment note of \$6,000.00.

Application No. 45166
(Filed February 11, 1963)

O P I N I O N

Rosa Water Company (applicant) furnishes domestic water to customers in Simi Valley, California. By the application herein it seeks authority to extend service to three small parcels of land designated "S", "T" and "LP" on Exhibit "A", attached to the application. Parcels "S" and "LP" are contiguous to areas served by applicant. Parcel "T" is contiguous to an area served by applicant but is included in an area sought to be served by another water company by a pending application. The applicant requests an ex parte order authorizing it to extend service to parcels "S" and "LP" and the withholding of action on parcel "T" pending a hearing.

Parcel "S" is a playground portion of a school near Santa Susana, California. This school is operated by the Simi Valley Unified School District as a junior high school. The buildings at this location are within the service area of the Simi Valley Mutual Water Company and receive domestic water therefrom. The school holds stock in the mutual water company, which stock is appurtenant to the lands upon which the buildings are located. The school district does not hold stock in the mutual appurtenant to the playground lands sought to be certificated herein. The playground area has been

unirrigated for many years and consists of a bare plot of ground. The school district now desires to plant this area to lawns to provide a more suitable playground surface, and has requested that applicant furnish water thereto. It is anxious to receive service at an early date and has installed a sprinkling system and needs the water to make the system operative. The playground contains approximately four acres, or the equivalent of approximately twenty residential customers.

Applicant's main line serving Tract 1304, which is immediately contiguous to parcel "S", is an 8-inch line located on School Street immediately fronting said parcel. The extension of service to the 4-acre parcel will require the installation of approximately 5 feet of 2-inch copper line, a meter stop, a meter, and a meter box, the total cost of which is estimated to be \$300. This expense will be borne by the applicant as the extension is less than the 50-foot allowance provided in applicant's present main extension rule. The school district will be required and has agreed to install the necessary backflow prevention devices at its own expense.

Applicant is unable to estimate the revenues which this extension will produce, but alleges that it will be beneficial to applicant and that the revenues will exceed the expenses of operation.

Parcel "LP" contains approximately 35 acres and is the entire service area of the Las Palmas Mutual Water Company which is located in the vicinity of Appleton Road and Royal Avenue near Santa Susana, California. This service area is upon lands now or formerly owned by R. E. Harrington. Prior to the date of this application, Mr. Harrington developed two small subdivisions and sold lots to individuals. Approximately 20 houses have been built on said lots to date. In addition to the homes within the two tracts, the mutual also serves three other residences.

The facilities of the mutual are connected to other facilities owned by Mr. Harrington which he uses to irrigate his ranch. These other facilities include a well, line and reservoirs which will provide the irrigation water for the Harrington ranch, and applicant will not be requested to furnish such. Applicant's service area is on three sides of the mutual service area. Applicant alleges that the public interest will be best served by having a single entity provide water service to the area; that applicant has asked the mutual water company to sell its assets to applicant and receive service from applicant; that the mutual water company has granted applicant an option to purchase the assets consisting of 1,760 feet, more or less, of 4-inch asbestos cement pipe, 25 services, 25 meters, valves, valve boxes and appurtenances, well and well site, together with all easements, rights of way and water rights which the seller may own; that the consideration for said transfer will be \$6,765, of which \$765 is to be paid at the close of escrow on approval by this Commission, and the balance of \$6,000 is to be paid by issuance to seller of a note with the principal payable in installments extending from one to ten years from close of escrow, together with interest at 6 percent per annum on the unpaid balance.

The applicant further alleges that the mutual intends to wind up and dissolve on the completion of the sale herein; that applicant does not propose to acquire any stock in the mutual; and that, in order to utilize the facilities of the mutual and serve existing mutual customers, applicant will make several connections at a total cost of approximately \$710 which it will pay.

The applicant estimates that revenues from the present 25 customers in the mutual area will be approximately \$1,875 per year and that the expenses thereof will be approximately \$1,375 per year.

Applicant will provide service at the rates on file with this Commission.

Findings

Upon consideration of the evidence the Commission finds as follows:

1. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
2. Applicant possesses the financial resources to construct and operate the proposed water system.
3. The money, property or labor to be procured or paid for by the issuance of the note herein authorized is reasonably required for the purpose specified, and that such purpose is not in whole or in part reasonably chargeable to operating expenses or to income. The authorization herein granted is not to be construed as a finding of value of the properties nor as indicative of amounts to be included in any future rate proceeding for the determination of just and reasonable rates.
4. The applicant's rates presently on file with this Commission are fair and reasonable for the services to be rendered.
5. The applicant's water supply and distribution facilities in place and proposed will provide reasonable service for the new areas to be certificated herein.
6. A public hearing is not necessary for the service to parcels "S" and "LP" but should be held relative to parcel "T" at a date and place to be determined.

The certificate hereinafter granted shall be subject to the following provision of law:

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

IT IS ORDERED that:

1.a A certificate of public convenience and necessity is granted to Rosa Water Company, authorizing it to extend, construct and operate its public utility water system in parcels "S" and "LP" as described in the application herein.

1.b Applicant is authorized to apply its presently filed tariffs to the areas certificated herein.

1.c Applicant is authorized and directed to revise, within thirty days after the effective date of this order, and in conformity with General Order No. 96-A, such of its tariff sheets, including a tariff service area map acceptable to this Commission, as are necessary to provide for the application of its tariff schedules to the areas certificated herein. Such tariff sheets shall become effective upon five days' notice to the public and to the Commission after filing as hereinabove provided.

2. Applicant shall not extend service outside of the territory certificated to it without further order of this Commission.

3. 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.

4. Applicant shall file, within thirty days after the system is first placed in operation under the rates and rules authorized herein, four copies of a comprehensive map drawn to an indicated

scale of not more 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.

5. Applicant, after the effective date hereof, may exercise the option specified in Exhibit "E" attached to the application, may acquire the facilities itemized therein, may pay to Las Palmas Mutual Water Company the sum of \$765 in cash, and may issue to said mutual its ten-year note for the total principal sum of \$6,000, payable in annual installments as specified in said option, with interest at 6 percent per annum on the unpaid balances.

6. Applicant shall file with the Commission a report or reports as required by General Order No. 24-A, which order insofar as applicable is made a part of this order.

7. Applicant shall apply to the Ventura County Department of Public Health for a water supply permit for water from the well to be acquired and shall file a copy of such application with this Commission within sixty days from the effective date hereof.

8. That portion of this application which seeks authority to service parcel "T" shall be set for hearing at a time and place to be determined by this Commission.

9. The authorization herein granted will expire if not exercised within one year after the date hereof.

The authority herein granted to execute the option agreement and issue a note will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code,

which fee is \$25. In all other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 27th day of MAY, 1963.

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

[Signature] President
Acting President

Frederick B. Holbeff

[Signature]
Commissioner
necessarily absent, did not participate in the disposition of this proceeding.

Commissioners

