



Public hearing was held before Examiner Warner on June 26, 1963, at Los Angeles.

City's Water Supervisor protested on the grounds that the proposed area had been annexed to City on May 2, 1963, and City had employed outside consultants to engineer a master plan for City's Water Department which included, as a part thereof, service to Tract No. 27950. The matter was submitted upon the completion of the taking of evidence but City's attorney, by his letter dated July 3, 1963, requested that submission be set aside for further hearing to afford City an opportunity to present expert testimony on its Water Department's plans. By an order dated July 23, 1963, the Commission set aside submission, and further hearing was held before Examiner Warner on August 7, 1963, at Los Angeles, when the matter was again submitted. It is ready for decision.

Tract No. 27950 was in unincorporated territory of Los Angeles County when the application was filed; and the subdivider of Tract No. 27950, D. G. H. Developers of West Covina, sought annexation to City and has been negotiating therewith for sewers and other municipal services and to meet City's Planning Commission requirements.

Applicant offered two witnesses who developed the facts alleged in the application and other facts showing applicant's readiness, willingness, and ability to serve the proposed area. Applicant proposes to serve Tract No. 27950 under Rule 15 of its filed tariffs covering main extensions, and proposes to apply its Covina Knolls tariffs to the proposed area.

Exhibit No. 5, submitted by a Commission staff engineering witness, is a report on the results of his investigation of the application. Said exhibit shows that the proposed area may be developed into 67 lots with a potential of 79 customers; that applicant has a 5 million-gallon storage tank, which is supplied through three electric booster pumps with a capacity of 500 gallons per minute, directly adjacent to Tract No. 27950; that applicant's source of supply for the Covina Knolls area is adequate to meet the demands therein including said tract; that existing mains in the Covina Knolls system are adequate in size to extend service; that no backup facilities would be required outside of the tract, but that a pressure booster unit would be required within it to maintain minimum service pressures in the highest elevations as required by General Order No. 103; that no tract development was under way as of the date of his inspection on May 29, 1963; that the developer planned to wait for the Commission's authorization before starting work; and that Suburban has also requested authority to serve a larger area including Tract No. 27950 by Application No. 45465, filed May 23, 1963, which said requested larger area overlaps portions of areas sought to be certificated to San Dimas-Charter Oak Domestic Water Company by the latter's Application No. 45254 filed March 15, 1963, and amended June 19, 1963. It was the staff witness' opinion that applicant could more economically serve Tract No. 27950 than City.

The record shows that Suburban has been furnishing water service within the City of Covina for some time; that the

number of customers being served in Suburban Covina Knolls tariff service area is 356; and that San Dimas-Charter Oak Domestic Water Company and Azusa Valley Water Company also have been and are furnishing water service within City's boundaries.

In 1958 City employed consulting engineers to prepare a report entitled Comprehensive Plan for Water System Development, which became the basis for their Report On Proposed Future Water System Development for Covina Hills, dated June 1963, which was received at the hearing of June 26, 1963, as Exhibit No. 4. Stage A, costing \$124,200, includes the estimated cost to install 4,200 feet of 12-inch pipeline and a 1.5 million-gallon reservoir in Covina Knolls to enhance City's present water system in Covina Hills, consisting of a pumping station, 8-inch pipeline, and its 185,000-gallon Covina Knolls tank. The 12-inch pipeline would provide a water supply to Tract No. 27950 and such other portions of the Stafford Ranch which have been or might be annexed to City and, in addition, would eventually tie in with the construction plan for Stage B costing \$225,000 and consisting of a connection with the Metropolitan Water District, 6,500 feet of 24-inch pipeline, a pressure-reducing station, 1,200 feet of 12-inch pipeline, two 750 gpm 30 hp pumps, and a hydropneumatic tank. Also, eventually, Stage C was recommended to be constructed costing \$352,800 and to include a 4.5 million-gallon reservoir, two 2,000 gpm 75 hp pumps, and two 1,250 gpm 40 hp pumps. The total estimated cost of Stages A, B, and C was \$702,000.

Plate No. 1 of Exhibit No. 4 is a schematic diagram of City's consulting engineers' recommended Proposed Future Water System Development for Covina Hills, and a sketch of the study area.

City's Resolution No. 1805, dated August 5, 1963, authorized City's officers and administrators to expend a sum not in excess of \$124,200 for the construction of Stage A.

City's witness testified that construction of Stage A would parallel applicant's facilities. Another City witness, one of its consultants who participated in the preparation of Exhibit No. 4, testified that no consideration had been given to applicant's presently installed facilities in Covina Hills in the recommendations contained in said exhibit.

Upon a review of the evidence the Commission finds that:

1. Suburban Water Systems is a duly certificated public utility water corporation under the jurisdiction of this Commission.
2. City of Covina is a municipality not under the jurisdiction of this Commission.
3. There is a public demand for water service for Tract No. 27950 consisting of 67 lots with 79 potential customers in the City of Covina.
4. Suburban is ready, willing, and able to serve the proposed area under its presently filed Covina Knolls tariffs.
5. Suburban is restricted by Decision No. 58716 from furnishing water service outside its certificated service area boundaries without further order of the Commission, and except for the restrictions heretofore stated, applicant could extend contiguously under Section 1001 of the Public Utilities Code to Tract No. 27950 from its Covina Knolls tariff certificated service area without seeking authority from the Commission.

6. Suburban's water system and water storage facilities are immediately adjacent to the edge of Tract No. 27950. To serve said tract the only water system construction by Suburban required would be a 12-inch connection from its reservoir to the water distribution system installed in the tract, and a hydropneumatic pressure tank within the tract to maintain adequate water pressure at higher elevations.

7. City's plan, Stage A, to provide water service to Tract No. 27950 would involve the installation of 4,200 feet of 12-inch transmission main and construction of a 1.5 million-gallon reservoir; would cost an estimated \$124,200; and would not only parallel Suburban's existing system but would also duplicate Suburban's existing water storage and supply facilities available to serve Tract No. 27950.

8. Where adequate facilities exist immediately adjacent to a proposed water service area and such area may be served without substantial costs of transmission mains and additional storage facilities, it is unreasonable and would not be in the public interest to deny the application because of City's protest.

9. Public convenience and necessity require that the application be granted.

Based on the foregoing findings the Commission concludes that the restrictions imposed by Decision No. 58716 should be lifted to the extent that Suburban Water Systems be granted a certificate of public convenience and necessity to extend its public utility water system to and to construct and operate a water system in Tract No. 27950 in the City of Covina.

The certificate herein 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

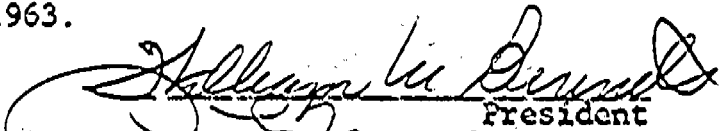
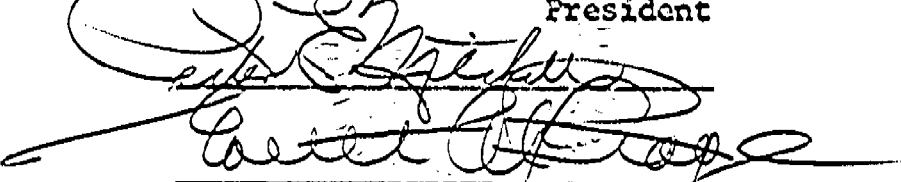
IT IS ORDERED that:

1. The restrictions imposed by Decision No. 58716 are lifted to the extent that Suburban Water Systems is granted a certificate of public convenience and necessity to extend its water system to and to construct and operate a public utility water system in Tract No. 27950 in the City of Covina in the area shown on the map, Exhibit A, attached to the application.
2. Within one year after the effective date of this order, applicant may file revised tariff sheets, including a revised tariff service area map, to provide for the application of its present Covina Knolls tariff schedules to the tract certificated herein. Such filing shall be in conformity with General Order No. 96-A and the revised tariff sheet shall become effective upon the fifth day after having been filed.

3. Except for the authorization herein granted, the restrictions against extension of service imposed by the order in Decision No. 58716 shall remain in full force and effect.

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

Dated at San Francisco, California, this 1st day of October, 1963.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
\_\_\_\_\_  
Commissioners

I dissent.  
*George T. Grover*

I dissent  
*Frederick B. Hallock,*  
*Com'n.*