

ORIGINALDecision No. 66178

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. 45645 (Filed August 6, 1963)
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O P I N I O N

By this application, Cowan Heights Water Company, a corporation, seeks a certificate of public convenience and necessity to acquire, construct and operate an extension of its present water system.

Present Area

Applicant's present certificated area consists of some 1,200 acres in Orange County, located in and adjacent to the unincorporated community known as Cowan Ranch, about two miles northeast of Tustin. The original Cowan Ranch service area of 800 acres was certificated to applicant by Decision No. 57839, dated January 6, 1959, in Application No. 40060. The additional certificated areas of about 400 acres were authorized during the years 1960 and 1962. In each order granting a certificate to applicant, it has been prohibited from extending service outside of its certificated areas without first having obtained Commission authorization.

Customers

Applicant's annual report for the year 1962, filed with the Commission, shows the year-end number of active service connections to have been 219, exclusive of fire hydrants. This represents a customer density of about 13 percent, based upon a potential of 1,639 customers for the present certificated area, as shown in Exhibit "A", attached to the application herein.

Proposed Additional Areas

The additional certificated areas now requested by applicant include three parcels: the 23-lot, nine-acre Tract No. 5068, and two large lots with a total area of three acres, resulting from a resubdivision of lots Nos. 4 and 5, Lemon Heights Subdivision, Orange County. Applicant alleges that its proposed expansion into these contiguous territories will not compete with the public utility, the county water district, nor the four mutual water companies, which serve other areas nearby. Copies of the application were served by mail to those other water purveyors on or about August 2, 1963, and no protest has been received by this Commission from any of them.

Water Supply and Requirements

Applicant's sources of supply have been discussed in detail in previous Commission decisions. Briefly, they consist of an entitlement, by virtue of stock ownership, to a portion of the water from several wells owned by Tustin Mutual Water Company and Red Hill Mutual Water Company. Applicant's Exhibit "A" shows an estimated available well supply of 7,350,000 cubic feet of water per month, and an estimated requirement of 6,185,680 cubic feet per month for the ultimate development of the enlarged service area requested herein. Applicant anticipates that it will also have a supplemental supply of Metropolitan Water District water in the latter part of 1963 or early in 1964, at which time East Orange County Water District's transmission facilities are expected to be completed. During periods of peak demand, the local and imported supplies will be augmented by drawing on the 3,000,000 gallons of water to be stored in reservoirs already in use and in one now being constructed.

Main Extensions

The main extension for Tract No. 5068 will include 1,216 feet of 6-inch, Class 200, asbestos-cement pipe, together with related fittings, valves, service pipes and fire hydrants. No main extension will be required to serve the resubdivided Lots Nos. 4 and 5 of Lemon Heights Subdivision, due to the proximity of distribution mains in applicant's present service area.

Applicant proposes to finance the main extension to serve Tract No. 5068 by means of an advance of approximately \$5,900 from the subdivider, in accordance with its filed main extension rule. It further alleges that, upon execution of a main extension agreement for that tract, its outstanding advance contract balances will not exceed 50 percent of the total water utility plant less depreciation reserve, the level at which the filed main extension rule restricts further extensions.

Although applicant proposes to follow its filed main extension rule, the contract form it apparently intends to use, Exhibit "E", differs from the standard form prescribed by its filed tariff schedules. Applicant is placed on notice that General Order No. 96-A prohibits the use of contract forms not incorporated in the filed tariff schedules unless a showing of necessity is first made to, and authorization granted by, this Commission.

Rates

Applicant proposes to apply its present rates, which were established upon its initial certification in 1959, to the additional areas now requested. By Application No. 45706, now pending before this Commission, applicant requests an increase in rates.

Findings and Conclusions

The Commission finds that:

1. Public convenience and necessity require the construction of extensions of applicant's water system to serve the areas requested herein.

2. Applicant has shown that it has an adequate water supply to serve the areas requested. It has not shown, however, that it has sufficient water available to permit unrestricted further expansion.

3. The facilities proposed to be installed by applicant are adequate to serve the requested areas and conform with the minimum requirements of General Order No. 103.

4. Applicant has the financial ability to extend its system into the requested areas.

5. It is fair and reasonable for applicant to charge the same rates in the requested areas as it charges in its present areas.

The Commission concludes that the certificate requested by applicant should be granted but that the restriction against extending service outside its certificated areas should remain in effect. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Cowan Heights Water Company, authorizing it to construct extensions of its public utility water system to serve Tract No. 5068 and portions of Lots Nos. 4 and 5, Lemon Heights Subdivision, Orange County, more particularly described in Section III of the application herein.

2. Applicant shall not extend service outside of its certificated areas without first having obtained authorization therefor by further order of this Commission.

3. After the effective date of this order, and not less than five days before service is first furnished to the public under the authority granted herein, applicant shall file revised tariff sheets, including tariff service area maps clearly indicating the boundaries of the certificated areas, to provide for the application of its present tariff schedules to the areas certificated herein. Such filing shall comply with General Order No. 96-A, and the revised sheets shall become effective on the fourth day after the date of filing.

4. Compliance by applicant with paragraph 3 of this order shall constitute acceptance by it of the right and obligation to furnish public utility water service within the area certificated herein. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

5. Within ten days after service is first furnished to the public under the authority granted herein, applicant shall submit written notice thereof to this Commission.

6. Within thirty days after service is first furnished to the public under the authority granted herein, applicant shall file 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.

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

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

[Signature] President
[Signature]
[Signature]
[Signature] Commissioners
[Signature]

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.