

ORIGINAL

Decision No. 66600

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SUBURBAN WATER SYSTEMS, a California corporation, for authority to contiguously extend public utility service to Tract No. 26254 pursuant to Section 1001 of the Public Utilities Code.

} Application No. 45848  
} Filed October 9, 1963

OPINION AND ORDER

Suburban Water Systems, a California corporation, seeks the lifting of the restriction against extending its water service outside its certificated area imposed by Ordering paragraph 3 of Decision No. 58716, dated July 7, 1959, in Applications No. 40628 and No. 40954, to the extent that it be permitted to provide water service to and in Tract No. 26254, which is in the vicinity of the City of Glendora, Los Angeles County, California, in the area shown on the map Exhibit A attached to the application. The subdivider of the tract has requested that applicant provide service thereto. He informed applicant that water service is required in order to complete work on schedule.

A report on the results of his investigation of the application, dated November 27, 1963, has been submitted by a Commission staff engineer, and is made a part of the record as Exhibit 1. A financial report of applicant dated October 30, 1963, has been submitted by a Commission financial examiner and is made a part of the record as Exhibit 2.

Exhibit 1 shows that Tract No. 26254 is contiguous on the south to Tract No. 18824, within the City of Glendora, which tract is served by applicant under authority from this Commission. The area is fairly level and it contains 4.7 acres divided into 26 single residence lots. The tract can be served from applicant's Glendora system through 4-inch and 6-inch asbestos cement pipes with no additional backup or booster facilities. The City of Glendora serves in the vicinity of the proposed area but does not desire to serve said area. There is no other water purveyor in the area. Applicant proposes to apply its existing Glendora tariff schedules for General Metered Service in the requested area and water service will be furnished by applicant under its Main Extension Rule 15.

Exhibit 2 shows that as of December 31, 1962, applicant's long-term debt constituted 51.35 per cent of its capital structure; advances for construction and other deferred credits amounted to 12.52 per cent of its capital structure; preferred stock amounted to 25.77 per cent of its capital structure; and common stock equity amounted to only 10.36 percent of its capital structure.

The Commission has pending an application by applicant to serve a small subdivision containing 151 lots in the City of West Covina which subdivision is approximately 7 miles south of the subdivision referred to herein, and which subdivision is also financed under applicant's Rule 15. This extension, together with the

instant extension will reduce even further common stock equity referred to herein. In view of this situation, a financial examiner recommends that if this application is granted, it be conditioned upon development and maintenance of a capital structure containing at least 40 per cent total preferred and common stock equity, and no more than 60 per cent debt and advances for construction combined.

The Commission finds that:

1. Suburban Water Systems is a duly certificated public utility water corporation under the jurisdiction of this Commission.
2. Suburban is restricted from extending its water service outside its certificated area without further order of this Commission.
3. There is a public demand for water service in Tract No. 26254 in the vicinity of the City of Glendora.
4. Tract No. 26254 is contiguous to Suburban's certificated Glendora service area.
5. Except for the restrictions against extending its water service, imposed by Decision No. 58716, Suburban could provide water service to and in Tract No. 26254 under Section 1001 of the Public Utilities Code without specific authority from the Commission.
6. Public convenience and necessity require that the restrictions imposed by Decision No. 58716 be lifted to the extent that Suburban be granted a certificate of public convenience and

necessity to serve Tract No. 26254 in the vicinity of the City of Glendora.

7. Applicant's proposal to apply its Glendora tariffs to water service in Tract No. 26254, is reasonable.

8. Applicant should take such steps as may be necessary to develop and maintain a capital structure containing at least 40 percent total preferred and common stock equity, and no more than 60 percent debt and advances for construction combined.

9. A public hearing is not necessary.

Based upon the foregoing findings, the Commission concludes that the application should be granted.

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.

IT IS ORDERED that:

1. The restrictions against Suburban Water Systems extending its water service outside its certificated area boundaries, imposed by Decision No. 58716, are lifted to the extent that a certificate of public convenience and necessity is granted to Suburban Water Systems to extend its water system and operate a public utility water system in Tract No. 26254 in the vicinity of

the City of Glendora 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 Glendora 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.

4. Within thirty days after the system is placed in operation, applicant shall file four copies of a comprehensive map of its Glendora tariff area, drawn to an indicated scale of not more than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the water system properties of applicant.

5. Within thirty days after the system is placed in operation, applicant shall submit to this Commission, in writing, a report setting forth the facilities installed, with itemized costs and size of facilities.

6. Within 60 days after the effective date of this order applicant shall submit to this Commission, in writing, a statement of its future plans for implementing the recommendation in the opinion herein that applicant develop and maintain a capital structure containing at least 40 per cent total preferred and common stock equity, and no more than 60 per cent debt and advances for construction combined.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of JANUARY, 1964.

Hallam L. Bennett  
President  
Eric R. [unclear]  
Walter [unclear]

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Commissioners

Commissioner George G. Grover  
present but not voting.

Commissioner Frederick B. Holberg  
present but not voting.