

Decision No. 66760

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of the SOUTHERN CALIFORNIA WATER)
COMPANY for an order granting a)
certificate of public convenience)
and necessity to render water)
service in certain unincorporated)
territory in Orange County.)

Application No. 45718
(Filed August 27, 1963;
Corrected October 11, 1963;
Amended December 12, 1963)

O'Melveny & Myers, by Donn B. Miller, for
applicant.
Rutan, Lindsay, Dahl, Smedegaard, Howell &
Tucker, by H. Rodger Howell, for Yorba
Linda County Water District, protestant.
Jerry J. Levander and Raymond E. Heytens,
for the Commission staff.

O P I N I O N

Southern California Water Company seeks a certificate of public convenience and necessity to extend, construct, and operate its public utility water system in unincorporated territory of Orange County in the vicinity of Yorba Linda north of Esperanza Avenue (an easterly extension of Orangethorpe Avenue) in the area shown in red on the map, Exhibit A attached to the application as amended.

Public hearing was held before Examiner Warner on December 4, 1963, at Santa Ana.

Yorba Linda County Water District (District) appeared as a protestant pursuant to the position stated in its letter to the Commission dated October 11, 1963, which is Exhibit No. 1. In said letter and at the hearing District, in substance, stated that it had no plans to serve the area for which applicant seeks authority here and that there are no proceedings in progress or contemplated to annex the area to District. Nevertheless, District requested that

any certificate granted to applicant for this area contain a condition which would prohibit applicant from extending its service into the present boundaries of District without authority from this Commission. In support of this request District stated that it was concerned with avoiding the duplication of facilities which could result from such extensions by applicant. It does not appear from this record that District's request is based upon any claim that it is a competing applicant to serve the area.

While District offered to present evidence concerning the existence of District, the boundaries thereof, location of its facilities in relation to the subject property, its ability to provide a more adequate supply of water therefor, and other matters, it admitted that such a presentation "was essentially not aimed at ... the area which is the subject of this application, but aimed at the problem ... of overlap or duplication of services ... elsewhere." (Tr. pp.32, 33.)

Applicant objected to such a condition. We have considered the issue presented by District's request and applicant's objection thereto and find that, in view of the fact that District's concern here appears to be the avoidance of duplication of facilities, the 1963 amendment of Section 1001 of the Public Utilities Code¹ affords District an adequate procedural remedy for safeguarding such expressed concern. Accordingly, the sought condition is not necessary and will not be imposed.

¹ The last sentence of Section 1001 now reads as follows: "If any public utility, in constructing or extending its line, plant, or system, interferes or is about to interfere with the operation of the line, plant or system of any other public utility or of the water system of a public agency, already constructed, the commission, on complaint of the public utility or public agency claiming to be injuriously affected, may, after hearing, make such order and prescribe such terms and conditions for the location of the lines, plants, or systems affected as to it may seem just and reasonable.

The area sought to be certificated comprises approximately 425 acres in a long narrow strip of land, rectangular in shape, with a north-south dimension of approximately 12,160 feet and an east-west dimension of approximately 1,750 feet, and is known as the Locke Ranch. The terrain is rolling hills.

The land in the requested area at the present time is owned by 6 corporations and 4 individuals, and the 6 corporations are owned by the 4 individuals, one of whom is George R. Sant, president of Linda Investment Company.

Exhibit No. 2 is a financial statement of James H. McCarthy and Barbara Mott McCarthy, E. Avery McCarthy and Arnold Dana McCarthy, George R. Sant, and Merlin W. Sant, the principals. They show a combined net worth between five and six million dollars.

Exhibit No. 3 is a map showing the Master Development Program for the period 1964 through 1969; it being a proposed planned community comprising 1,700 residential lots, 2 school sites, a commercial shopping area, and 400 multiple-dwelling units.

The initial development of 197 residential units has been recorded as Tract No. 5400 near the southerly boundary of the requested area as shown on the map, Exhibit No. 4, which also shows the location and proposed development of tentative Tract No. 5432 comprising 101 residential lots and a proposed 11-acre school site.

Applicant's present water supply for the initial development will be obtained from its existing facilities located in Tract No. 4181, which is located on the north side of Orangethorpe Avenue,

about 4,600 feet west of the location of the proposed service connection in Tract No. 5400. The presently installed pumping plant capacity in one well in Tract No. 4181 is 1,000 gallons per minute and the well is known as Ballad Well. A second well, Concerto Well, has been equipped and will produce 725 gallons per minute. Applicant plans to extend a 12-inch asbestos-cement pipeline from the corner of Orchard and Orangethorpe, easterly along Orangethorpe and Esperanza, to the southeasterly corner of Tract No. 5400.

The proposed 12-inch pipeline in Orangethorpe and Esperanza will be characterized as a special facility under applicant's Main Extension Rule 15, subparagraph C.1.b, not as an approach main, the cost of which would be advanced pursuant to subparagraph C.1.a of the rule.

Reservoirs, boosters and special approach lines that are not designed for an integrated development are considered by applicant as special facilities, and the 12-inch main proposed to be installed within the development will be financed by two different methods. The portion of the basic pipeline necessary to serve Tract No. 5400 alone will be part of a 22 percent type of refunding agreement. The additional cost of the larger size, the difference between the 12-inch to be laid and the smaller pipeline needed for the tract and future tracts, will be listed as a special facility, and refunded over the proportionate method of 1/800 per housing unit. The subdivider's advance covering the remainder of the in-tract system will be refunded under the 22 percent provision of Rule 15.

When development requires, and possibly not until after the year 1965, at which time about 500-600 houses will be occupied,

applicant will apply for and make a connection to Metropolitan Water District's facilities at the north extremity of the proposed area, and that connection will be made at applicant's expense as a basic water supply. The subdivider will pay for future approach lines and excess capacity in in-tract mains, water storage, and booster stations on the special facility type of refund.

The estimated cost of the initial installation along Orangethorpe Avenue, to provide the developer with immediate water for construction purposes and for any model homes, is \$25,000, exclusive of a booster pump installation. As property is developed from the south to the north, it will be necessary to install a total of 5 booster stations to provide adequate water service for the development.

If development proceeds at Yorba Linda Road on the north and extends southerly, applicant will install a reservoir and booster station, and a main connecting with the Metropolitan Water District facility at an estimated cost to the subdivider of approximately \$110,000, plus the cost of the installation of at least one other reservoir in the southerly portion of the development.

Applicant proposes to apply its presently filed Placentia District tariffs to the area sought to be certificated.

Upon consideration of the record the Commission finds that:

1. The owners and proposed developers of an area comprising approximately 425 acres known as the Locke Ranch in unincorporated territory of Orange County on the north side of Esperanza Avenue in the vicinity of Yorba Linda have requested water service from applicant for their development.

2. Applicant has adequate water supplies for the proposed development.

3. Applicant should be authorized to apply its Placentia District tariffs to the area certificated herein.

4. Public convenience and necessity require that a certificate of public convenience and necessity be granted to Southern California Water Company to extend, construct, and operate its public utility water system in its Placentia District in the area shown in red on the map, Exhibit A, attached to the application as amended.

It is concluded that the application should be granted.

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. Southern California Water Company is granted a certificate of public convenience and necessity to extend, construct, and operate its public utility water system in the area of unincorporated territory of Orange County, in the vicinity of Yorba Linda, delineated in red on the map, Exhibit A, attached to the application as amended, as such area is more particularly delineated by the metes and bounds description filed as a correction to the application.

2. Applicant is authorized to revise its presently filed Placentia District tariffs to provide for the application of said tariffs to the area certificated herein.

3. Applicant shall, within thirty days after the system is placed in operation, file four copies of a comprehensive map of the Yorba Linda area in its Placentia District, 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 its water system properties. Such map shall be brought up to date by the filing of revised maps every six months until the development of the area has been completed, at which time the final map shall so note.

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

Dated at San Francisco, California, this 17th day of FEBRUARY, 1964.

William C. Bennett
President

George T. Hoover

Frederick B. Holshoff

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.