

applicant was granted a certificate to extend its water system to and in Tracts Nos. 4839, 4935, 4987 and 4753. By each of said decisions, applicant was restricted from extending its water service without further order of the Commission.

The instant application seeks a certificate covering Tracts Nos. 5531 and 5351 owned by World Wide Construction, Inc.; Tracts Nos. 4985, 5416, 5417 and 5473 owned by El Toro Joint Venture; Tract No. 5478 owned by Roseglen Construction, Inc.; and individual properties described as Consumer's Concrete, Inc., on Valencia Avenue near the Santa Ana Freeway, the Zachary's Restaurant facility on El Toro Road, northeasterly of the Santa Ana Freeway, and the Texaco service station area on the easterly side of El Toro Road northeast of the Santa Ana Freeway.

The total costs to be advanced by subdividers subject to refund under the aforementioned main extension contracts are \$470,990. The total water company investment applicable to rate base, including meters and oversized facilities, will be \$103,950, and additional facilities to be furnished by the applicant as backup for the areas sought to be certificated will cost \$270,200. Said costs are detailed in Exhibits B and C attached to the application.

A Commission staff report on the financial aspects of the application, dated July 29, 1964, has been submitted and is received as Exhibit No. 1. Said exhibit shows that the adjusted

pro forma capitalization of applicant at December 31, 1968, after giving effect hereto, would be as follows:

	<u>Amount</u>	<u>Per Cent</u>
Advances	\$1,469,450	34.6%
Debt	<u>780,000</u>	<u>18.4</u>
Subtotal	2,249,450	53.0
Preferred Stock	230,000	5.4
Common Stock Equity	<u>1,762,507</u>	<u>41.6</u>
Total	<u>\$4,241,957</u>	<u>100.0%</u>

A staff engineering report on the application, dated August 18, 1964, has been submitted and is received as Exhibit No. 2. Said exhibit shows that applicant is furnishing water service to 190 customers in the residential area certificated by Decision No. 65865, and a portion of the water facilities and apartment houses have been constructed in the original certificated area known as Rossmoor Leisure World, a large-scale senior citizens' development. Applicant's present and proposed certificated areas are within the boundaries of El Toro Water District, with the exception of approximately 250 acres of the existing certificated area located in the Moulton Niguel Water District, both suppliers of water from the Metropolitan Water District of Southern California. All facilities presently constructed by applicant and all tracts for which certification is requested herein are within the El Toro District. It is anticipated that development will extend into the Moulton Niguel District before the end of 1964. El Toro's board of directors has expressed a policy of providing applicant with sufficient water to serve all customers within its boundaries. Applicant intends to seek such an assurance from Moulton Niguel.

Exhibit No. 2 shows that applicant's water supply is adequate for service within El Toro's boundaries, but that the adequacy of supply within Moulton Niguel's boundaries cannot be determined at this time.

Applicant asserts that construction has commenced on a portion of the area encompassed by the tracts sought herein to be certificated; it is necessary that each of said tracts be serviced and supplied with domestic water for use by the residences; there is no other public utility in the area that will serve and supply said water; each of said tracts is located immediately adjacent to the northeasterly and easterly boundaries of applicant's presently certificated area, or is contiguous to each other and thereby will become adjacent to said boundaries; and each of the individual parcels is located in the near vicinity of applicant, but is not immediately adjacent to applicant.

Applicant proposes to apply its present tariffs to the requested areas.

Upon consideration of the application and the evidence, and no protests or objections having been entered, the Commission finds that:

1. Rossmoor Water Company is a duly certificated public utility water corporation under the jurisdiction of this Commission.
2. Rossmoor was restricted in Decision No. 65273 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 Tracts Nos. 5531, 5351, 4985, 5416, 5417, 5473 and 5478, and individual

properties described as Consumer's Concrete, Inc., Zachary's Restaurant, and the Texaco service station in unincorporated territory of Orange County in the vicinity of the Santa Ana Freeway and El Toro Road.

4. Except for the restrictions against extending its water service imposed by Decision No. 65273, Rossmoor could provide water service to and in the tracts and to the individual properties under Section 1001 of the Public Utilities Code without specific authority from the Commission.

5. The water supply available to applicant is adequate for service within El Toro Water District, which embraces areas sought herein to be certificated, but the adequacy of supply with Moulton Niguel Water District, which comprises 250 acres of applicant's existing certificated area, cannot be fully determined at this time.

6. Although lifting of the restrictions imposed by Decision No. 65273 with respect to territory within the boundaries of El Toro Water District was recommended in Exhibit No. 2, applicant's financial ability to serve all of such territory has neither been shown nor investigated and, therefore, public convenience and necessity require that the restrictions imposed by Decision No. 65273 be lifted only to the extent that Rossmoor be granted a certificate of public convenience and necessity to serve the tracts and properties heretofore set forth.

7. Applicant's proposal to apply its tariffs to water service in the areas to be certificated hereinafter is reasonable.

8. Public hearing is not necessary.

9. 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.

Based on the foregoing findings, the Commission concludes that the application should be granted, and that otherwise the restrictions imposed by Decision No. 65273 should remain in full force and effect.

IT IS ORDERED that:

1. The restrictions against Rossmoor Water Company extending its water service outside its certificated area boundaries imposed by Decision No. 65273 are lifted to the extent that a certificate of public convenience and necessity is granted to Rossmoor Water Company to extend its water system to and construct and operate a public utility water system in Tracts Nos. 5531, 5351, 4985, 5416, 5417, 5473, and 5478, and to serve the individual properties described as Consumer's Concrete, Inc., Zachary's Restaurant, and a Texaco service station in unincorporated territory of Orange County, as shown on the map, Exhibit A, and as more particularly delineated on the maps, Exhibits A-1 through A-10, attached to the application.
2. Applicant is authorized to enter into the main extension contracts, Exhibits D, E, F, G, H, I and J, respectively, attached to the application, modified to provide for appropriate revision for differences between adjusted construction costs and the amount advanced in accordance with applicant's Rule 15 A. 6. e.
3. Within one year 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 may file additional and revised tariff sheets, including a tariff service area map, 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 additional and revised sheets shall become effective on the fourth day after the date of filing.

4. Within sixty days after the system is first placed in operation, under the authority granted herein, applicant shall file four copies of a comprehensive map, drawn to an indicated scale of not more than 500 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, the principal water transmission, 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.

5. Except for the authorization herein granted, the restrictions against extension of service imposed by the order in Decision No. 65273 shall remain in full force and effect.

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

Dated at San Francisco, California, this 22nd day of SEPTEMBER, 1964.

Frederick B. Halaloff
President

Robert J. [unclear]

Wesley [unclear]

George [unclear]

William [unclear]
Commissioners