

ORIGINAL

Decision No. 67874

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 LINCOLN OAKS WATER CO., INC., a
 California corporation, for a
 certificate of public convenience
 and necessity authorizing applicant
 to furnish public utility water
 service in a certain portion of
 Sacramento County, California, and
 to exercise franchise rights in
 connection therewith.

Application No. 46797
 (Filed July 14, 1964)

O P I N I O N

Lincoln Oaks Water Co., Inc., a corporation, seeks certificates of public convenience and necessity to construct a public utility water system and exercise a franchise. A Commission staff report, hereby incorporated in the record as Exhibit No. 1, presents the results of a study of the application and of a field investigation made in connection with this matter.

Present and Proposed Areas

Applicant furnishes water service to some six square miles of territory in three separated areas in Sacramento and Placer Counties, northeast of the city of Sacramento. Its initial service area was certificated by Decision No. 54680, dated March 19, 1957, in Application No. 38485. Modification of, and additions to, the original certificated areas were granted by this Commission in several subsequent decisions.

The additional certificated area now requested by applicant is approximately the west half of Section 14, T10N, R5E, MDB&M.

This area touches the northwest corner of one of applicant's present certificated areas but there is not yet a distribution system in that corner of the present area nor are distribution mains planned in the near future for the southeast corner of the additional area.

The additional area includes (1) about 135 acres in the Dutch Haven Subdivision and adjacent residential - and commercial - zone parcels, (2) about 150 acres designated as a county park and located east of the subdivision, and (3) a 35-acre parcel located north of the subdivision. Exhibit No. 1 indicates that the first unit of the subdivision is well under way and will soon require water service.

The map, Exhibit C, attached to the application, shows that the requested area is not within the service area of any other water purveyor. There are, however, some nearby utilities with whom unlimited future expansion of applicant's system could interfere. The present restriction against applicant's serving outside its certificated areas will be continued.

Water Supply and Requirements

The sources of supply are to be two wells, only one of which will be drilled and equipped to serve the initial unit of the subdivision. Exhibit No. 1 shows that applicant does not plan to drill and place the second well in use until the second unit of the subdivision is developed. The staff, however, recommends that the second well, or other alternate source, be added when the number of customers reaches 62 or within two years, whichever is earlier. The staff concludes that the proposed sources of supply will then

be adequate. The staff recommendation is adopted in the order herein.

Present System and Proposed Additions

Applicant's present system is not sufficiently close to the first unit of Dutch Haven Subdivision to warrant its extension into the new area at this time. Applicant plans to install an independent water system which can be interconnected with the present system as the intervening area is developed.

Water from the wells will be pumped directly into the distribution system. System pressure will be maintained by hydro-pneumatic tanks and automatic pump controls.

The distribution system for the entire Dutch Haven development will include a total of about three miles of 4-inch to 8-inch asbestos-cement mains, from which 3/4-inch single and 1-inch double services will deliver water to the various lots. There will be some dead-end mains in cul-de-sacs, but they will be equipped with valves for flushing. Some of the proposed thirty 6-inch fire hydrants can also be utilized for flushing. Exhibit No. 1 states that the proposed water system facilities appear to be properly designed to furnish adequate service and that they conform with the requirements of General Order No. 103.

Franchises and Permits

Applicant requests a certificate of public convenience and necessity to exercise its Sacramento County franchise within the additional area requested herein. The certificate to exercise that franchise, as granted in applicant's original certificate proceeding, covers any territory within the franchise area in which

applicant is authorized by this Commission to construct a water system. Additional authority to exercise this franchise within the Dutch Haven development will not be necessary when applicant exercises the authority granted herein to construct a water system in that area.

Applicant proposes to apply for a public water supply permit upon completion of the water system to serve the first unit of the Dutch Haven Subdivision.

Rates and Rules

Applicant proposes to provide flat rate service to residential customers and metered service to commercial customers, and to charge the rates presently on file with the Commission for service to areas other than the Arlington Tariff Area acquired by purchase of Arlington Water Company. The applicable rate schedules which were filed effective on November 15, 1961, are summarized in Exhibit G attached to the application. Exhibit No. 1 points out that the rate schedules and tariff service area map presently on file do not show or adequately describe the Arlington Tariff Area nor do they differentiate clearly between the two tariff areas. The staff recommends that applicant be ordered to refile the tariff service area map or maps to show clearly the two tariff areas, and to refile such of its rate schedules as may be necessary to include adequate and understandable descriptions of the territory to which each schedule is applicable. The staff recommendation is adopted in the order herein.

Financing

Applicant will finance the estimated \$31,200 cost of meters and of production and pressure facilities either with its

own funds or with funds advanced on open account by its parent corporation, Citizens Utilities Company. The estimated \$104,660 cost of the distribution facilities will be advanced by the subdivider in accordance with applicant's filed main extension rule. The May 31, 1964, balance sheet, Exhibit E, attached to the application shows \$336,092 in Customers' Advances for Construction and \$1,062,788 in utility plant less depreciation reserve. After adding the utility plant costs and advances relating to the Dutch Haven development, advances will be about 37 percent of depreciated plant.

Findings and Conclusions

The Commission finds that:

1. Public convenience and necessity require the construction of a water system to serve the additional certificated area requested by applicant in this proceeding.
2. The proposed construction will not interfere with the operation of the line, plant or system of any other public utility nor the existing water system of a public agency but unlimited future expansion could so interfere.
3. Applicant has not yet applied for a public water supply permit.
4. The rates now on file for applicant's nearby existing service area are reasonable for the additional area requested herein, but applicant's tariffs need revision to differentiate more clearly between applicant's Arlington Tariff Area and the rest of its service area.

5. Applicant has the financial ability to construct and operate a water system to serve the requested certificated area.

6. The facilities proposed to be installed by applicant are adequate to serve the requested area and will conform to the requirements of General Order No. 103.

7. Applicant should be required to advise this Commission of any significant differences between the system as planned and as actually constructed.

8. Applicant's proposed initial single well source will not provide adequate service at such future time as it becomes necessary to shut down the well pump temporarily for maintenance and repairs.

The Commission concludes that the application should be granted to the extent set forth in the order to follow. 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 Lincoln Oaks Water Co., Inc., authorizing it to construct a public utility water system to serve the territory described as follows:

A portion of Section 14, T10N, R5E, MDB&M, in Sacramento County, beginning at the intersection of Elverta Road and 28th Street, thence northward along 28th Street as said street extends northward from Elverta Road to the Sacramento-Placer County line; thence westward along said County line to the intersection of said County line and 24th Street; thence southward along 24th Street to Elverta Road; thence eastward along Elverta Road to the point of beginning.

2. Applicant shall not extend nor furnish water service outside its certificated area boundaries without authority first having been obtained by further order of this Commission.

3. Prior to the date service is first furnished to the public under the authority granted herein, applicant shall apply to the appropriate public health authority having jurisdiction for a water supply permit for the proposed system and file in this proceeding a copy of the application for such permit.

4. After the effective date of this order and not less than four 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 its two tariff areas, to provide for the application of Tariff Schedules Nos. 1, 2R, 4, 5 and 9 FC to the area certificated herein. Concurrently with such filing, applicant shall re-file such of its rate schedules as may be necessary to include adequate and understandable descriptions of the territory to which the schedule is applicable. Such filings shall comply with General Order No. 96-A. The revised tariff sheets shall become effective on the fourth day after the date of filing.

5. Compliance by applicant with paragraph 4 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.

6. Within ten days after service is first furnished to the public under the authority granted herein, applicant shall file in this proceeding written notice thereof.

7. Within sixty days after service is first furnished to the public under the authority granted herein, applicant shall file in this proceeding four copies of a comprehensive map, drawn to an indicated scale of not more than 400 feet to the inch, delineating by appropriate markings (a) the tract of land and territory served, (b) the principal water supply, transmission, pressure, storage and distribution facilities, and (c) the location of applicant's various water system properties.

8. When the number of customers reaches 62, or within two years after the date service is first furnished to the public under the authority granted herein, whichever is earlier, applicant shall have installed a standby source of water to provide for the reasonable continuation of an adequate supply of water to customers in case of the failure of the initial single source of supply. Within thirty days after such alternate facilities are installed, applicant shall file in this proceeding a written report showing the number of customers then served and the details of the manner in which the requirement of this paragraph has been accomplished.

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

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

Frederick B. Holdhoff
President
George L. Brewer
William W. Bennett
Commissioners