

ORIGINAL

Decision No. 68200

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PALM VALLEY WATER)
COMPANY, a corporation, for a)
certificate of public convenience)
and necessity to provide domestic)
water service as a public utility)
in the vicinity of Indian Wells,)
Riverside County, California)

Application No. 46874
(Filed August 6, 1964)

OPINION AND ORDER

Applicant presently conducts business as a public utility water corporation in unincorporated territory of Riverside County located north and south of State Highway No. 111, northeast and east of Palm Desert between Palm Springs and Indio, as is more specifically described and delineated in Decision No. 54306, dated December 21, 1956, in Application No. 37856; Decision No. 58127, dated March 17, 1959, in Application No. 40186; Decision No. 58499, dated May 22, 1959, in Application No. 40991; Decision No. 61583, dated February 28, 1961, in Application No. 42765; and Decision No. 63873, dated July 2, 1962, in Application No. 44498.

Applicant's domestic water service is in three divisions which are known as Palm Valley, Country Club-Shadow Village, and Indian Wells, and operated as separate units not interconnected.

Applicant proposes to extend its service territory in the Indian Wells Division to include a contiguous land area

described as the northerly 787 feet of the westerly 833 feet of the southwest 1/4 of the southwest 1/4 of Section 24, T5S, R6E, S.B.B. & M., Riverside County. This foregoing extension is otherwise known as Tract 2317. Attached to the application and marked Appendix "A" is a map reproduction of the tract in question.

Applicant alleges that the proposed extension does not compete with any other water company and that no cities will be served by the extension. Copies of the application were mailed to surrounding water companies and districts. The only protest received was filed by the Coachella Valley County Water District and by letter, dated September 2, 1964, this protest was withdrawn.

By Decision No. 61583, dated February 28, 1961, in Application No. 42765, applicant was restricted from extending service outside its certificated area without authority from this Commission. The areas sought herein to be certificated are contiguous to applicant's presently certificated area and except for said restriction, applicant could extend under the provisions of Section 1001 of the Public Utilities Code.

A memorandum, dated September 29, 1964, on the financial aspects of the application has been prepared by a Commission staff accountant and said memorandum is received as Exhibit No. 1. Said Exhibit shows applicant's Net Utility Plant, Pro Forma as of June 30, 1964 to be \$403,014, Advances for Construction are shown at \$198,669, including \$15,315 proposed Advances for Construction from the subdivider of

Tract No. 2817 for this extension. The report concludes as follows:

"Under the proposals in this application, the debt/advances ratio to total capitalization will increase from 64.7% to 66.1%. This change is less than 2% and will have no significant adverse effect on the capital structure.

"The percentage of advances to net utility plant will increase to 49.3% which is less than the 50% maximum set by Decision No. 64536, dated November 8, 1962.

"The Finance and Accounts Division has no objection to the financial consequences of the proposed certification requested by this application."

A memorandum, dated October 22, 1964, has been prepared by a Commission staff engineer and said memorandum is received as Exhibit No. 2. Said exhibit shows that the engineering staff has no objection to the application. Exhibit No. 2 concludes that applicant's facilities in its Indian Wells Division are adequate to handle peak demands of the existing 270 customers as well as the 50 proposed to be added. To handle peak demands of over 700 customers in the Indian Wells Division, applicant would have to obtain an additional water supply or construct additional storage and booster facilities. Further main extensions could cause applicant's outstanding main extension advance balances to exceed 50% of depreciated utility plant unless extension contracts were terminated pursuant to Section C.3 of applicant's filed main extension rule.

Based on the allegations of the application and the record, the Commission finds that public hearing is not necessary;

a public demand for water service by applicant to the areas sought to be certificated exists; applicant is able to finance the construction contemplated by the application; granting of the application will not cause applicant's ratio of advances for construction to exceed the 50% limitation imposed by Decision No. 64536, and applicant's sources of water supply and its storage and transmission and distribution facilities installed and proposed to be installed are adequate for present requirements.

Applicant should continue to be restricted from extending or furnishing water service outside the boundaries of its certificated area without further order of the Commission.

The application should be granted.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Palm Valley Water Company authorizing it to extend its water system to and operate a public utility water system in Tract No. 2817, in Riverside County, as delineated on the map attached to the application herein as Appendix A.
2. Applicant shall not extend or furnish water service outside its certificated area boundaries without further order of the Commission.
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 revised tariff service area maps to provide for the application of its present tariff schedules to the area certificated herein. Such filing shall comply with General Order No. 96-A and the tariff schedules shall become effective on the fourth day after the date of filing. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

4. 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.

5. 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 of its Indian Wells Division, drawn to an indicated scale of not more than 400 feet to the inch, delineating by appropriate markings (a) the tracts 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.

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

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

Fredrick B. Halaloff
President
George L. Trover
William M. Bennett
Commissioners