

ORIGINAL

Decision No. 69774

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CABAZON WATER COMPANY for certificate of convenience and necessity for purpose of extending its water service area and constructing an extension to its water system.)

) Application No. 47556
) Filed May 5, 1965

Burriss & Lagerlof by H. Jess Senecal, for applicant.
Alexander R. Tobin, for Cabazon County Water District, protestant.
Jerry J. Levander and E. C. Crawford, for the Commission staff.

O P I N I O N

Cabazon Water Company seeks a certificate of public convenience and necessity to extend, construct and operate its public utility water system in approximately 450 acres north and west of Cabazon in unincorporated territory of Riverside County in the area shown on the map, Exhibit A attached to the application. As delineated on said exhibit the proposed area is contiguous on the south and northwest to applicant's presently certificated service area.

Public hearing was held before Examiner Warner on August 24, 1965, at Cabazon. Protest was lodged by Cabazon County Water District concerning the entire requested area, but was withdrawn with respect to 85 acres in Section 18, T3S, R2E, S.B.B. & M. where a ready-mix plant requiring immediate water service is under construction.

Exhibit No. 5 is a report of the results of an investigation of the application by a Commission staff engineer and a staff financial examiner. Said engineer recommended that if a certificate were granted it should be limited to Parcels 2 and 3 of the requested area which comprise the aforementioned 85 acres. His report shows that with adequate storage there would be sufficient water supply to meet the demands of applicant's present customers (some 215), in addition to that of the ready-mix plant, but that applicant would have to connect its existing supplies of water to its transmission line and equip its well with pump and motor to be able to supply the entire requested area.

Demand for water service was evidenced only for Parcels 2 and 3.

Exhibit No. 4 is a copy of a letter from counsel for the District which shows that District was at that time unable to take action on a request that Parcels 2 and 3 be annexed to the Improvement District which provides the County Water District with funds for and means of expanding its water system. Said exhibit also shows that County Water District did, at that time, have serious water supply problems making it necessary to restrict its service area. No additional evidence was presented regarding District's ability to serve applicant's requested area.

The Commission finds that:

1. Public convenience and necessity require the granting of the application only with respect to Parcels 2 and 3 containing 85 acres located in Section 18 where there is an immediate demand for water service to a ready-mix plant.

2. The recommendations of the Commission staff contained in paragraphs 12, 13 and 14 on pages 11 and 12 of Exhibit No. 5 are reasonable.

3. The certificate of public convenience and necessity 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 amounts (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 concluded that the application should be granted in part and denied in part.

O R D E R

IT IS ORDERED that:

1. Cabazon Water Company is granted a certificate of public convenience and necessity to extend, construct and operate its public utility water system in Parcels 2 and 3 comprising 85 acres in Section 18, T.3 S., R.2 E., S.B.B.& M. in the areas described in the application and delineated on the map, Exhibit A, attached to the application.

2.a. If the authority granted herein is exercised, applicant shall equip and connect its well and connect all of its sources of supplies to its transmission line, and shall notify the Commission in writing within ten days thereafter.

b. Applicant shall limit deliveries to Ready-Mix to maintain adequate service pressures to its other customers.

c. If a limitation as to delivery rates to Ready-Mix is required, applicant shall file a special contract pursuant to General Order No. 96-A.

3.a. Within forty-five days after the effective date of this order, applicant is directed to file appropriate general rules and sample copies of printed forms that are normally used in connection with customers' services. 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 tariff schedules to the areas certificated herein. Such filings 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.

b. Applicant shall prepare and keep current the system map required by paragraph I.10.a. of General Order No. 103, and within ninety days after the effective date of the order in this proceeding, file with the Commission two copies of this map.

c. Beginning January 1, 1966, applicant shall determine the accruals for depreciation by dividing the original cost of depreciable utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant, and review the accruals when major changes in depreciable utility plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

d. Applicant shall measure the quantity of water produced or otherwise determine water production and maintain records thereof pursuant to Section II.4.a.b. of General Order No. 103.

e. 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.

4.a. Applicant shall adjust its books to account for the funds received from the State of California for relocation of facilities by crediting Contributions in Aid of Construction in accordance with stated Commission policy.

b. Applicant shall credit the asset accounts for the facilities retired or abandoned, debit the reserve for the accumulated depreciation and reduce the Contributions in Aid of Construction by the unrealized depreciation.

c. Applicant shall capitalize the cost of the new facilities.

5. In all other respects the application is denied.

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

Dated at San Francisco, California, this 13th day of OCTOBER, 1965.

Frederick B. Holshoff
President

George H. Hoover

Augusta

William W. Bennett

Commissioners

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